

Inch wide. Mile deep!



# Contents

## 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 2018-19.

- 
- 001 Corporate information
  - 004 Our 'Inch wide. Mile deep' positioning
  - 007 Letter to shareholders
  - 012 How we have transformed in the last few years
  - 014 Financial highlights
  - 016 Our integrated value-creation report
  - 017 Our strategy
  - 018 How we enhance value
  - 020 Saksoft and its 'String of Pearls' positioning
  - 022 Strengthening our sales effectiveness
  - 024 Saksoft. Reinforcing its presence in a large and vibrant logistics and transportation sector
  - 026 Strengthening our US presence
  - 028 Enhancing customer delight
  - 030 Board of Directors' profile
  - 032 Report of Board of Directors
  - 055 Corporate Governance
  - 070 Management discussion and analysis
  - 087 Managing risks at Saksoft
  - 088 Financial statements
  - 187 Notice

# Corporate Information

## BOARD OF DIRECTORS

Chairman & Managing Director  
**Aditya Krishna**

Independent Non Executive Directors  
**Amitava Mukherjee**  
**Ajit Thomas**  
**VVR Babu**

Non-Executive Director  
**Kanika Krishna**

## EXECUTIVE COMMITTEE

Chairman & Managing Director  
**Aditya Krishna**

Chief Financial Officer  
**Niraj Kumar Ganeriwala**

Executive Vice President  
**Dhiraj Kumar Mangla**

Senior Vice President & Global Head -  
Information Management Services  
**Gopakumar N Kavunkal**

Vice President - APAC Sales  
**Bhaskar Narayanan**

Chief Commercial Officer - Acuma  
Solutions (A Saksoft company)  
**Jonathan Eeley**

CEO, Dream Orbit (A Saksoft Company)  
**Sanchit Jain**

CTO, Dream Orbit (A Saksoft Company)  
**Abhishek Porwal**

Vice President - Testing Services  
**Vivek Srivastava**

Vice President, Sales-US Region  
**Swaraj Kumar Dash**

Account Director  
**Avantika Krishna**

## COMPANY SECRETARY & COMPLIANCE OFFICER

**S.Muthukrishnan**

## WEBSITES

[www.saksoft.com](http://www.saksoft.com)  
[www.acuma.co.uk](http://www.acuma.co.uk)  
[www.edprof.com](http://www.edprof.com)  
[www.360logica.com](http://www.360logica.com)  
[www.dreamorbit.com](http://www.dreamorbit.com)  
[www.faichi.com](http://www.faichi.com)

## E-MAIL

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## AUDITORS

**M/s RGN Price &Co.,**  
*Chartered Accountants*  
861, Anna Salai, Triplicane,  
Chennai-600002

## BANKERS

RBL Bank Limited, Chennai  
HDFC Bank, Chennai  
IndusInd Bank, Chennai  
Citibank N.A, Chennai  
Deutsche Bank, Chennai  
State Bank of India, Chennai

## REGISTERED AND CORPORATE OFFICE

**Global Infocity,**  
Block A, 2nd Floor,  
#40, Dr. MGR Salai, Kandanchavadi,  
Perungudi, Chennai 600 096.  
Ph: 91 44 24543500  
Fax: 91 44 24543501

## SUBSIDIARIES

Saksoft Inc., USA  
Saksoft Pte Limited, Singapore  
Saksoft Solutions Limited, UK  
Electronic Data Professionals, Inc., US  
Acuma Solutions Limited, UK  
Threesixty Logica Testing Services  
Private Limited, India  
Threesixty Logica Testing Services, Inc US.  
Dreamorbit Softech Private Limited, India  
Dreamorbit Inc, US  
Faichi Solutions Inc, US

## REGISTRAR AND SHARE TRANSFER AGENT

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

## DEVELOPMENT CENTERS

### INDIA

#### Chennai

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Ph: +91 44 2454 3500  
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#### Noida

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Ph: +91 120 4286231/33

#### Bengaluru

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1st Cross,  
17th C Main, 5th Block,  
Koramangala,  
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Pride purple accord,  
Baner road,  
Pune 411045  
Ph: +91 020  
27293402

### UK

#### Manchester

Applicon House,  
Exchange Street,  
Stockport, United  
Kingdom, SK3 0EY  
Ph: +44 161 241 4321  
Fax: +44 161 241 4250

## Inch wide. Mile deep!

At Saksoft Limited, we do not claim to be everything for everybody.

We have consciously selected to focus on specific industry verticals instead.

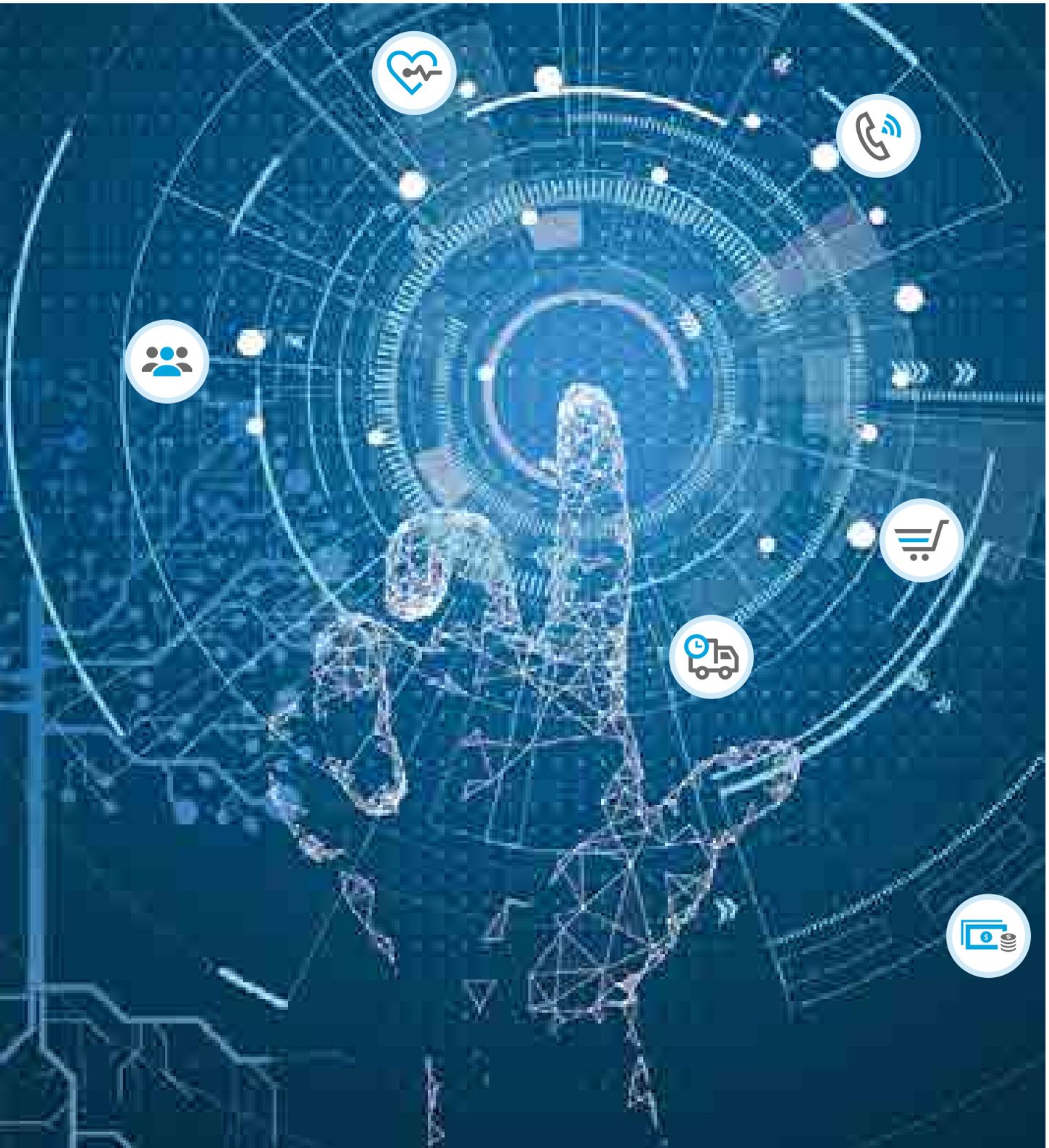
**Verticals** that are growing rapidly.

**Verticals** backed by evolving consumer patterns and lifestyles.

**Verticals** sitting at the bottom-end of a long J curve.

In doing so, we have selected to specialise than generalise.

And that has made all the difference.



# Our 'Inch wide. Mile deep' positioning has transformed our personality



## Digitisation

Saksoft is focused on providing solutions that help customers transform from legacy to digital driven businesses



## Growing segments

Saksoft is present in rapidly growing and evolving verticals



## Superior brand

Saksoft has strengthened its brand as a focused digital service provider across global clients



## Respect for specialisation

Saksoft is respected for delivering specialised solutions (over generic)



## Business-strengthening acquisitions

Saksoft acquired companies with complementary expertise, helping scale capabilities faster, widening the competence portfolio and strengthening the corporate brand



## Solution provider

Saksoft is a business solution provider, strengthening the customer's competitiveness

How this long-term 'Inch wide. Mile deep' positioning has translated into profitable growth.



### Domain expert

Saksoft is more than a technology service company; it is respected as a domain expert



### Partner, not vendor

Saksoft is respected as a partner by a number of its customers, making it an extension of their personality



### Stronger revenue visibility

Saksoft enjoys revenue visibility through a larger number of lengthening customer engagements



### Enhanced clarity

Saksoft provides stakeholders with clarity on the spaces of its presence and prospects



### Superior economies

Saksoft enjoys economies of people recruitment / retention and knowledge



### Resume-enhancing

Saksoft is seen as a resume-enriching company to work with on account of its specialisation

- Revenues for FY18-19 grew by 25.2% YoY to Rs.358.05 crore
- EBIDTA for FY18-19 stood at Rs.59.16 crore compared to Rs.39.60 crore for FY17-18, a growth of 49.4%
- EBIDTA margins stood at 16.5% compared to 13.9%, an increase of 267 bps
- Net profit after tax for FY18-19 stood at Rs.38.21 crore, a growth of 56.5% compared to FY17-18
- PAT margins stood at 10.7%, an increase of 213 bps compared to FY17-18

# Saksoft Limited.

RESPECTED BUSINESS TRANSFORMATION AND INFORMATION MANAGEMENT PARTNER.

POSITIONED TO TRANSFORM CUSTOMERS IN THEIR DIGITISATION JOURNEY.

POSSESSING NICHE IOT CAPABILITIES.

GRADUATING CUSTOMERS -AND ITSELF- FROM ONE LEVEL TO ANOTHER.

## Saksoft's presence

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

## Our values

At Saksoft, we believe in a culture of Innovation, Customer Focus, Openness, Respect and Enterprising (iCORE). It forms the foundation of the organization and is reflected in everything that we do.

## Our customers

Saksoft's marquee global customers comprise governments and private sector corporations. These comprise a number of large and growing verticals like Fintech, Transportation and Logistics, Retail & E-commerce, Healthcare, Telecom and Public Sector.

## Our overarching relevance

At Saksoft, we are helping transform businesses, governments and urban clusters across strategic global markets.

## Our people strength

Saksoft possesses rich domain capital comprising 1100+ professionals in India, the US, the UK and Singapore.

## Our footprint

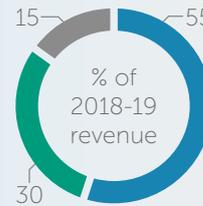
Saksoft's headquarters is located in Chennai with 14 offices across the USA, Europe and Asia. Revenues from USA accounted for 55%, Europe 30% and APAC & others 15% in 2018-19.

### Our geographic footprint



● USA ● UK ● Asia-Pacific

### Our geographic sales



● USA ● UK ● Asia-Pacific

Summary report

# Letter to shareholders



Dear shareholders,

**I AM HAPPY TO REPORT THAT SAKSOFT LIMITED DELIVERED A RECORD PERFORMANCE IN 2018-19, ITS TWENTIETH YEAR.**

**THE COMPANY REPORTED PROFITABLE GROWTH, WITH REVENUES GROWING 25.2% AND THE COMPANY'S PROFIT AFTER TAX STRENGTHENING 56.5%.**

The highlight of the performance was that profitability strengthened from 8.5% in 2017-18 to 10.7% in 2018-19, making it possible to reconcile growth in volume with increased value.

The fact that the Company strengthened revenues every single quarter during the last financial year and strengthened EBIDTA margins from 14% in the first quarter to 18.2% in the last quarter indicates a development that was more than just a normal improvement – it reflected a qualitative change in the organisation's mindset and performance.

## How our acquisitions played out

The investments made by the Company in the last five years were made in complementary business acquisitions. I am pleased to communicate a high degree of integration of these acquisitions into our business, which translated into our improved performance.

Saksoft acquired 360Logica in 2015. The testing services business under 360Logica performed commendably and independent testing as a service is now a strong offering to Saksoft's portfolio.

Saksoft acquired DreamOrbit Softech, a Bengaluru-based IoT specializing company focussed on addressing the logistics domain, in December, 2016. The DreamOrbit acquisition greatly strengthened Saksoft's service offerings in the transportation and logistics sector.

## Convergence of a number of positives

It would be simplistic to ascribe Saksoft's record performance to a

FINANCIAL HIGHLIGHTS, 2018-19

25.2%

Revenues increased to: Rs.358.05 crore

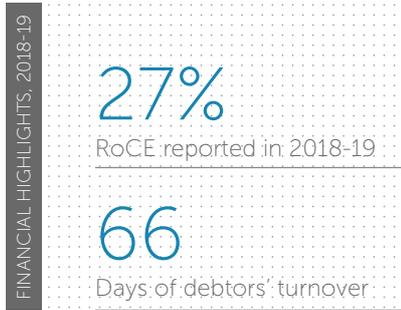
267bps

EBIDTA margin increased to: 16.5%

At Saksoft, we are optimistic of sustaining our business momentum on account of a prudent selection of verticals in which we have selected to be present

handful of tactical improvements during the year under review.

The record performance was the result of medium-term strategic re-sets that helped shift the organisational needle, which



translated into improvements that became more visible in our financials starting 2018-19.

At Saksoft, we responded to a growing need to conduct our business differently in the last two years.

There was a time when we engaged in the simple delivery of a range of technology and business capabilities. We have strengthened our focus since around a focused inch-wide, mile-deep positioning that has strengthened our respect for specialisation.

There was a time when we considered widening our presence across a range of verticals and industry spaces on the grounds of being able to do anything for anybody. We have since selected to focus on six verticals that account to about 80% of our revenues, creating in the process a formidable body of completed assignments that can be used as an effective reference of our capabilities.

There was a time when Saksoft engaged with customers around Time & Material and Fixed Price contracts. We have since graduated to an ongoing dedicated engagement team model that has

resulted in longer project tenures covering the entire engagement lifecycle.

There was a time when we invested patiently in building a critical mass of completed projects. We have since developed the use of accelerators and reusable components, helping shrink project turnaround tenures and strengthening our cost management.

There was a time when we deployed large team sizes in the customer's premises. We have since graduated to the deployment of smaller teams comprising focused professionals, resulting in enhanced responsiveness and lower costs.

There was a time when our sales function was target-driven across every relevant professional. We have since evolved to the account management approach where our

principal objective is to carve out a larger share of the customer's wallet.

There was a time when all our prospecting for new customers was conducted by dedicated sales professionals. Since then we have evolved to a point where the initial engagement is driven by the sales professional and follow-on engagement, with the objective to generate a larger wallet share, is driven by our domain experts working directly on the customer's project.

There was a time when our marketing approach largely comprised an exploratory approach on the opportunities that existed within a client environment. Since then we have recalibrated our pitch by focusing on how our solution can address the customer's pain point.

## Our 2018-19 dashboard

- The Company entered the Healthcare vertical and commenced offering in infrastructure services
- The Company strengthened its Predictive Analytics capabilities
- The Company strengthened its marketing, deepening its presence in sectors
- The Company's headcount increased from 1025 employees in FY17-18 to 1168 employees in FY18-19
- The offshore contribution to revenue increased from 47% in FY17-18 to 50% in FY18-19

There was a time when we presented standalone services that addressed client needs. Since then we have made a more effective leverage of our proprietary 'string of pearls theory' comprising various competencies, leading to enhanced customer revenues, margins and competitiveness.

There was a time when we positioned ourselves as a competent vendor. Since then, we have evolved our personality into a partner possessing a high emotional ownership of the customer's project, translating into a proactive suggestion of improvements in the customer's business.

## Addressing verticals of growing importance

At Saksoft, we are optimistic of sustaining our business momentum on account of a prudent selection of verticals in which we have selected to be present.

The verticals addressed by the Company represent large and growing spaces not just for the moment but across the foreseeable future.

The Retail / e-commerce vertical is being increasingly influenced by the need for brick-and-mortar retail stores to enhance operating efficiencies to stay competitive, while there is a growing need for online marketplaces to become increasingly responsive to customers the world over.

The fintech vertical is being increasingly required to address the need for online transactions to be conducted seamlessly and efficiently, evolve from legacy systems to digital platforms and address scalable volumes across the future.

The global transportation sector is being influenced by the need to deliver products quicker at progressively lower costs without compromising safety. Besides, the sector needs greater integration with other businesses like retail, fintech and multi-modal transportation networks with the objective to deliver a holistic and seamless consumer solution.

Some of these verticals are integrated into modern consumer habits, linked to the ability to consume products and services online with cascading implications across the Retail / e-commerce, fin-tech and transportation verticals. Besides, when integrated, they address the entire transaction fulfilment lifecycle, extending from the click of a button to online payment to timely product delivery.

The health care vertical is expected to be increasingly relevant, marked by an increasing incidence of lifestyle-induced diseases on the one hand and a greater need for people to subscribe to the best possible treatment.

The global telecom industry is perched at an inflection point, marked by an increasing use of smartphones for a range of applications.

The public service vertical, addressing a growing engagement in United Kingdom, is riding that country's public sector spending, transforming legacy systems to digitisation.

## The world at an exciting point

More lives are being touched today by a larger proportion of the digital revolution.

The digital world is touching lives each time we make a call from a smartphone, order an app cab, transact online, watch films on Netflix, ask a smart phone questions that generates voice-activated answers, 'engage' the services of a robot on the industrial shop floor, ask a voice assistant questions and market products through the social media.

As this revolution accelerates, these digital solutions will transform the way we think, live, work and unwind. While this scenario poses a threat to the way we lived in the past, it also offers an unprecedented opportunity for technology companies like Saksoft.

The world is sitting at an inflection point where it will need to make unprecedented investments in transforming legacy systems to the digital.

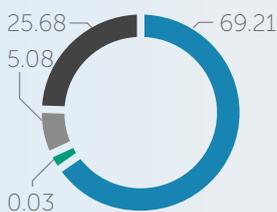
This challenging transformation journey will require companies – large and small – to seek the services of solution providers who can hand-hold their transition.

## Value dashboard

### Our 2018-19 closing market capitalisation

Rs.293 crore.

### Our shareholding pattern, as on March 31, 2019 (%)



● Promoter ● FI  
● ESOP Trust ● Public

### Our BSE security code and equity share face value

590051. Rs.10 per equity share.

### Proposed dividend

Rs.4 share for 2018-19 including interim dividend of Rs.1.

Interestingly, this transition only represents the first phase of what appears to be a continuous journey of collaboration between organisations and their solutions-providing technology vendors. The current phase appears to be even more exciting, catalysed by the emergence of futuristic technologies like Internet of Things, Machine Learning, Data Analytics and Artificial Intelligence, among others.

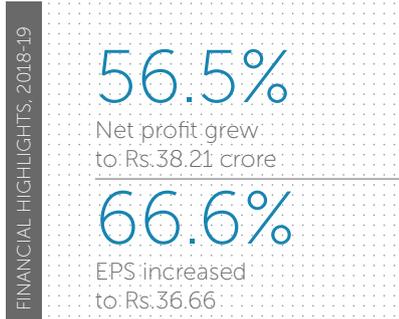
This opportunity is really about a unique convergence: the concurrent fusion of some of the most remarkable technologies compressed within a brief time-frame leading to revolutionary change. The result of engagements across the two phases will translate into reduced costs, increased flexibility, enhanced responsiveness,

shrinking time-to-market and a stronger customer proposition.

There is a wider recognition that customers who once selected to work only with large and branded service providers will now increasingly trust mission-critical assignments to relatively small and more specialised solution providers delivering a superior return on IT spending with a visible payback in technology expenditure.

### Disciplined response to an unlimited opportunity

Given this background, it would have been tempting to address the growing needs of all kinds of customers across all verticals everywhere.



Saksoft believes that this unprecedented and virtually limitless market opportunity warrants a strategic and operating discipline.

At Saksoft, we will deepen competence across a focussed range of domain and technology spaces. We possess a niche capability that ranks among the best in the world for companies of our size.

Saksoft has invested in agility and ability, indicating a company marked by business-strengthening responsiveness.

Saksoft is responsive to the needs of customers to ramp up or down with speed. There is a greater premium to be paid for technology solution providers to transform with speed to changes in the market.

Saksoft does not promise customers with a return on their IT spends. We extend beyond by helping customers enhance an overall Return on Investment that takes their business ahead.

Saksoft has developed a reputation for promising 'x' but consistently delivering 'x plus y', strengthening customer delight.

Saksoft has selected to address customers of a revenue size of USD200 million to USD5 billion as companies below this revenue size do not generally possess adequate technology budgets while companies larger are typically process-driven where the scope for service outperformance is limited. Besides, customers within this range do not generally work with large IT solution providers but seek specialised small and mid-sized companies like Saksoft, who they can use as resident in-house resources

### A structured approach

Saksoft has charted out a structured approach to grow its business in 2019-20 and beyond.

The Company will accelerate all business transformation initiatives commenced in the last two years.

The Company may potentially add one more vertical, strengthening its relevance as a market-facing company.

The Company will continue to seek complementary acquisitions to build capabilities.

The Company intends to increase the proportion of offshore professionals.

The result of these initiatives is expected to sustain the growth momentum in revenues and profitability over the next few years.

I believe that this approach is achievable and sustainable with the possibility of enhancing shareholder value across the foreseeable future.

Thank you for your continued support.

**Aditya Krishna**

Chairman and Managing Director



# How we have transformed in the last few years





### Increasing wallet share

The Company recognised the need to enhance wallet share

The Company focussed on servicing existing clients on account of higher profitability



The Company altered its approach from walk-in to unsolicited pitching



The Company engaged its on-site engineers to provide leads



Result: Increased revenue shares from existing customers



### Extended projects tenure

The Company needed to extend project tenure within existing customers

The Company focused on mission-critical projects within customers



The Company focused on digitalising companies



The Company increased the proportion of enduring projects



The extended projects provide a longer revenue visibility to the Company today



### Dedicated team model

The Company provided services on a Time & Material basis and Fixed Price-based projects

The Company made a decisive switch to dedicated projects



This switch strengthened the Company's reputation in strengthening the customer's business



The switch enhanced the Company's brand as the customer's profitability driver



Besides, this switch enhanced the Company's revenue visibility

# Financial highlights, fiscal 2019

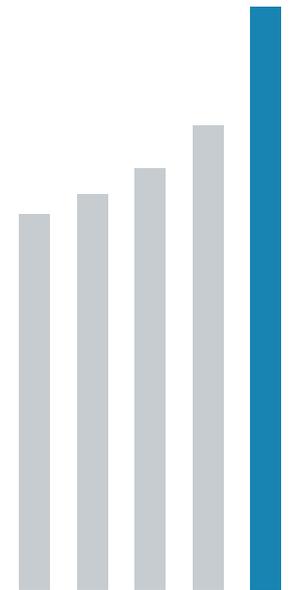
## Revenue from operations

(Rs. in crore)

**+72.18**

(Rs. crore)

231.4  
243.73  
259.5  
285.87  
358.05



### Why we measure

To assess the effectiveness of our product/solutions mix, geographic presence, sales focus efficiency, execution and network strength, brand equity and market competitiveness.

### What it discloses

Saksoft registered a 25% increase in revenues on the back of a prudent product mix, supported by a growing customer wallet share, strategic sectoral forays, robust client relationships and strong partnership-led approach.

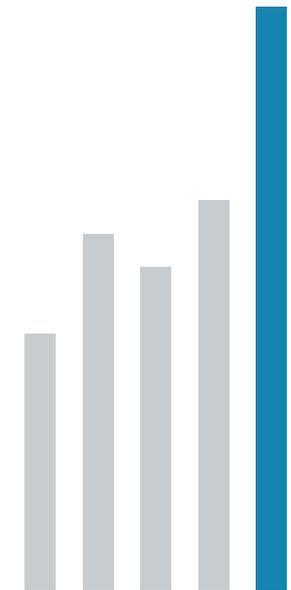
## Operating profit (EBITDA)

(Rs. in crore)

**+19.56**

(Rs. crore)

26.08  
36.19  
32.91  
39.60  
59.16



### Why we measure

To evaluate overall business efficiency. An improvement in operating revenues indicates a sharper increase in revenues over costs.

### What it discloses

At Saksoft, we focus on driving operating leverage through offshoring/near-shoring that enables us to ensure billing in foreign currency while expensing costs in INR.

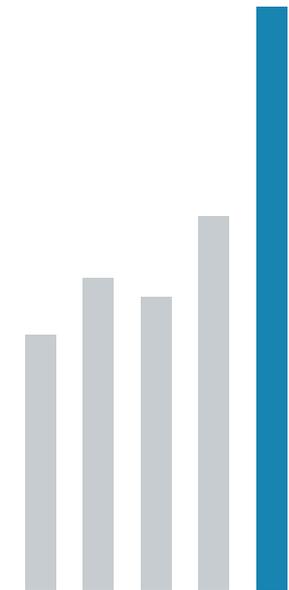
## Cash profit (PAT+Depreciation)

(Rs. in crore)

**+15.20**

(Rs. crore)

18.67  
22.79  
21.41  
27.28  
42.48



### Why we measure

To get an estimate of an organization's ability to grow its business, without risking its Balance Sheet.

### What it discloses

At Saksoft, our incremental cash profit of Rs.15.20 crore, indicating our unwavering commitment to grow our margins, drive the benefits of operating leverage, manage our working capital efficiently and focus on reducing our debtor cycle.

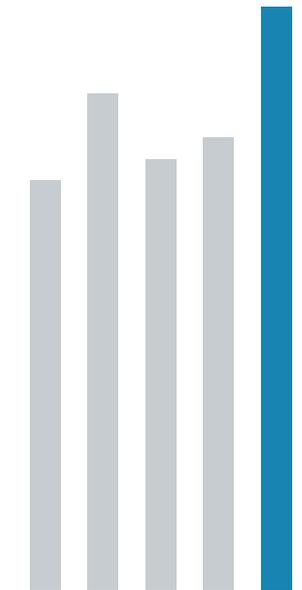
## Return on capital employed

(%)

**+700**

(bps)

19  
23  
20  
20  
27



### Why we measure

RoCE is a fundamental financial metric, indicating the health of a business. A steady improvement in a Company's RoCE validates its growing financial efficiency.

### What it discloses

The above ratio portrays that the full effect of our investments played out in 2018-19, coupled with prudent capital allocation maximizing investments in high-margin services.

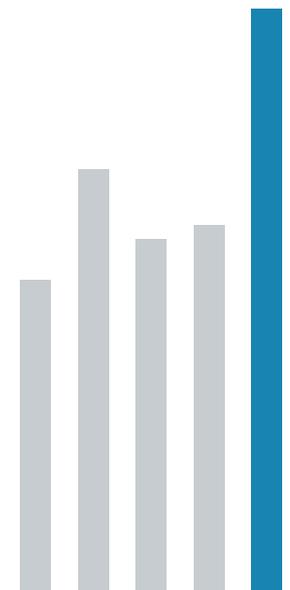
### Interest cover

(%)

**+58.74**

(%)

6.39 8.64 7.21 7.49 11.89



#### Why we measure

The interest coverage ratio is used to determine how comfortably a company can pay its interest liabilities on outstanding debt.

#### What it discloses

A growing EBITDA and tightening interest outflow have enabled comfortable debt servicing, improving the interest cover.

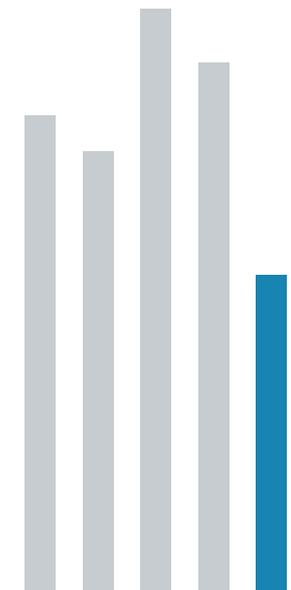
### Debt-equity ratio

(X)

**+36.66**

(%)

0.27 0.25 0.33 0.30 0.19



#### Why we measure

It indicates how much debt a company is using to finance its growth relative to the amount of value represented in shareholders' equity.

#### What it discloses

Saksoft's focus on creating an asset-light, solutions-driven business and increasing use of accruals in funding its growth, strengthened its gearing to 0.19 in 2018-19.

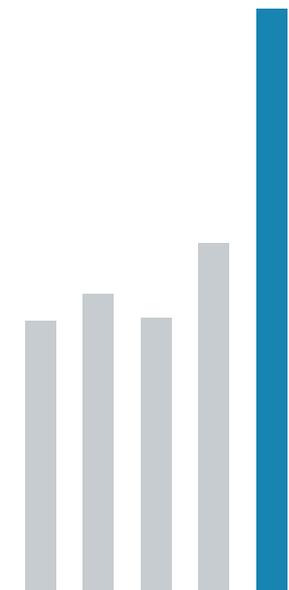
### Earnings per share

(Rs.)

**+66.77**

(%)

17.12 18.82 17.3 21.98 36.66



#### Why we measure

Earnings per share serves as an indicator of a company's profitability (in terms of a portion of profit allocated to each outstanding share).

#### What it discloses

At Saksoft, our focus on growing shareholder value was reinforced through an undiluted equity base and sustainable growth in net profits, which has resulted in a growth in earnings per share.

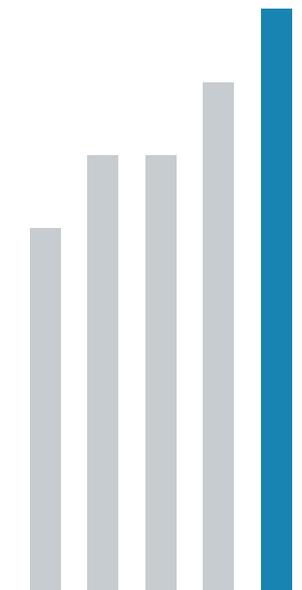
### Dividend per share

(Rs.)

**+14.29**

(%)

2.5 3 3 3.5 4



#### Why we measure

Dividend per share (DPS) is the sum of declared dividends issued by a company for every ordinary share outstanding.

#### What it discloses

Consistent with our focus on rewarding our shareholders with a solid and stable value creation platform, we focus on disbursing dividends, after putting aside funds for plough-back.

## Our integrated value-creation report

There is a growing importance of the Integrated Value-Creation Report as a communication discipline.

This Integrated Value-Creation Report overcomes the shortcomings of the conventional communication approach through a comprehensive reporting framework that reconciles 'hard' and 'soft' initiatives into an integrated format.

Integrated reporting combines different reporting strands (financial, management commentary, governance and remuneration, and sustainability reporting) into a coherent whole that explains an organization's holistic ability to create, enhance and sustain value.

The primary purpose of integrated reporting is to explain to providers of financial capital how an organization enhances value over time. The impact of the integrated report extends beyond financial stakeholders; it enhances understanding across all stakeholders - employees, customers, suppliers, business partners, local communities, legislators, regulators and policy-makers - focused on an organization's ability to enhance value across time.

Integrated Reporting highlights how green and ethical values drive long-term growth. This shift from the 'hard' to 'soft' (non-financial data) helps screen a company more comprehensively, addressing the needs of the investor fraternity/government agencies.

# Our strategy

Strategic focus	Innovate and excel	Cost leadership	Supplier of choice	Robust people practices	Responsible corporate citizenship	Value-creation
Key enablers	Nurturing a culture of process innovation and output excellence, reflected in business-strengthening solutions for customers	Driving operational excellence cum cost leadership. Saksoft invested in platforms, people, processes and capabilities that made it possible to deliver the right customised solutions that strengthened the business of its customers	Saksoft reinforced its customer engagement through domain experts, knowledge, technology bandwidth and a commitment to strengthen customer businesses	Saksoft is an employer of more than 1100 people across locations. The Company's people engagement has been marked by trust, delegation, empowerment, responsibility and accountability. Saksoft's workplace is also marked by training, engagement, appraisal transparency, attractive reward and outperformance	Saksoft is a responsible corporate citizen engaged in community development. Saksoft invested Rs.28.10 lakhs across CSR activities in 2018-19.	Saksoft enhances value through the completion of projects for customers delivered more effectively and faster than its competition due to enhanced domain knowledge
Material issues / addressed	Superior use of cutting-edge technologies leading to solution differentiation	Creating the basis of long-term viability through an a superior price-value proposition	Enhancing revenue visibility through multi-year customer agreements	Creating a professional culture seeking overarching excellence in everything the Company does	Community engagement, widening prosperity	Customer's needs for a customised solution
Capitals impacted	Manufactured, intellectual, financial	Financial, intellectual, natural, social and relationship	Intellectual, manufactured, social and relationship	Intellectual, human	Social and relationship, natural	Intellectual, manufactured, social and relationship

# How we enhance value

## Our resources



### Financial capital

The financial resources that we seek are based on funds we mobilise from investors, promoters, banks and financial institutions in the form of debt, net worth or accruals.

▼

#### Value created

Turnover Rs.**358** crore  
Earnings per share Rs.**36.66**  
ROCE **700** bps

▼

#### Value shared with

**Investors:** The Company enriched investors through dividends and capital appreciation



### Human capital

Our management, employees form a part of our workforce, the experience and competence enhancing value.

▼

#### Value created

Direct and indirect employees  
Number of employees **1168**  
Total compensation, 2018-19  
Rs.**165** crore

▼

#### Value shared with

**Customers:** The Company engaged in a number of projects, generating Rs.358 crore in revenues from customers



### Intellectual capital

Our focus on cost optimisation and operational excellence, as well as our repository of proprietary knowledge account for our intellectual resources.

▼

#### Value created

Cumulative senior management experience more than **250** person years

▼

#### Value shared with

**Employees:** The Company provided compensation worth Rs.165 crore coupled with stable employment

## The potential of our digital ecosystem in numbers

8

Billion, projected number of people who will be online with the advent of 5G by 2024

145.3

USD billion, worldwide public cloud service revenue in 2017

7.19

USD billion, market of IoT analytics in 2017 revenue in 2017

1.4

Billion, projected global 5G connections by 2025

278.3

USD billion, worldwide public cloud service revenue by 2021

27.78

USD billion, market of IoT analytics in 2022

2.03

USD trillion, retail e-commerce revenues till February, 2019

~1.17

USD billion, multi-cloud management market in 2017

4.1

Zettabytes, global IP traffic from data centres till October, 2018

2.86

USD trillion, projected retail e-commerce revenues by 2023

~4.5

USD billion, multi-cloud management market by 2022

20.6

Zettabytes, global IP traffic from data centres by 2021

12

USD billion, projected additional revenue for retailers per year by 2021 due to 5G and improved connectivity

7

Billion devices connected to IoT till Q2, 2018

166

USD billion, global big data and business analytics revenues in 2018

4.2

Billion, number of new digital consumers by 2024

~22

Billion devices connected to IoT by 2025

260

USD billion, global big data and business analytics revenues by 2022

(Source: Adobe Digital Insights 2018 report, GISMA, IDG, Statista, Indiaweb2, Cloud computing, Millenial Disruption Index, Cisco, Forbes, Whatsnextcw, Gartner, Marketsandmarket)

## Saksoft and its 'String of Pearls' positioning

Over the years, Saksoft widened its competencies to address dynamic and evolving sectoral and technology realities.

Acquisitions played a principal role in helping the Company widen its competence.

Saksoft acquired smaller companies with complementary technology and domain capabilities – 3 acquisitions in 4 years.

These specialised companies were not big enough to attract large customers and neither too small to not possess a competence critical mass.

Besides, these smaller companies possessed a precious 'start-up mindset' that enhanced their innovation vigour.

The strategy, validated as 'string of pearls', enabled a robust growth of the Company's revenues in 2018-19.

Saksoft acquired these companies – 'string of pearls' – and retained their SBU personalities on the one hand while integrating them into an overarching Saksoft architecture on the other.

# 'String of Pearls'



Company name	Company name	Company name	Company name	Company name
<b>Acuma</b>	<b>Three Sixty Logica</b>	<b>EDP</b>	<b>Dreamorbit</b>	<b>Faichi</b>
Year of acquisition <b>2006</b>	Year of acquisition <b>2015</b>	Year of acquisition <b>2013</b>	Year of acquisition <b>2016</b>	Year of acquisition <b>2018</b>
Location <b>UK</b>	Location <b>Noida</b>	Location <b>USA</b>	Location <b>Bangalore</b>	Location <b>California</b>
<b>Specialisation</b> Public sector  <b>Niche area</b> Information Management-focused company  <b>Geographies addressed to</b> Europe	<b>Specialisation</b> Independent testing company  <b>Niche area</b> Testing  <b>Geographies addressed to</b> USA and Europe	<b>Specialisation</b> Business intelligence  <b>Niche area</b> Information Management  <b>Geographies addressed to</b> USA	<b>Specialisation</b> Specialised in IoT, strong presence in the transportation and logistics industry  <b>Niche area</b> Blockchain, IoT and Logistics  <b>Geographies addressed to</b> USA and Asia Pacific	<b>Specialisation</b> Healthcare solutions provider in the USA  <b>Niche area</b> Healthcare and CMS  <b>Geographies addressed to</b> USA

# Strengthening our sales effectiveness



Global revenues (Rs. crore)

**358.05**

in 2018-19:

Global revenue growth (%)

**25**

in 2018-19:

## Overview

At Saksoft, we recognise that we address an inflection point where the world is transforming from the manual and standalone to the digital and seamless.

The quantum of opportunity is vast and multi-year, comprising private companies needing to contemporarise their processes and products on the one hand and government institutions focused on

strengthen citizen services on the other.

This sweeping reality places a premium on the need to enhance Saksoft's visibility as a competent digital services provider possessing deep domain and technology competencies.

Over the years, Saksoft extended beyond the conventional appointment of sales professionals responding to sectoral tenders



to the formalisation of its sales delivery engine. The Company focused on customer accretion as well increased wallet share, strengthening overall revenues.

Saksoft strengthened training for sales professionals. The Company strengthened its UK reach and pitch in line with General Data Protection Regulation, where no prospects can be contacted without permission.

## Saksoft's strengths

- The Company addressed customers with a revenue size ranging from USD200 million to USD5 billion– a segment too small to interest the large IT companies and too large to be addressed by smaller IT companies; a segment growing rapidly after having acquired critical mass
- The Company increased sales professionals by the close of 2018-19, one of the largest among peer digital service companies
- The Company recruited sales professionals possessing domain and technology insights, resulting in informed case study-led marketing
- The Company leveraged its 'string of pearls' proposition whereby each acquired constituent stood for a distinctive specialization in domain skills and technologies

## Highlights, 2018-19

- Saksoft strengthened its focus on the right niche within verticals and the right customer size
- The Company strengthened its service value proposition through an aggregation of the value derived from delivered projects

## Outlook

Saksoft will continue to strengthen its sales presence in USA and UK, focus on its relationship-driven and solutions-oriented proposition and enhance the role of domain professionals already deployed within a company to examine opportunities that help carve out a larger wallet share.

## Key numbers

~31%

Revenue generated from the fintech vertical

~16%

Revenue generated from the Telecom vertical

~11%

Revenue generated from the Transportation & Logistics vertical

~9%

Revenue generated from the Retail & Healthcare verticals

~10%

Revenue generated from the public sector vertical

# Saksoft. Reinforcing its presence in a large and vibrant logistics and transportation sector



## Overview

As consumers increasingly select to buy online, there is a corresponding urgency in the products being delivered securely and with speed. This has widened the role of the global logistics and transportation industry, warranting increased responsiveness.

At the heart of the sector's responsiveness is the willingness to invest in cutting-edge research

that enhances product in-transit traceability towards the real-time in addition to business data and information.

The principal trends influencing this growing sector comprise the following:

**Logistics marketplace:** Increased online information availability on trucks, delivery routes and asset utilization on the one hand and transportation needs on the other



have helped interface service seekers with providers, increasing asset utilization.

**Blockchain technology:** Shippers are using this cutting-edge technology to centrally track shipments from the point of origination to the warehouse to distribution points and eventual delivery, making it possible to minimise inventory at the customer's end and enhance working capital efficiency.

**IoT:** This technology is being increasingly used to get different communication products to 'speak' with each other, helping graduate a number of manual processes to the online for instant information and responsiveness.

### Saksoft's strengths

- The Company entered this vertical through the acquisition of Dreamorbit, possessing long-standing respect
- The Company focusses on B2B businesses where shipments vary from a small parcel to be delivered point-to-point to large shipments to be delivered across customers. The Company has demonstrated its expertise in carrier integration, helping customers leverage cutting-edge technologies in enhancing workflow seamlessness, increasing responsiveness and moderating operating costs
- The Company addresses every segment of the market - from the hyper local to the domestic to the international – that empowers it to provide complete solutions
- The Company provides technology solutions customised around all transportation modes (roads, air and sea)
- The biggest strength of the Company lies in its domain knowledge – the ability to comprehend a customer's pain point from an industry insider's perspective
- The Company invested in testing centres to enhance a predictability of solution outcomes

### Outlook

The Company intends to strengthen this business vertical through a larger US presence, deeper penetration in UK and Singapore and integration of cutting-edge technologies.

The biggest strength of the Company lies in its domain knowledge – the ability to comprehend a customer's pain point from an industry insider's perspective.

# Strengthening our US presence



## Overview

USA, the world's largest economy, grew at 2.9% in 2018. The country is also the creator and showcase of the most contemporary technologies. These technologies are applied across large and growing verticals like fintech, logistics, retail e-commerce and healthcare. The first three verticals address (directly and indirectly) the engagement lifecycle from the time an individual transacts online to the time the product is delivered while the last vertical addresses a growing need to automate processes, resulting in increased systemic dependability and patient welfare.

## Fintech

Fintech in US is a large sector employing cutting-edge technologies like artificial intelligence, machine learning and IoT across secure and convenient tech-enabled payment systems.

With the digitisation opportunity among large banks appearing to satiate, Saksoft addresses growing opportunities among mid-sized and smaller fintech customers across three segments (cards and payments, Governance Risk and Compliance (GRC) and hedge funds), strengthening their compliance.

## Logistics

The US logistics market is driven by carriers, third party logistics players (3PL) and shippers. A major challenge in the logistics sector is fragmentation and an inconsistent information flow across three parties, making it difficult to track and trace cargo visibility across the supply chain. There is a growing premium for advanced technology intervention to enhance systemic integration and cargo visibility.

Saksoft brings distinctive value to this space with more than ten years of domain experience in providing technology-driven solutions that address the needs of all players. The Company is a prominent service provider in the US logistics sector with a credible track record comprising challenging projects for marquee players translating into business-strengthening solutions.

## Healthcare

The US health sector comprises service providers, payers and patients, making it imperative to create an overarching system that makes seamless information flow a reality. There is an increasing role of tele-health platforms providing long-distance medical solutions to patients in remote locations. Besides, there is a growing need for integrated networks that provide access to patient health records, empowering clinical and research companies to take informed decisions.

Saksoft is a respected player in this large vertical, providing sophisticated integrated solutions around tele-health platforms connecting video

and voice enabler, helping widen and deepen the presence of instant healthcare.

## Retail e-commerce

US is the world's largest retail e-commerce market where the online is integrating into the in-store (and vice versa), making it possible for retail brands to leverage the strength of both. The integration of the digital and in-person are now being progressively linked to create a robust ecosystem.

Saksoft possesses years of experience in providing technology-enabled solutions to retail e-commerce customers. These solutions comprise the entire life-cycle of the customer's engagement - from the uploading of product pictures to the integration of payment gateways to product recommendations for clients to a product returns and refunds provision.

## Highlights, 2018-19

- The US logistics and fintech verticals are growing attractively
- Attractive growth in business and wallet share
- Successful incubation of technologies like machine learning, high-end artificial intelligence, analytics and Robotic Process Automation (RPA)
- Increase in the number of delighted clients, wallet share and repeat business

## Outlook

Saksoft will focus on all four verticals, deepen its presence in the

US telecom sector, build incubated technologies and strengthen its positioning as a partnership-driven service provider.

US revenue percentage

**55%**  
of our total revenue  
in 2018-19

US revenue growth

**19%**  
in 2018-19

## Our US experience matrix

~30+

Number of the Company's US-based logistic customers

~15+

Number of the Company's US-based tele-health/ healthcare customers

~15+

Number of the Company's US-based fintech customers

~10+

Number of the Company's US-based e-retail customers

# Enhancing customer delight

## Saksoft. Living the 'Inch wide. Mile deep' proposition

### Mapping customer sentiment with advanced analytics

A micro-influencer marketing platform had challenges in connecting B2C brands with influencers. They had an uphill task of correctly gauging the audience mood, predicting social media trends, identifying trending content, locating effective social influencers and strengthening overall customer acquisition.

Understanding customer's challenge, Saksoft quickly put together an advanced analytics solution leveraging Convolutional Neural networks and Maximum Entropy Models and responding with effective interventions.

**The result:** The customer was able to map consumer sentiment better, and identify the social influencer. The result: Marketing ROI improved substantially.

## Saksoft. How we leveraged our 'Inch wide. Mile deep' positioning to integrate online service with a conventional logistics company

### Leveraging the digital platform to enhance user experience

A leading third-party logistics (3PL) company sought to leverage the digital platform to improve customer experience and operational efficiency.

Understanding the customer requirements, Saksoft built a multi-tenant shipper and carrier application. This comprehensive application facilitated online quotes and order booking, tracking of shipments, multi-carrier integration, freight bill audit automation and payment processing.

**The result:** Saksoft provided a personalised customer experience based on shipping preferences, automated tasks, increased revenues, optimised costs and enhanced asset utilization.

## Saksoft. Delivering culturally competent care using automation and tele-health

### Leveraging the power of a web platform and mobile app

A Georgia-based customer intended to provide healthcare to patients across geographies. To achieve this goal, the customer needed to streamline and automate the process of providing interpreters / translators to hospitals and clinics, besides, adhering to compliance requirements.

Saksoft domain experts understood the client's vision and IT landscape. Saksoft developed a web platform and mobile app enabling client, care providers and translators to interact, co-ordinate, track and manage activities. The solution facilitated seamless face-to-face and non-face-to-face appointments. This streamlined and automated interactions with translators and care providers.

**The result:** Automation & telehealth capabilities saved time, cost, and effort, enhancing patient's delight and convenience.

## Saksoft. Delivered a comprehensive compliance solution for a fin-tech company

### Using a micro services-based flexible architecture

Our customer – prominent risk management and technology solutions service provider-intended to electronically manage the code of ethics of employees. The customer intended to do so with a focus on personal trading compliance functions of its employees: pre-trade request clearance and post-trade rules compliance check. Besides, the client needed to streamline compliance related to extraneous business activities as well as the receipt of gifts and entertainment (between employees and customers).

Saksoft developed a solution using a micro services-based flexible architecture that could be integrated with third-party services to verify related financial transactions of the customer's employees, their friends and family. The modular solution made it possible for the customer to add additional compliance-based services and features.

**The result:** The client was able to provide a high compliance standard leading to delight.

## Saksoft. Built a superior predictive model to reduce consumer churn

### Using an advanced analytics solutions

A UK-based telecom company was unable to identify major churn indicators. It desired to predict the number of customers likely to discontinue services so that it could devise a plan to retain them.

Saksoft built an advanced analytics solution using R programming, tableau for exploratory data analysis and an effective logistic regression model using R-studio.

**The result:** The solution helped the customer achieve a high 78% accuracy. By identifying the reasons for the churn, the client was able to work around a customer retention plan.

# What Saksoft employees have to say about the Company's culture

## Karthik Subramaniayan

Head of Marketing

What makes my presence at Saksoft enriching is that unlike other companies I am not fixed to the marketing function. If I find something within the Company that interests me, I am allowed to work on it. This is indicative of a corporate flexibility that encourages lateral movement, boldness, transparency and professionalism, making me feel 'valued'. Which is why Saksoft is more than a workplace; it is where I feel at home.

## Saurabh Singh

Delivery Manager

Flexibility, work-life balance and the flexibility to work from home are the three things that define the Saksoft work culture. Some months ago, I was compelled to take leave for family reasons and the Company was flexible. Saksoft in one word: 'Incredible'.

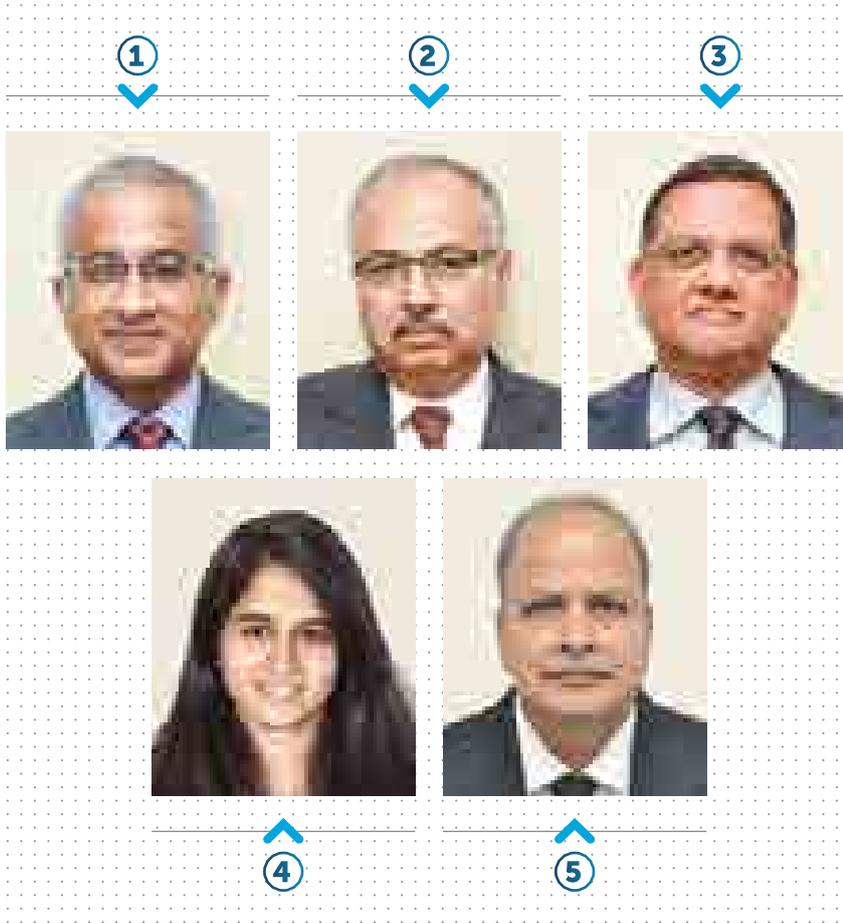
## Swetaleen Tripathi

Manager, Finance

Saksoft stands by the motto 'of the people, for the people, by the people'. There is an underlying respect for everyone and every work here. The Company is what I would describe as a 'home away from home'.

# Profile of Board of Directors

At Saksoft, our executive leadership team brings a diverse set of experiences and expertise to accelerate our innovation and execution capabilities, drive operational rigor in all we do and inspire our employees to achieve workplace excellence.



## 1. Mr. Aditya Krishna

*Chairman & Managing Director*

Mr. Aditya Krishna, the Founder, Chairman and the Managing Director of the Saksoft Group, spearheads Saksoft's growth across domains and geographies. He brings with him over 30 years of experience in the banking and financial services industry. After a long career with Chase Manhattan Bank in New York and later with Citibank, New York, he relocated to India in 1990 as part of a four-member team to establish Citibank's credit card business in the country and was also instrumental in developing the in-house software to run credit card operations. Aditya founded Saksoft in 1999 and drives the business development efforts.

## 2. Mr. Amitava Mukherjee

*Independent Non-Executive Director*

Mr. Amitava Mukherjee has over 33 years of rich and varied experience in the corporate sector. Amit spent a large part of his investment banking career at Lazards, a global Wall Street Firm, where he was a Managing Director and member of the executive management board. He subsequently was with Ambit Corporate Finance as a shareholder, Managing Director and Board member. During his investment banking days, Amit advised several MNCs and large Indian houses in marquee M&A transactions, both domestic and cross border. Amit is widely traveled, both on work and leisure, and participated in several global conferences including the World Economic Forum at Davos. Currently he spends his time with NGOs in the social space and mentors youngsters as they chart their working life.

Mr. Amitava Mukherjee is an Independent Director of our company and the Chairman of Stakeholder's relationship Committee and Nomination & Remuneration Committee. He is also a member of Audit Committee and Corporate Social responsibility (CSR) Committee of the Board.

### 3. Mr. Ajit Thomas

*Independent Non-Executive Director*

Mr. Ajit Thomas is the Chairman of A.V. Thomas Group of Companies, an Agri Business Enterprise founded in 1925, with interests in plantations, tea retail, spice processing, natural extracts, and leather goods. Mr. Thomas graduated with a Bachelor of Science degree, from Loyola College, Chennai. Subsequently, he joined the family business and raised the Organization from a basic plantation company to a producer of high value, high quality agro products for the world markets. Mr. Thomas has served on the Madras Chamber of Commerce, Spice Board of India, and was the President of the United Plantations Association of South India in its Centennial year.

Mr. Ajit Thomas is an independent Director and the Chairman of Audit Committee. He is also a Member of Stakeholders' relationship Committee and Nomination & Remuneration Committee of the Board.

### 4. Ms. Kanika Krishna

*Non-Executive Director*

Ms. Kanika Krishna has an MBA in Financial Management from Pace University, New York, USA. Prior to this she 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 a focus on the UK and US markets. She has appointed manufacturer representatives and distributors in these markets to sell the Company's products and established a fully stocked warehouse for the Company's products in New Jersey, USA. Under her initiative and guidance the Company has developed and established a new range of rice-polishing wheels for the agriculture segment – a new area for the Company. Kanika has revamped the sales organization by inducting lateral senior talent and investing in sales and product training for the team. She has implemented suitable reward programs and provided the necessary sales tools to the team to ensure success in growing the Company's business. Prior to joining Sak Abrasives, Kanika worked with Deutsche Bank in India and Merrill Lynch in New York.

Ms. Kanika is a non-executive Director and a member of Stakeholders' relationship Committee and Corporate Social Relationship (CSR) Committee of the Board.

### 5. Mr. VVR Babu

*Independent Non-Executive Director*

Mr. Babu has Master of Science (M.Sc. Tech), Applied Mathematics and Operations Research from National Institute of Technology Warangal, Master of Philosophy (M. Phil.), Computer Science from

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

Mr. Babu is an Independent Director and a Member of Audit Committee and Nomination & Remuneration Committee of the Board.

# Report of the Board of Directors

*Dear Shareholders,*

Your Directors have immense pleasure in presenting the Twentieth (20th) Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March 2019.

## 1. Financial Summary

The Audited Standalone and Consolidated financial results summary for the financial year ended 31st March, 2019 and 31st March, 2018 are as follows:

	Standalone Results (Rs. in mn)		Consolidated Results (Rs. in mn)	
	Year ended 31st March 2019	Year ended 31st March 2018	Year ended 31st March 2019	Year ended 31st March 2018
Total Revenue	945.42	576.66	3580.45	2858.70
Other Income	54.15	70.77	21.81	23.07
Total Income	999.57	647.43	3602.26	2881.77
Operating expenses	738.96	475.05	2988.82	2462.73
Operating Profits	260.61	172.38	613.44	419.04
Depreciation	7.87	7.45	42.69	28.71
Interest and Finance Charges	43.59	44.98	48.04	52.14
Net Profit before Tax	209.15	119.95	522.71	338.19
Current Tax	47.31	26.70	146.88	102.02
Deferred Tax	(1.21)	2.17	(6.28)	(7.92)
Net Profit after Tax	163.05	91.08	382.11	244.09

## 2. Results of operation

### Standalone Accounts

- Total income for the year 2018-19 was Rs. 999.57 mn as against Rs. 647.43 mn during the year 2017-18, registering an increase of Rs. 351.84 mn of 54.39%.
- Profit after tax was Rs. 163.05 mn during the year 2018-19 as compared to Rs. 91.08 mn during 2017-18, resulting in an increase of Rs 71.97 mn of 79.01 %
- Basic Earnings Per Share was Rs. 15.57 for the financial

year 2018-19 as compared to Earnings Per Share of Rs. 8.70 for the financial year 2017-18.

- Operating and other expenses during the year were at Rs. 738.96 mn as compared to Rs. 475.05 mn in the previous year.

### Consolidated Accounts

- Consolidated total income for the year 2018-19 was Rs. 3602.26 mn as against Rs. 2881.77 mn during the year 2017-18, registering a increase of 720.49 mn of 25.00%

- Profit after taxes was Rs. 382.11 mn during the year 2018-19 as compared to Rs. 244.09 mn during 2017-18, an increase of 138.02 mn of 56.55%.
- Basic Earnings Per Share was Rs. 36.66 for the financial year 2018-19 as compared to earnings per share of Rs. 21.98 for the financial year 2017-18.

### 3. Business Operations:

“Small World” is an oft heard adage that we all would have used casually, but big-bangs in digital technology space is poised to bring the world virtually at your hand. This inner realm of the virtual world, the so called “digital twin” has taken over our lives and defines our routines. The way we exist and connect with others has undergone remarkable changes with the invention of new user-centric technologies. The technological landscape is ever-changing and the demand to consume technologies is ever-growing. The connect has been widened and become instant not only with others, but a host of devices, mediums, things which impact our daily lives. The possibility of bringing anything under the sun into the digital ambit does not seem to be a far cry. This new world of ours which we inhabit moves hand in hand with technologies and is evolving at a rapid pace. The burst of technologies like 5G networks, AI, Autonomous devices, IoT, Augmented Analytics, Blockchain, Enhanced edge Computing is phenomenally enhancing the experience of living and information play. At Saksoft we constantly work to help new technologies reach end customers. Our long tested strategic consulting and implementation capabilities in varied domains puts us in a niche space to adapt and apply technological advances to find and fit solutions to make customer ideas work. The combined strength of our delivery engine manned by our group members and technological partners puts customer expectations at the front to create best customer experience. Saksoft is looking to carve out a stronghold in the analytics space and is gearing up with customised service lots to lend key insights to channelize spend and put business growth on the fast track. The changing landscape of our delivery strengths, courtesy our organic and in-organic endeavours, speaks of our resolve and commitment to contribute to the success of our customers across industry segments. Your company offers enhanced capabilities around information management, Application Services,

Analytics, Testing Services, IoT and Cloud backed by an able and customer-centric technical workforce.

#### Business Intelligence and Information management

Understanding value of information is key to unlocking ideas and drive growth-spurring changes. Saksoft group is a valued business partner when it comes to strategic information management consulting and solutions development. Our consultancy capabilities defined by our experienced solution architects and hands-on domain experts deliver significant inputs and changes to business processes in the value chain of our Customers. We strive to help arm our Customers with data foresights and run their organisations better in pace with industry developments. We consult, design, implement, train and support on all major IM platforms such as SAP Business Objects, Cognos, Datastage, Hyperion, Microsoft, SAS, Informatica TibCo and Talend.

#### Customised Applications

Saksoft group is a preferred and respected provider of application development services. The group’s domain focused delivery strategies enable the customers to effect high level customisations and build its own legacy applications to suit their organizational needs. The group’s strategic delivery arm draws from the unique and varied strengths of its members to cater to a wide range of verticals. Through Dreamorbit, the group provides specialised IoT services built around the logistics sector.

#### Testing and Assurance

Threesixty Logica (testing arm of Saksoft) is a leading provider of independent software testing and assurance services. With state-of-the-art in-house testing infrastructure and expertise in wide range of manual, automation and penetration testing services, Saksoft group is bolstered by the synergies of its members to structure customized and bundled offerings to customers to optimize cost, assure dependability, mitigate security risks, enhance performance and scalability.

#### Cloud Services

Organisations are increasingly looking to optimize their infrastructure load and management. Enterprises need a robust and scalable architecture to meet their growing information storage demands. Together with our partner, we are consulting, deploying and migrating infrastructure on Cloud. We provide more agile and flexible IT

infrastructure ensuring that the data is always available and more secured. We assist enterprises to de-link and manage their infrastructure needs and spend to enable focus on key business goals.

#### 4. Dividend

The company declared a dividend of Rs.4 per share to the equity share holders including an interim dividend of Rs.1.00 for the year ended March 31, 2019 as against a dividend of Rs.3.5 for the year ended March 31, 2018.

The Board of Directors at its meeting held on 30th May 2018 had recommended a dividend of 35% (Rs.3.5 per equity share of Rs.10 face value fully paid up). The proposal was approved by the shareholders at the Annual General Meeting held on 10th August 2018. This has resulted in a cash flow of Rs.36.66 million including dividend distribution tax.

The Board of Directors in its meeting held on 27th May 2019 have recommended a final dividend of Rs.3.00 per equity share of par value of Rs.10/- each which is subject to approval of shareholders. If approved, this would result in a cash outflow of approximately Rs.31.42 million plus applicable dividend distribution tax in addition to the interim dividend outflow of Rs 10.47 million.

#### 5. Share Capital

The paid up Equity Capital as on March 31, 2019 was Rs. 104,750,000/-.

#### 6. Subsidiary Companies

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

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

The Company's wholly owned subsidiary Saksoft Inc and its subsidiaries earned revenue of \$ 18.53 mn (equivalent to Rs. 1292.65 mn) during financial year 2018-19 compared to \$ 16.24 mn (equivalent to Rs. 1045.87 mn) during financial year 2017-18 registering an increase of 14% in dollar terms over the previous financial year. The profits after tax of Saksoft Inc increased by 24% on consolidated

basis and increased to \$ 0.67 mn (equivalent to Rs.46.74 mn) during financial year 2018-19 compared to \$ 0.54mn (equivalent to Rs.35.07 mn) during financial year 2017-18.

The Company's wholly owned subsidiary Saksoft Pte Ltd. earned revenue of S\$ 2.3 mn (equivalent to Rs.118.08 mn) during financial year 2018-19 compared to S\$2.23 mn (equivalent to Rs.105.80 mn) during financial year 2017-18 registering an increase of 3% in Singapore dollar terms over the previous financial year. The profits before tax of Saksoft Pte Ltd decreased by -123% on consolidated basis and decreased to S\$ (0.05mn) (equivalent to Rs. (2.31mn)) during financial year 2018-19 compared to S\$0.20 mn (equivalent to Rs. 9.32 mn) during financial year 2017-18.

The Company's wholly owned subsidiary Saksoft Solutions Ltd together with its subsidiaries earned revenue of GBP 11.24 mn (equivalent to Rs. 1028.68 mn) during financial year 2018-19 compared to GBP 10.54 mn (equivalent to Rs. 900.26 mn) during financial year 2017 - 18 registering a growth of 7% in Pound Sterling terms over the previous financial year. The profits of Saksoft Solutions Ltd after tax and decreased by 11% on consolidated basis and decreased to GBP 0.63 mn (equivalent to 57.66 mn) during financial year 2018 – 19 compared to GBP 0.71 mn (equivalent to Rs.60.63 mn) during financial year 2017 – 18.

The Company's wholly owned subsidiary Threesixty Logica Testing Services Private Limited together with its subsidiary earned revenue of Rs.338.97 mn during financial year 2018-19 compared to Rs.282.02 mn during financial year 2017-18 registering a increase of 20% in rupee terms over the previous financial year. The profits before tax of Threesixty Logica Testing Services Private Limited increased by 81% on consolidated basis and increased to Rs. 113.22 mn during financial year 2018-19 compared to Rs. 62.40 mn during financial year 2017-18.

During the financial year 2018-19, the Company had further acquired 20 % of the equity share capital in Dreamorbit Softech Private Limited increasing its equity stake to 80% of the issued and paid up capital. DreamOrbit Softech Private Limited, a subsidiary Company together with its subsidiary earned revenue of Rs. 564.31 mn during financial year 2018-19 compared to Rs. 449.78 mn during financial year 2017-18 registering a growth of 25% in rupee terms over the previous financial year. The profits before tax of Dreamorbit Softech Private Limited grew by 53% on

consolidated basis and increased to Rs. 127.59 mn during financial year 2018-19 compared to Rs. 83.18 mn during financial year 2017-18.

Pursuant to provisions of Section 129(3) of the Companies Act, 2013, a Statement containing salient features of the financial statement of subsidiaries is attached to the consolidated financial statements in Form AOC-1. Pursuant to the provisions of Section 136 of the Companies Act, 2013, the financial statement of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of Subsidiaries, are available on the website of the Company <https://www.saksoft.com/investor-relations/>. Also these documents will be available for inspection during business hours at the registered office of the Company.

## 7. Directors' Responsibility Statement

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

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the Company for the year under review;
- (c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The Directors have prepared the annual accounts on a going concern basis;
- (e) The Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) The Directors have devised proper systems to ensure compliance with the provisions of applicable laws

and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2018-2019.

## 8. Directors & Key Managerial Personnel

There was no change in the composition of the Board of Directors during the financial year.

Mr. Amitava Mukherjee was appointed as an Independent Director at the fifteenth Annual General Meeting (AGM) held on September 26, 2014 for a period of five years. Based on the recommendation of the Nomination and Remuneration Committee, his re-appointment for a second term of five years is proposed at the ensuing Annual General Meeting for the approval of the members by way of a special resolution.

Mr. Ajit Thomas was appointed as an Independent Director at the fifteenth Annual General Meeting (AGM) held on September 26, 2014 for a period of five years. Based on the recommendation of the Nomination and Remuneration Committee, his re-appointment for a second term of five years is proposed at the ensuing Annual General Meeting for the approval of the members by way of a special resolution.

Ms. Kanika Krishna retires by rotation and being eligible offers herself for re-appointment. A resolution seeking shareholder's approval for her re-appointment forms part of the Notice.

Disclosures with respect to the Board composition, Directors and Board meetings held during the financial year are covered under the Corporate Governance report forming part of this report, as per the Provisions of the Companies Act, 2013.

Pursuant to the provisions of Section 149 of the Act, the independent directors have submitted declarations

that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). There has been no change in the circumstances affecting their status as independent directors of the Company. During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committee of the Company.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2019 are: Aditya Krishna, Chairman and Managing Director, Niraj Kumar Ganeriwala, Chief Financial Officer and S.Muthukrishnan, Company Secretary

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

## 9. Number of meetings of the Board

Four meetings of the Board were held during the year under review. For details of meetings of the Board, please refer to the Corporate Governance Report, which is a part of this report

## 10. Board Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations. The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc. The above criteria are based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017. In a separate meeting of independent directors, performance of non-independent directors, the board as a whole and the Chairman of the

Company was evaluated, taking into account the views of executive directors and non-executive directors. The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In the board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the board, its committees, and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated

## 11. Policy on directors' appointment and remuneration and other details

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which is a part of this report and is also available on <https://www.saksoft.com>.

## 12. Board diversity

The Company recognizes that building a Board of diverse and inclusive culture is integral to its success. Ethnicity, age and gender diversity are areas of strategic focus to the composition of our Board. The Board considers that its diversity, including gender diversity, is a vital asset to the business. The Board has adopted the Board Diversity policy which sets out the approach to diversity of the Board of Directors. Web link of the Board Diversity Policy is given under point 17 of the Corporate Governance report.

## 13. Nomination and Remuneration Policy

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

#### 14. Vigil Mechanism/ Whistle Blower Policy:

Details of the Vigil Mechanism are covered under the Corporate Governance Report forms part of this Annual Report.

#### 15. Internal financial control systems and their adequacy

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

#### 16. Internal Auditors

M/s. Grant Thornton, Chartered Accountants, Chennai were the Independent Internal Auditors of the Company. The Audit Committee determines the scope of internal Audit in line with regulatory and business requirements.

#### 17. Audit committee

The details pertaining to the composition of the audit committee are included in the Corporate Governance Report, which is a part of this report.

#### 18. Auditors

At the eighteenth Annual General Meeting (AGM) held on August 07, 2017 the Members approved appointment of Messrs. R. G. N. Price & Co., Chartered Accountants (Firm Registration No. 0042785S) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the Annual General Meeting to be held during the calendar year 2021-2022 subject to ratification of their appointment by Members at every Annual General Meeting, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is

being proposed for ratification of appointment of statutory auditors at the ensuing AGM and a note in respect of same has been included in the Notice for this AGM.

#### 19. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Lakshmmi Subramanian & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed as Annexure- 4.

#### 20. Auditor's report and secretarial audit report

The statutory auditor's report and the secretarial audit report do not contain any qualifications, reservations, or adverse remarks or disclaimer. Secretarial audit report is attached to this report.

#### 21. Risk Management

Risk Management is an integral part of the business process. Pursuant to Section 134(3)(n) of the Companies Act, 2013, the Company has developed and implemented a Risk Management Policy. The Policy envisages identification of risk and procedures for assessment and minimization of risk. The Statement of Risk indicating development and implementation of risk management policy is annexed to and forms part of this Report as Annexure 9. At present the Company has not identified any element of risk which may threaten the existence of the company.

#### 22. Particulars of Loans, Guarantees or Investments

During the year under review, the Company has not given any Loans, Guarantees or Investments other than as stated in note nos. 5 & 12 of the financials. The Particulars of the existing loans, Guarantees or Investments are provided under Note No. 5 & 12 forming part of Standalone financial statements.

#### 23. Transactions with Related Parties

None of the transactions with related parties falls under the scope of Section 188(1) of the Act. Hence, the requirement of disclosure in AOC- 2 is not applicable to the Company. The policy on related party transactions and material subsidiary as approved by the Board of Directors are available on the company's website. Web

link of the same is given under point 17 of the Corporate Governance Report.

## 24. Corporate Social Responsibility (CSR)

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year under review are set out in Annexure - 1 of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report. The CSR policy is available on <https://www.saksoft.com/investor-relations/>.

## 25. Extract of annual return

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the extract of the annual return for FY 2019 is given in Annexure - 5 in the prescribed Form No. MGT-9, which is a part of this report. The same is available on <https://www.saksoft.com/investor-relations/annualreturn 2018-19>.

## 26. Particulars of Employees

During the financial year under review, none of the top ten employees in terms of remuneration drew remuneration of Rs.10.20 mn or more per annum or Rs. 0.85 mn or more per month, hence the information required pursuant to Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of the Companies Act, 2013 is not applicable.

## 27. Disclosure requirements

As per SEBI Listing Regulations, the Corporate Governance Report with the Auditors' Certificate thereon, and the Management Discussion and Analysis are attached, which forms part of this report as Annexures – 6 to 7. The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

## 28. Policy on Insider Trading

During the financial year, the Company had amended the Code of Principles of Fair Disclosure for purposes of Code of Practices and Procedures for Fair Disclosure of

Unpublished Price Sensitive Information –Schedule A and Minimum Standards for Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons of the Company – Schedule B under Regulations 8 and 9 of SEBI (Prohibition of Insider Trading Regulations) 2015

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

The following is the summary of the complaints received and disposed off during the financial year 2018-19:

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

## 30. Employees Stock Option Scheme

The Company currently administers ESOP 2009. During the year under review, there are no changes in the above said scheme. The Company proposes to increase the quantum of options that can be issued under ESOP Scheme 2009 by another 5,00,000 options from the present existing 10,00,000 options to 15,00,000 options subject to the shareholders approval at the ensuing Annual General Meeting of the Company.

Summary information of these stock option schemes, grant and allotments under these schemes are provided under Note No. 22(f) forming part of standalone financial statements. The details of the Options granted up to March 31, 2019 and other disclosures as required under SEBI (Share Based Employee Benefits) Regulations, 2014 is available in the Company's website <https://www.saksoft.com/investor-relations/>.

### 31. Public Deposits

There are no deposits covered under Chapter V of the Companies Act, 2013 ("the Act") during the year 2018-19, the details of which are required to be furnished.

### 32. 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.

### 33. Technology Absorption

The company is making significant progress in strengthening its analytics practice and services. The addition of advanced analytics expertise to its already thriving BI and Information Management practice offers the bandwidth to leverage best-fit analytics methodologies, tools and technologies aimed at accelerating the enterprise data to insights to action cycle. The prowess to use the 'most-happening' technologies including In Memory Processing, Machine Learning Algorithms, Data Lake and Streaming Analytics adroitly is well demonstrated by our Big and Data Science teams, ensuring readiness to play our part as a trusted analytics partner using disruptive technologies to reap intelligence and promote insight-led enterprises

### 34. Research and Development (R&D)

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

### 35. Foreign exchange earnings and outgo

(Rs. in mn)

Foreign exchange earnings and Outgo	2018-19	2017-18
Foreign Exchange earnings	538.91	412.12
Expenditure in Foreign Currency	18.02	16.04

### 36. Material Changes after 31st March, 2019

There have been no material changes and commitments between 31st March 2019 and the date of this report having an adverse bearing on the financial position of the Company.

### 37. Acknowledgement

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

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

For and on behalf of the Board

Place: Chennai  
Date: 27th May, 2019

**Aditya Krishna**  
Chairman & Managing Director

# ANNEXURE-1

## Annual Report on Corporate Social Responsibility (CSR) Activities

1. A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

CSR policy was approved by the Board of Directors on 26th September, 2014. The policy objectives are as follows:

- Develop meaningful and effective strategies for engaging with all stakeholders
- Make sustainable contributions to Communities
- Identify socio-economic opportunities to perform CSR activities
- Focus on social welfare activities as envisaged in Schedule VII of Companies Act, 2013.
- Partner with credible organizations focused on social welfare activities

Web Link: <http://www.saksoft.com/company/investor-relations.com>

2. **Composition of CSR committee**

The followings Directors are the members of CSR committee.

Mr. Aditya Krishna – Chairman & Managing Director

Mr. Amitava Mukherjee - Independent Director

Ms. Kanika Krishna – Non - Executive Director

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

Average net profit: Rs.120.08 mn

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

The company is required to spend Rs.2.40 mn

5. **Details of CSR spend for the financial year**

- a) Total amount spent for the financial year: Rs. Nil. However, an amount of Rs 1.52 mn was spent during the financial year 2018-19 out of Rs. 2.15 mn (which was the prescribed CSR expenditure for the previous fy 2017-18)
- b) Amount unspent if any: The Company is yet to contribute the prescribed CSR amount of Rs. 2.40 mln during the financial year 2019-20 in addition to Rs. 0.62 mln pertaining to the previous financial year 2017-18.
- 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 (Rs. in mn)	Amount spent on the project or programme (Rs. in mn)	Cumulative Expenditure upto reporting Period (Rs. in mn)	Amount Spent: Direct or through implementing Agency
	To Impart Functional Academia, Behavioral & Physical Development, Social and living skills to 50+ special children with autism and related challenges.	Education	Tamil Nadu	2.40	Nil However, an amount of Rs. 1.52 mln was spent during the financial year 2018-19 out of which Rs.2.15 mln (which was the prescribed CSR expenditure for the previous financial year 2017-18)	Nil 1.52	Agency Swabodhini School of Special Children

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 :

The Company has identified the area of contribution for CSR activities as per the particulars in the above table and it has outlaid a total expenditure of Rs.2.40 mn and the entire amount of Rs. 2.40 mn to be spent on CSR activities during the financial year 2019-20 along with the amount to be spent for that year.

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

For and on behalf of the Board

Place: Chennai  
Date: 27th May, 2019

**Aditya Krishna**  
Chairman of Corporate  
Social Responsibility Committee

# ANNEXURE-2

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. Amitava Mukherjee	*
Mr. Ajit Thomas	*
Mr. VVR Babu	*
Ms. Kanika Krishna Executive Director	*
Chairman & Managing Director	8.55

\* For this purpose, sitting fees and commission has not been considered as 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. Amitava Mukherjee	(*)
Mr. Ajit Thomas	(*)
Mr. VVR Babu	(*)
Ms. Kanika Krishna	(*)
Chairman & Managing Director	-
Chief Financial Officer	10
Company Secretary	7.4

(\*) The remuneration of the Non-Executive Directors comprises commission and sitting fees paid for attending the Board/ Committee meetings. There was no increase in sitting fee during the year. The

actual payment of sitting fee is based on the number of meetings attended by the Director. There was no increase in the commission paid to the Non-Executive Directors. In view of the aforesaid facts, the calculation of the percentage increase in remuneration of Non-Executive Directors would not be meaningful and hence not provided.

3. The percentage increase in the median remuneration of employees in the financial year: 4
4. The number of permanent employees on the rolls of Company: 578
5. 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 2018-19 was 9.10%. Percentage increase in the managerial remuneration (Senior Leadership Team) for the year was 10.50%

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

The Company affirms that the remuneration is as per the remuneration policy of the Company.

For and on behalf of the Board

Place: Chennai  
Date: 27th May, 2019

**Aditya Krishna**  
Chairman & Managing Director

# ANNEXURE-3

## Nomination and Remuneration Policy

### Introduction:

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

### Objective and purpose of the Policy:

The objective and purpose of this policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.

- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

### Applicability:

The Policy is applicable to Directors (Executive and Non-Executive), Key Managerial Personnel and Senior Management Personnel. This policy is divided into Part A dealing with the matters to be dealt by Nomination & Remuneration Committee to be recommended to the Board, Part B dealing with Policy for Appointment and Removal of Director, KMP and Senior Management, Part C dealing with Policy relating to the remuneration for the Whole-time Director, KMP and Senior Management Personnel and Part D dealing with Policy relating to the making of payments to Non-Executive/ Independent Directors:

The entire policy is available in the Company's website [www.saksoft.com](http://www.saksoft.com) and the weblink to access the policy is <https://www.saksoft.com/investor-relations/>

# ANNEXURE-4

## SECRETARIAL AUDIT REPORT

### For The Financial Year Ended On 31st March, 2019

(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 a Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SAKSOFT LIMITED (hereinafter called "the Company") during the Financial year from 01 April, 2018 to 31 March, 2019 (the year/ audit period/ period under review).

We conducted the Secretarial audit in a manner that provided us a reasonable basis for evaluating the Company's corporate conducts/statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

- i. Our verification of Company physical/ electronic books, papers, minute books, forms and returns filed and other records maintained by the Company and furnished to us, and compliance related action taken by the Company during the year as well as after 31 March, 2019 but before the issue of this audit report; and
- ii. Our observations during our visits to the registered office of 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 2018-2019, 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.

### 1. Compliance with Specific Statutory Provisions:

We further report that:

- 1.1 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, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) Secretarial Standards (SS-1) on "Meetings of the Board of Directors" and Secretarial Standards (SS-2) on "General Meetings" issued by the Institute of Company Secretaries of India;
- (iii) The Securities Contract (Regulation) Act, 1956 and the Rules made thereunder;
- (iv) The Depositories Act, 1996 and the Regulations bye-laws framed thereunder;
- (v) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Overseas Direct Investments and Export of goods and services;
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Share Based employee Benefits), 2014;
  - d. 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;
  - e. The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015
- (vii) The following laws are specifically applicable to the Company:

- a. The Information Technology Act, 2000
- b. Software Technology Parks of India Scheme
- c. The Indian Copyright Act, 1957
- d. The Trademarks Act, 1999
- e. The Patents Act, 1970

1.2 During the period under review, and also after considering the compliance related action taken by the Company after 31st March 2019 but before issue of this report, the Company has, to the best of our knowledge and belief and based on the records (physical/ electronic), information, explanations and representations furnished to us complied with the laws mentioned in paragraph 1.1 above.

1.3 We are informed that, during/ in respect of the year no events have occurred which required the Company to comply with the following laws/ rules/ regulations and consequently was not required to maintain any books, papers, minutes books or other records or file any forms/ returns under:

- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- b. The Securities Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008.
- c. The Securities Exchange Board of India (Delisting of Equity Shares) Regulation, 2009.
- d. The Securities Exchange Board of India (Buyback of Securities) Regulation, 1998.

## 2. Board Processes:

We further report that:

- 2.1 The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- 2.2 There were no changes in the composition of the Board of Directors during the period under review.
- 2.3 Adequate notice is given to all directors to schedule the Board Meetings atleast seven days in advance, agenda and detailed notes on agenda were also circulated to the Board members prior to the meetings.
- 2.4 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; and

2.5 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.

## 3. Compliance mechanism:

We further report that:

- 3.1 There are adequate systems and processes in the Company commensurate with its size and operation to monitor and ensure compliance with applicable laws including labour laws, competition law, environmental laws, and other laws specifically applicable to the Company.
- 3.2 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.

## 4. Specific Events/ actions:

We further report that during the audit period the following specific events/ actions having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc took place:

- a) The Company granted 1,60,000 Options to eligible employees under ESOP 2009 Plan of Saksoft Limited at the grant price of Rs 248.95/- on 09th May 2018 exercisable after a vesting period of 4 years.
- b) The Company granted 3,00,000 Options to eligible employees under ESOP 2009 Plan of Saksoft Limited at the grant price of Rs 250.55/- on 13th February 2019 exercisable after a vesting period of 4 years.
- c) The Company at its Board Meeting held on 30th May, 2018 had approved the proposal of acquisition of additional equity stake of 20% in Dreamorbit Softech Private Limited, its subsidiary company and the said acquisition was completed on 9th July, 2018.

For Lakshmmi Subramanian & Associates

**Swetha Subramanian**

Place: Chennai

ACS: 33222

Date: 27th May, 2019

CP No: 12512

# “ANNEXURE-A”

(To the Secretarial Audit Report of M/s. SAKSOFT LIMITED for the financial year ended 31.03.2019)

To,  
The Members,  
**SAKSOFT LIMITED**

Our Secretarial Audit Report for the financial year ended 31 March 2019 is to be read along with this Annexure.

1. Maintenance of Secretarial record and ensuring compliance with all applicable laws 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. Wherever required, we have obtained the Management representation about financial information, the compliance of law, rules and regulation and happening of certain events etc.
5. The compliance of the provisions of other laws, rules, regulation, standards specifically applicable to the Company is the responsibility of the management. Our examination was limited to the verification of system implemented by the Company on a 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

Place: Chennai  
Date: 27th May, 2019

**Swetha Subramanian**  
ACS: 33222  
CP No: 12512

# ANNEXURE-5

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on 31st March, 2019

[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	Global Infocity, II Floor, Block - A, # 40 Dr. MGR Salai, Kandanchavadi, Perungudi, Chennai - 600 096. Office +91 44 24543500. Email: complianceofficer@saksoft.co.in or investorqueries@saksoft.co.in
vi.	Whether listed company	Yes. Listed with National Stock Exchange of India Limited (NSE) and in BSE under permitted trading category.
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Cameo Corporate Services Limited Subramanian Buildings No.1, Club House Road, Chennai - 600 002. Tel: +91-44-28460390, Fax: +91 - 44 - 28460129 Email: investor@cameoindia.com; Web-site: www.cameoindia.com

## II. Principal Business Activities of the Company

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

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

## III. Particulars of Holding, Subsidiary and Associate Companies

Sr No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Saksoft Inc. Suite 1240, 30 Montgomery Street, Jersey City, NJ 07302.	Foreign Company	Subsidiary	100	2(87)

Sr No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
2	Nanda Infotech Services Inc. (DBA Electronic Data Professionals) 3070, Bristol Pike, BLDG 2 Suite 107 Bensalem, PA 19020	Foreign Company	Subsidiary	Saksoft Inc. holds 100%	2(87)
3	Saksoft Solutions Limited Applicon House, Exchange Street, Stockport, United Kingdom, SK3 0EY	Foreign Company	Subsidiary	100	2(87)
4	Acuma Solutions Limited Applicon House, Exchange Street, Stockport, United Kingdom, SK3 0EY	Foreign Company	Subsidiary	Saksoft Solutions Limited holds 100%	2(87)
5	Acuma Software Limited Applicon House, Exchange Street, Stockport, United Kingdom, SK3 0EY	Foreign Company	Subsidiary	Saksoft Solutions Limited holds 100%	2(87)
6	Saksoft Pte Limited 10 Jalan Besar, #10-12 Sim Lim Tower, Singapore – 208787	Foreign Company	Subsidiary	100	2(87)
7	Threesixty Logica Testing Services Private Limited Global Infocity, Block A, II Floor, No. 40, Dr. MGR Salai, Kandanchavadi, Perungudi, Chennai – 600096.	U72900TN2009PTC120672	Subsidiary	100	2(87)
8	Threesixty Logica Testing Services Inc. 640 W California Ave, Suite 210, Sunnyvale, CA 94086	Foreign Company	Subsidiary	Threesixty Logica Testing Services Pvt. Ltd. Holds 100%	2(87)
9	DreamOrbit Softech Private Limited No.19, Ascend, 2nd Floor, 1st cross, 17th C Main, Koramangala 5th Block, Bangalore, Karnataka - 560095.	U72100KA2010PTC052990	Subsidiary	80%	2(87)
10	DreamOrbit Inc., 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Foreign Company	Subsidiary	DreamOrbit Softech Private Limited holds 100%	2(87)
11	Faichi Solutions Inc., 640 W. California Ave Sunnyvale, CA 94086 Phone: +1(408)-769-4941	Foreign Company	Subsidiary	Saksoft Inc holds 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 01.04.2018				No. of Shares held at the end of the year 31.03.2019				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A</b>	<b>Promoter</b>									
1)	Indian									
a)	Individual/ HUF	2318640	0	2318640	22.1349	2218640	0	2218640	21.18	-0.95
b)	Central Govt	0	0	0	0	0	0	0	0	0
c)	State Govt(s)	0	0	0	0	0	0	0	0	0
d)	Bodies Corp	4836465	0	4836465	46.1715	5030865	0	5030865	48.03	1.86
e)	Banks / FI	0	0	0	0	0	0	0	0	0
f)	Any Other	0	0	0	0	0	0	0	0	0
	<b>Sub-total(A)(1):-</b>	<b>7155105</b>	<b>0</b>	<b>7155105</b>	<b>68.3064</b>	<b>7249505</b>	<b>0</b>	<b>7249505</b>	<b>69.21</b>	<b>0.91</b>
2)	Foreign									
g)	NRIs-Individuals	0	0	0	0	0	0	0	0	0
h)	Other-Individuals	0	0	0	0	0	0	0	0	0
i)	Bodies Corp.	0	0	0	0	0	0	0	0	0
j)	Banks / FI	0	0	0	0	0	0	0	0	0
k)	Any Other	0	0	0	0	0	0	0	0	0
	<b>Sub-total (A)(2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total (A)</b>	<b>7155105</b>	<b>0</b>	<b>7155105</b>	<b>68.3064</b>	<b>7249505</b>	<b>0</b>	<b>7249505</b>	<b>69.21</b>	<b>0.91</b>
<b>B.</b>	<b>Public Shareholding</b>									
1.	Institutions	0	0	0	0	0	0	0	0	0
a)	Mutual Funds	0	0	0	0	0	0	0	0	0
b)	Banks / FI	981	0	981	0.0093	3094	0	3094	0.03	0.0201
c)	Central Govt	0	0	0	0	0	0	0	0	0
d)	State Govt(s)	0	0	0	0	0	0	0	0	0
e)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
f)	Insurance Companies	0	0	0	0	0	0	0	0	0
g)	FIs	0	0	0	0	0	0	0	0	0
h)	Foreign Venture Capital	0	0	0	0	0	0	0	0	0
i)	Others (specify) – Foreign Portfolio Investor (Corporate) Category II	48000	0	48000	0.4582	88500	0	88500	0.84	0.386
	Foreign Portfolio Investor (Corporate) Category III	5000	0	5000	0.0477	0	0	0		-0.0477
		53000	0	53000	0.5059	88500	0	88500	0.84	0.3389
	<b>Sub-total (B)(1)</b>	<b>53981</b>	<b>0</b>	<b>53981</b>	<b>0.5153</b>	<b>91594</b>	<b>0</b>	<b>91594</b>	<b>0.8744</b>	<b>0.3590</b>

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2018				No. of Shares held at the end of the year 31.03.2019				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non Institutions</b>									
a) Bodies Corp.	491172	0	491172	4.6889	224790	0	224790	2.15	-2.543
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	924666	2406	927072	8.8503	1049268	2406	1051674	10.04	1.189
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	1138983	0	1138983	10.8733	1130372	0	1130372	10.79	-0.0822
c) Others (Specify)									
Clearing Member	6807	0	6807	0.0649	2767	0	2767	0.0264	-0.0385
ESOP/ESOS/ESPS	4363	7000	11363	0.1084	3540	7000	10540	0.1006	-0.0078
Employee Trusts	532460	0	532460	5.0831	532460	0	532460	5.0831	0
Foreign Nationals	56	0	56	0.0005	56	0	56	0.0005	0
Foreign Portfolio Investor (Individual)					5000	0	5000	0.0477	0.0477
Hindu Undivided Family	95335	0	95335	0.9101	0	0	0	0	-0.9101
IEPF	870	0	870	0.0083	870	0	870	0.0083	0
Non Resident Indians	60896	0	60896	0.5813	73860	0	73860	0.7051	0.1237
Resident HUF	0	0	0	0	100612	0	100612	0.9604	0.9604
Trusts	900	0	900	0.0085	900	0	900	0.0085	0
Others	701687	7000	708687	6.7655	720065	7000	727065	6.9409	0.1754
<b>Sub-total (B)(2)</b>	<b>3256508</b>	<b>9406</b>	<b>3265914</b>	<b>31.1781</b>	<b>3124495</b>	<b>9406</b>	<b>3133901</b>	<b>29.9179</b>	<b>-1.2602</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>3310489</b>	<b>9406</b>	<b>3319895</b>	<b>31.6935</b>	<b>3216089</b>	<b>9406</b>	<b>3225495</b>	<b>30.7923</b>	<b>-0.9011</b>
C Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>10465594</b>	<b>9406</b>	<b>10475000</b>	<b>100</b>	<b>10465594</b>	<b>9406</b>	<b>10475000</b>	<b>100</b>	<b>0</b>

## ii. Shareholding of Promoters

Sr no.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2018			Shareholding at the end of the year 31.03.2019			% change in shareholding during the year*
		No. of Shares	% of Total Shares of the Company	% of Shares pledged/ encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares pledged/ encumbered to Total Shares	
1.	Sak Industries Private Limited	4653315	44.42	Nil	4847715	46.28	Nil	1.86
2.	Aditya Krishna	2318640	22.13	Nil	2218640	21.18	Nil	-0.95
3.	Sonnet Trades & Investments Private Limited	183150	1.75	Nil	183150	1.75	Nil	0.00
	<b>Total</b>	<b>7155105</b>	<b>68.30</b>	<b>Nil</b>	<b>7249505</b>	<b>69.21</b>	<b>Nil</b>	<b>0.91</b>

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

Sr no.	Name of the Promoters	Shareholding at the beginning of the year 01.04.2018	Date wise increase/ decrease in promoters' Shareholding during the year specifying the reason for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	Cumulative Shareholding during the year	Shareholding at the end of the Year 31.03.2019
1	Sak Industries Private Limited	4,653,315	16.05.2018 94,400 Market Purchase	4,747,715	
			15.11.2018 1,00,000 Inter se promoter transfer	4,847,715	4,847,715
3	Aditya Krishna	2,318,640	15.11.2018 1,00,000 Inter se promoter transfer	2,218,640	2,218,640

## iv. Shareholding pattern of top ten shareholders (other than Directors, Promoters and holders of GDRs and ADRs) (Refer Note v below)

Sr No.	Name of the Shareholders	Shareholding at the beginning of the year 01.04.2018		Change in Shareholding during the year (Net)		Shareholding at the end of the year 31.03.2019	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	SAKSOFT EMPLOYEES WELFARE TRUST	532460	5.0831	0	0	532460	5.0831
2	B.BHARATHAN KANTHIMATHINATHAN	321775	3.0718	(71403)	0.6817	250372	2.3901
3	M UMayal	123577	1.1797	(4997)	0.0477	118580	1.1320
4	RAJASTHAN GLOBAL SECURITIES PRIVATE LIMITED	259809	2.4801	(146769)	1.4010	113040	1.0791

Sr No.	Name of the Shareholders	Shareholding at the beginning of the year 01.04.2018		Change in Shareholding during the year (Net)		Shareholding at the end of the year 31.03.2019	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
5	UMAMAHESWARI JANARTHANAN	183500	1.7517	(70908)	0.6769	112592	1.0748
6	PASSAGE TO INDIA MASTER FUND LIMITED	48000	0.4582	(40500)	0.3866	88500	0.8448
7	NIRAJKUMAR GANERIWALA	71500	0.6825	0	0	71500	0.6825
8	BHIMAVARAPU SRIDHAR REDDY	1003	0.0095	65901	0.6292	66904	0.6387
9	SHASHI GUPTA	0	0	65700	0.6272	65700	0.6272
10	ANNU THOMAS	57917	0.5529	0	0	57917	0.5529

#### v. Shareholding of Directors and Key Managerial Personnel:

Sr No.	Name of the Shareholders	Shareholding at the beginning of the year 01.04.2018	Change in the shareholding during the year (Net)	Shareholding at the end of the Year 31.03.2019
1	Aditya Krishna, Chairman and Managing Director	2318640	100000	2218640
2	Ajit Thomas, Director	100000	100000	0
3	Niraj Kumar Ganeriwala, CFO	71500	0	71500

Note for point no. iv and v above: The above details are given as on 31st March, 2019. The company is listed and 99.91% shareholding is in dematerialized form. Hence, it is not feasible to track movement of shares on daily basis. The aforesaid holding by top ten shareholders is due to market operations.

## V. Indebtedness

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

Name of the Shareholders	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	173.71	245.00	-	418.71
i) Principal Amount	173.71	245.00	-	418.71
ii) Interest due but not paid	-	-	-	-
<b>Total (i+ii)</b>	<b>173.71</b>	<b>245.00</b>	<b>-</b>	<b>418.71</b>
Change in Indebtedness during the Financial year				
- Addition	73.91	25.00	-	98.91
- Reduction	(108.32)	-	-	(108.32)
Net Change	(34.41)	25.00	-	(9.41)
Indebtedness at the end of the financial year				
i) Principal Amount	139.30	270.00	-	409.30
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>139.30</b>	<b>270.00</b>	<b>-</b>	<b>409.30</b>

## VI. Remuneration of Directors and Key Managerial Personnel

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

(Rs. in Mn)

Sr No.	Particulars of Remuneration	Name of MD/ WTD/ Manager	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5.40	5.40
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit		
	- others, specify		
5	Others, please specify	-	-
6	Total (A)	5.40	5.40
	Ceiling as per the Companies Act, 2013	Being 5% of the net profits of the Company	

### B. Remuneration to other directors:

Sr No.	Particulars of Remuneration	Sitting Fee paid for attending Board/ Committee Meetings	Commission Paid	Others, Please specify	Total Amount
1	Independent Directors				
	Mr. Amitava Mukherjee	0.12	0.15	Nil	0.27
	Mr. Ajit Thomas	0.11	0.15	Nil	0.26
	Mr. VVR Babu	0.10	0.15	Nil	0.25
2	Other Non-Executive Directors				
	Ms. Kanika Krishna	0.09	0.15	Nil	0.24
	Total managerial remuneration	0.42	0.60	Nil	1.02
	Ceiling as per the Companies Act, 2013	Being 1% of the net profits of the Company			

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

(Rs. in Mn)

Sr No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	Company Secretary	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7.54	1.40	8.94
	(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)	7.54	1.40	8.94

**VII. Penalties / Punishment/ Compounding of Offences:**

There were no penalties, punishment or compounding of offences during year ended March 31, 2019.

For and on behalf of the Board

Place: Chennai  
 Date: 27th May, 2019

**Aditya Krishna**  
 Chairman & Managing Director

# ANNEXURE-6

## Report on Corporate Governance

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

### 1. Company's Philosophy on Corporate Governance

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

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

It has been the endeavor of the Company to be one of the best practitioners of Corporate Governance and ensure compliance with SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (herein after referred as "LODR"). The Company fosters a culture in which high standards of ethical behaviour, individual accountability and transparent disclosure are ingrained in all its

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

### 2. Board of Directors

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

The required information as enumerated in Schedule II, Part A of LODR is made available to the Board of Directors for discussions and consideration at Board Meetings. The Board reviews the report made by the Company Secretary regarding compliance with all applicable laws on a quarterly basis and also steps taken to remediate instances of non-compliance, if any. The Chairman & Managing Director and the Chief Financial Officer (CFO) have furnished the Compliance certificate to the Board in accordance with Schedule II - Part B of SEBI (LODR) for the Financial Year ended March 31, 2019. The Board of Directors review at regular intervals with respect to the plans for orderly succession for appointment to the Board of Directors and Senior Management.

**(a) Composition and category of Directors:**

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

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

Name of the Directors	Particulars of Attendance in	
	Board Meetings	Last AGM
Aditya Krishna	4 / 4	YES
Amitava Mukherjee	4 / 4	YES
Ajit Thomas	4 / 4	YES
VVR Babu	4 / 4	YES
Kanika Krishna	4 / 4	YES

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

Name of Director	Number of Directorships in other Indian Public Companies		Number of Committee positions held in other Indian Public Companies		Directorship in other listed entity (Category of Directorship)
	Chairman	Member	Chairman	Member	
Aditya Krishna	Nil	2	Nil	Nil	NIL
Amitava Mukherjee	Nil	3	1	2	Godrej Properties Limited
Ajit Thomas	6	2	4	1	Neelamalai Agro Industries Limited (Chairman) AVT Natural Products Limited (Chairman)
VVR Babu	Nil	Nil	Nil	Nil	Nil
Kanika Krishna	Nil	Nil	Nil	Nil	Nil

**(d) Board Meetings**

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

The annual calendar of Board Meetings is agreed upon at the beginning of the year to ensure that there is maximum attendance and participation in the Board Meetings. The Company conducts Board meetings in compliance with

the requirements of the Companies Act, 2013 and LODR. During the Financial Year 2018-19, the Board met 4 times on 30th May 2018, 10th August 2018, 12th November 2018 and 13th February 2019.

**(e) Relationships between Directors inter-se**

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

**(f) Number of Shares and Convertible instruments held by Non-Executive Directors**

None of the Non-Executive Directors of the Company holds any shares of the Company as at 31st March, 2019.

### (g) Independent Directors

All the Independent Directors have confirmed that they meet the 'Independence' criteria as required under Section 149(7) of the Companies Act, 2013. Independent Directors of the Company have met all the obligations as prescribed under Regulation 25 of LODR. None of them is a Whole Time Director in any listed entity nor serving as an Independent director in more than seven listed entities.

During the year, the Independent Directors had a separate meeting on 12th November, 2018 without the presence of Non-Independent Directors. All the Independent directors were present in that meeting.

The terms and conditions of appointment of Independent Directors are disclosed on the website of the Company and the web-link of the same is given under point 17 of this Report.

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

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

The Board has identified the following core skills / expertise / competencies in the current context of the business and sectors for the effective functioning of the Company which are currently available with the Board:

Financial	Leadership of a financial firm or management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation, and financial reporting processes or experience in actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar function.
Global Business	Understanding, of global business dynamics, across various geographical markets, industry verticals and regulatory jurisdictions.
Board Service & Governance	Service on a public company board to develop insights about maintaining board and management accountability, protecting shareholder interests, and observing appropriate governance practices.
Mergers & Acquisitions	A history of leading growth through acquisitions and other business combinations, with the ability to assess 'build or buy' decisions, analyse the fit of a target with the Company's strategy and culture, accurately value transactions, and evaluate operational integration plans.

### 3. Audit Committee

(a) **Terms of Reference:** The terms of reference stipulated by the Board to the Audit Committee cover the matters specified under Regulation 18 read with Part C-Schedule II of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 and its relevant rules notified thereunder.

(b) **Composition of Audit Committee:** The Audit committee of the Company consists of three Independent Directors. The Composition of the Committee and the qualification prescribed for the members are in compliance with the requirements of Regulation 18 of LODR and Section 177 of the Companies Act, 2013 and its relevant rules notified thereunder. All the members of the Committee are

financially literate and have sufficient accounting and financial management expertise.

(c) **Meetings and attendance during the year:**

During the year 2018-19, the Audit Committee met 4 times on 30th May 2018, 10th August 2018, 12th November 2018 and 13th February 2019.

The attendance details are as follows:

Name of the Member	Designation	No. of Meetings Attended
Ajit Thomas	Chairman	4/4
Amitava Mukherjee	Member	4/4
VVR Babu	Member	4/4

The Company Secretary acts as the Secretary to the Committee. The Chairman of the Audit Committee is

an Independent Director and was present at the Annual General Meeting held on 10th August, 2018.

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

#### 4. Nomination and Remuneration Committee

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

**(b) Composition of Committee:** The Constitution of Nomination and Remuneration Committee is in accordance with Regulation 19 of LODR. The Committee consists of three Independent Directors.

**(c) Meetings of the Committee:** During the year under review, the Committee met on 30th May, 2018.

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

Name of the Member	Designation	No. of Meetings Attended
Amitava Mukherjee	Chairman	1/1
Ajit Thomas	Member	1/1
VVR Babu	Member	1/1

The Chairman of the Nomination and Remuneration Committee was present at the Annual General Meeting held on 10th August, 2018.

#### Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for independent directors is determined by the Nomination and

Remuneration Committee. An indicative list of factors on which evaluation was carried out includes participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behavior and judgment.

#### Remuneration Policy:

Remuneration policy of the Company is designed to create a high-performance culture. It enables the Company to attract, retain and motivate employees to achieve results. Our business model promotes customer centricity and requires employee mobility to address project needs. Annual increments are recommended by the Nomination and Remuneration Committee within the salary scale approved by the Board and Members.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, decides the commission payable to the Non- Executive Directors out of the profits for the financial year and within the ceilings prescribed under the Act, based on the Board evaluation process considering the criteria such as the performance of the Company as well as that of the Managing Director and each Executive Director.

(a) All pecuniary relationships or transactions of the Non- Executive Directors vis-à-vis the listed entity:

Apart from the below mentioned Sitting fees and Commission, in (c) there was no pecuniary relationship or transactions with the Non- Executive Directors.

(b) Criteria of making payments to Non-Executive Directors: Disclosed in Annexure 3 forming part of this report.

(c) Disclosures with respect to remuneration:

#### Executive Director:

Name	Fixed Component	Performance linked incentives	Total
Aditya Krishna, Chairman & Managing Director	Salary	Commission/ Bonuses, stock options, pension	
	<b>5.40</b>	-	<b>5.4</b>

### Non-Executive Directors:

The Company pays Sitting Fees of (a) Rs. 20,000/- per meeting to its Non-executive and Independent Directors for attending meetings of the Board and (b) Rs. 5,000/- per meeting to its Non-Executive and Independent Directors for attending meetings of Committees of the Board. The Company has obtained approval from its Shareholders

at the 16th Annual General Meeting of the Company towards payment of commission of 1% of the net profits of the Company commencing from 1st April 2015. The said commission will be decided each year by the Board of Directors and distributed amongst the Non-Executive and Independent Directors based on the period of their association with the Company during the year.

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

Sr. No.	Name of Director	Sitting fees (Board Meetings)	Sitting fees (Committee Meetings)	Commission Paid	Total
1	Amitava Mukherjee	0.08	0.04	0.15	0.27
2	Ajit Thomas	0.08	0.03	0.15	0.26
3	VVR Babu	0.08	0.02	0.15	0.25
4	Kanika Krishna	0.08	0.01	0.15	0.24

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

As required, a brief profile and other particulars of the Director seeking re-appointment is given in the Notice convening the 20th Annual General Meeting of the Company which forms part of this Annual Report.

## 5. Corporate Social Responsibility Committee

The Committee consists of :

Mr. Aditya Krishna, Chairman & Managing Director  
Mr. Amitava Mukherjee, Independent Director and  
Ms. Kanika Krishna, Non-Executive Director

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

The Company's CSR policy is given under point 17 of the Corporate Governance report.

CSR Committee met twice on 27th May, 2018 and 13th February, 2019. The Committee has recommended to the

Board of Directors to contribute not less than 2% of the average net profit of the last three financial years toward CSR fund for the financial year 2018-19 to aid NGO's undertaking projects in the field of "Promoting education including special education and employment enhancing vocational skills especially among children women, elderly, and the differently abled and livelihood enhancing projects"

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

## 6. Stakeholders' Relationship Committee

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

(b) Name and designation of Compliance Officer –  
Mr. S.Muthukrishnan

(c) Number of shareholders' complaints received -  
There were no investor complaints received through SCORES portal for the year ended 31st March 2019.

The Constitution of Stakeholders' Relationship Committee of the Company is in accordance with Regulation 20 of LODR. The Committee consists of three Non-Executive Independent Directors. The Company Secretary acts as the secretary to the Committee. The role of the Committee is as specified in Part D of the Schedule II of LODR which inter-alia includes redressing Stakeholders' grievances like

share transfers, non-receipt of Annual Report and non-receipt of dividend.

During the year, the committee met one (1) time on 30th May, 2018. The members of the Stakeholders Relationship Committee and attendance record are as follows:

Name of the Member	Designation	No. of Meetings Attended
Amitava Mukherjee	Chairman	1/1
Ajit Thomas	Member	1/1
Kanika Krishna	Member	1/1

## 7. General Body Meetings

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

Year	Location	Date	Time
2015-16	P. Obul Reddy Hall, Vani Mahal, 103, G.N.Chetty Road, T. Nagar, Chennai - 600017.	12.08.2016	10.00 AM
2016-17	P. Obul Reddy Hall, Vani Mahal, 103, G.N.Chetty Road, T. Nagar, Chennai - 600017.	07.08.2017	11.00 AM
2017-18	P. Obul Reddy Hall, Vani Mahal, 103, G.N.Chetty Road, T. Nagar, Chennai - 600017.	10.08.2018	10.30 AM

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

Financial Year	General Meeting	No. of Special Resolutions
2015-16	17th Annual General Meeting	NIL
2016-17	18th Annual General Meeting	NIL
2017-18	19th Annual General Meeting	NIL

(c) Special Resolutions passed through Postal Ballot during the Financial Year 2018-19: NIL.

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

(e) Special resolution to be conducted by way of postal ballot: The Company does not envisage any special

resolution to be conducted by way of postal ballot. However, this is subject to any other contingencies or event that may happen in near future.

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

## 8. Means of Communication

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

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

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

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

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

## 9. General Shareholder Information:

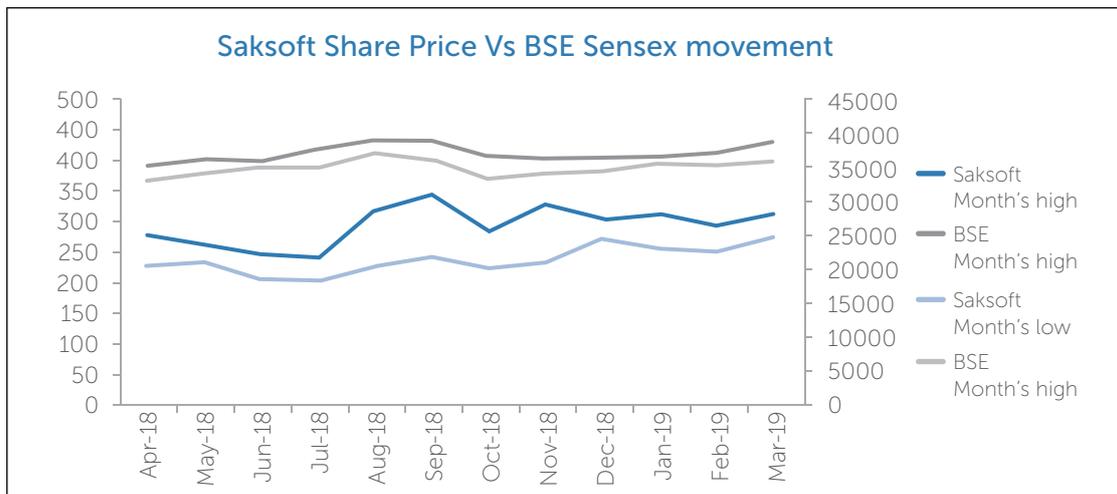
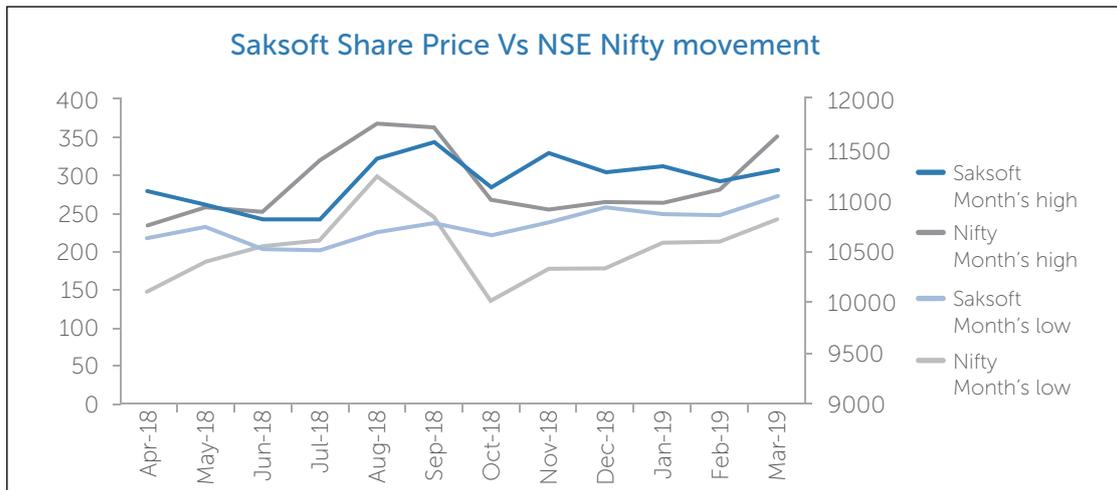
Particulars	Details
(a) Annual General Meeting	Date: 12th August, 2019 Time: 10.30 A.M Venue : P. Obul Reddy Hall, Vani Mahal, 103, G.N. Chetty Road, T. Nagar, Chennai - 600 017.
(b) Financial Year Periodical results  Results for I Quarter ending 30th June 2019 Results for II Quarter ending 30th September 2019 Results for III Quarter ending 31st December 2019 Results for the year ending 31st March 2020 Book Closure Date	The financial year of the Company is 1st April to 31st March Tentative details of the financial calendar for the year are as under Second week of August 2019 Second week of November, 2019 Second week of February 2020 Last week of May 2020 3rd August, 2019 to 12th August, 2019 (both days inclusive)
(c) Dividend Payment Date	Between 12th August, 2019 till 17th August, 2019
(d) Name and address of the each Stock Exchange(s) at which the listed entities securities are listed and confirmation payment of annual listing fee to each of Stock Exchange(s)	The Equity shares of the Company are listed at: National Stock Exchange of India Limited, Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 and Shares are permitted to be traded under the permitted trading category in: BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001. The annual listing fee as prescribed by the NSE has been paid within the prescribed time limit and listing fee is not applicable in BSE Ltd, as the Company is under permitted trading category in BSE Limited.
e) Stock Code DEMAT ISIN Number in NSDL and CDSL for Equity Shares.	NSE Stock code : SAKSOFT EQ BSE (under permitted trading category) - Stock code : 590051 ISIN : INE667G01015

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

Month	National Stock Exchange		NIFTY		Bombay Stock Exchange		SENSEX	
	Saksoft Price Low	Saksoft Price High	Nifty Price Low	Nifty Price	Saksoft Price Low	Saksoft Price High	Sensex Price Low	Sensex Price High
April 2018	217.9	277	10111.30	10759.00	224.00	275.00	32972.56	35213.3
May 2018	232.55	261	10417.80	10929.20	232.60	259.90	34302.89	35993.53
June 2018	202.55	243	10550.90	10893.25	205.00	244.55	34784.68	35877.41
July 2018	202.65	239.45	10604.65	11366.00	202.00	237.00	35106.57	37644.59

Month	National Stock Exchange		NIFTY		Bombay Stock Exchange		SENSEX	
	Saksoft Price Low	Saksoft Price High	Nifty Price Low	Nifty Price	Saksoft Price Low	Saksoft Price High	Sensex Price Low	Sensex Price High
August 2018	225.2	318	11234.95	11760.20	225.80	317.55	37128.99	38989.65
September 2018	237.7	342	10850.30	11751.80	240.55	342.80	35985.63	38934.35
October 2018	223.4	282.65	10004.55	11035.65	223.80	280.90	33291.58	36616.64
November 2018	238	327.4	10341.90	10922.45	233.05	327.15	34303.38	36389.22
December 2018	256.95	303.95	10333.85	10985.15	271.40	303.00	34426.29	36554.99
January 2019	250.05	312.15	10583.65	10987.45	255.35	311.00	35375.51	36701.03
February 2019	246.1	289.35	10585.65	11118.10	248.85	291.60	35287.16	37172.18
March 2019	270.25	305.85	10817.00	11630.35	273.50	310.00	35926.94	38748.54

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



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

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

Cameo Corporate Services Limited  
Subramanian Building, No.1, Club House Road, Chennai - 600 002.  
Tel: +91-44-28460390, Fax: +91 - 44 - 2846 0129  
Email: investor@cameoindia.com; Web-site: www.cameoindia.com

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

(k) **Distribution of shareholding as on 31st March 2019:**

Shareholding (Rs.)	Shareholders		Shares Amount	
	Number	%	Rs.	%
Upto 10 - 5000	4077	88.96	3421770	3.27
5001 – 10000	215	4.69	1737380	1.66
10001 – 20000	102	2.23	1615180	1.54
20001 – 30000	60	1.31	1516230	1.45
30001 – 40000	36	0.79	1297670	1.24
40001 – 50000	19	0.41	897450	0.86
50001 – 100000	38	0.83	2647830	2.53
100001 and above	36	0.79	91616490	87.46
Total	4583	100	104750000	100

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

As at 31.03.2019, 99.91% of equity shares have been dematerialized. These shares are traded in the National Stock Exchange of India Limited and BSE Limited under permitted trading category.

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

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

(Amount in Millions)

Eligible limit under past performance	Aggregate amount of contracts booked with all the Ads from April 2018 – March 2019	Amount of contracts cancelled with all Ads from April 2018- March 2019	Amount utilized (by delivery of documents) from April 2018 - March 2019	Amount of contracts o/s with all Ads as on 31st March 2019	Available limits under past performance as on 31st March 2019
Export US\$ 6.14	US\$ 2.20	US\$ NIL	US\$ 2.00	US\$ 1.10	US\$ 3.94

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

- **Saksoft Limited**  
Reg off: Global Infocity,  
Block A, 2nd Floor, 40, Dr. MGR  
Salai, Perungudi, Kandanchavadi,  
Chennai – 600 096.  
Ph: 044- 2454 3500  
Fax: +91-44- 2454 3510  
Development Centre:  
B 35 – 36, Sector 80, Phase II  
(Near Moserbaer) Noida – 201305.  
Phone : + 91 120 428 6231 33
- **Threesixty Logica Testing Services Private Limited**  
Reg.off: Global Infocity, Block  
A, 2nd Floor, 40, Dr.MGR Salai,  
Perungudi, Kandanchavadi,  
Chennai – 600 096.  
Ph : 044 – 2454 3500  
Corp off: B 35 – 36 Sector 80,  
Phase II (Near Moserbaer) Noida,  
UP 201305 India  
Phone: +91 120 4286231/33
- **DreamOrbit Softech Private Limited**  
Ascend-19, 2nd Floor,  
1st Cross, 17th C Main, 5th Block,  
Koramangala, Bangalore – 560 095  
Phone: +91 80 4098 9881
- **Saksoft Inc.**  
Suite 1240, 30 Montgomery Street,  
Jersey City, New Jersey - 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
- **Electronic Data Professionals Inc.**  
3070, Bristol Pike, BLDG 2 Suite  
107, Bensalem, PA 19020  
Phone: +1 215-639-0304  
Fax: +1 866-876-9151
- **Faichi Solutions Inc**  
640 W. California Ave  
Sunnyvale, CA 94086  
Phone: +1(408)-769-4941
- **Threesixty Logica Testing Services Inc.**  
640 W California Ave, Suite 210  
Sunnyvale CA 94086 (USA)  
Phone: +1 925 271-2558
- **DreamOrbit, Inc.**  
2711, Centerville Road, Suite 400,  
Wilmington, Delaware -19808  
Phone : +1 302-907-9068
- **Saksoft Pte Limited**  
10 Jalan Besar #10-12 Sim Lim  
Tower Singapore – 208787  
P: +65 6224 2550 F: +65 6224 2783
- **Saksoft Solutions Limited**  
(Previously known as Saksoft  
Investments Pvt Ltd) and Acuma  
Solutions Limited Applicon House,  
Exchange Street, Stockport,  
United Kingdom,  
SK3 0EY P:+01612414321

### (p) Address for Correspondence:

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

### (q) Credit Ratings

During the financial year 2018-19, the Company had received a rating of CARE BBB+;POSTIVE Outlook from CARE Rating Agency, which re- affirmed the rating for its long term banking facilities to a tune of Rs.20.82 Crore.

## 10. Other Disclosures:

- a) Disclosure on material significant related party transactions that may have potential conflict with the interests of listed entity at large:

There were no material significant related party transactions during the financial year 2018-19 without the consent of the Shareholders.

### Related Party Transactions

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

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

b) Details of non-compliance by the listed entity, penalties, and strictures imposed on the listed entity by stock exchange(s) or the Board or any statutory authority, on any matter related to capital markets, during the last three years:

There have been no instances of non-compliances by the Company. Hence there are no penalties, strictures imposed by the Stock Exchanges or SEBI or any other statutory authority on any matter related to the Capital Markets during the last three years on the Company.

c) Details of establishment of vigil mechanism, whistle blower policy and affirmations that no personnel has been denied access to the Audit Committee:

The Company has established the Whistle Blower policy and the company affirms that there are no personnel who were denied access to the Audit committee. Web link of the whistle blower policy is given under point 17 of this report.

d) Details of compliance with mandatory requirements  
The Company seek to promote and follow the highest level of ethical standards in all its business transactions by its value system. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 mandate the formulation of certain policies for all listed Companies. The Corporate Governance policies are available on the Company’s website at <https://www.saksoft.com/investor-relations/code-conduct-policies/>. The policies are reviewed periodically by the Board and updated as needed. The Board at its meeting held on 27th May, 2019 had revised and adopted some of its policies

Name of the Policy	Summary of key changes
Policy for Related Party Transactions	Key changes includes inter alia threshold limits for determining materiality.
Policy for determination of Material Subsidiary of the Company	Key changes include inter alia, the definition of material subsidiary.
Whistle Blower Policy	Enabling employees to report instances of leak of unpublished price sensitive information.
Code of Conduct for Directors and Senior Management Personnel	Key changes include amended definition of the senior management and duties of Independent Directors as laid down in the Companies Act. 2013
Code of Practices and Procedures for fair disclosure of unpublished price sensitive information.	Key changes include Policy for sharing of UPSI for legitimate purposes, policy in case of leakage of UPSI, establishing a digital database of insiders, identification of UPSI and maintaining its confidentiality, internal control mechanism.
Code of Conduct to regulate, monitor and report trading by Designated Persons of the Company.	a) Existing Code of Conduct to regulate, monitor and report trade is replaced by a new Code of Conduct to include Amended definitions of Designated persons Identifying Designated persons Responsibility of MD/ CEO to formulate policies and procedures to regulate, monitor and report trades by designated persons Defense to Insiders for trading of securities when in possession of UPSI Disclosure by Designated persons – one time as well as annual disclosure
Nomination and Remuneration Policy	The key changes include inter alia, addition of the definition of the senior management along with recommendation about their remuneration and succession planning.

- e) weblink where policy for determining material subsidiaries is disclosed:

The Company had identified unlisted material Subsidiary Company, incorporated in India and outside India. The Company has formulated a policy for determining material subsidiary and the web link of the same is given under point 17 of this report. The minutes of the meetings of the Board of Directors of the unlisted subsidiaries were placed at the meeting of the Board of Directors of the Company. During the financial year 2018-19, there were no significant transactions and arrangements entered into by the unlisted subsidiaries.

- f) web link where policy on dealing with related party transactions is disclosed: Given under point 17 of this report.

- g) disclosure for commodity price risks and commodity hedging activities:

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated

- k) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part.

M/s. RGN Price & Co	Statutory Audit	Rs.1.86 mn
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- l) Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

- a) number of complaints received during the financial year : Nil
- b) number of complaints disposed of during the financial year : Nil
- c) number of complaints pending as on end of financial year : Nil

Risk Management - The management of the Company present before the Board at regular intervals about risk assessment and minimization procedures. The Board of Directors from time to time discuss on the risk management plan and its implementation. As the requirements of Regulation 21 of LODR is applicable only to the TOP 100 listed Companies, for the time

November 15, 2018 is not required to be given.

- h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of (Listing Obligations and Disclosure Requirements) Regulations, 2015

Not Applicable

- i) The Company has obtained a certificate from Mr. V Suresh, Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

- j) whether the Board had not accepted any recommendations of any committee of the Board which is mandatorily required, in the relevant financial year, the same has to be disclosed along with reasons thereof

Not Applicable

being the Company is not required to constitute risk management Committee as prescribed thereunder.

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

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

**12. Disclosure regarding non-mandatory requirements.**

The auditors' report on financial statements of the Company are unqualified.

Internal auditors of the Company, make quarterly presentations to the audit committee on their reports.

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

Disclosed under the relevant headings in the report.

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

Forms part of the report.

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

Forms part of this report.

### 16. Disclosures with respect to Demat Suspense Account/ Unclaimed Suspense Account:

The Listed entity shall disclose the following details in its Annual Report, as long as there are shares in the Demat Suspense Account or Unclaimed Suspense Account, as applicable:

- (a) aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: NIL
- (b) number of shareholders who approached listed entity for transfer of shares from suspense account during the year: NIL
- (c) number of shareholders to whom shares were transferred from suspense account during the year: NIL

- (d) aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: NIL
- (e) that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares: NIL

Transfer of unclaimed/unpaid amounts to the Investor Education and Protection Fund:

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares. Details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website <https://www.saksoft.com/investor-relations/unclaimed-dividends/>

The members who have a claim on above dividends and shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred. The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules.

## 17. Website

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

Particulars	Weblink
Terms and conditions of appointment of independent directors; Composition of various committees of Board of Directors; Code of conduct of Board of Directors and Senior Management Personnel; Details of establishment of Vigil Mechanism/ Whistle Blower Policy; Policy on dealing with related party transactions; Policy for determining 'material' subsidiaries; Details of familiarization programmes imparted to Independent Directors; The email address for grievance redressal and other relevant details; Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances; Financial information and Annual report; Shareholding pattern; Schedule of analyst or institutional investor meet and presentations made by the listed entity to analysts or institutional investors simultaneously with submission to Stock Exchange; Corporate Social Responsibility Policy; Board Diversity Policy;	<a href="http://www.saksoft.com/company/investor-relations">http://www.saksoft.com/company/investor-relations</a>

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

## DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its senior management employees and the Directors. Code of Conduct is available on the Company's website.

I confirm that the Company has in respect of the year ended March 31, 2019, received from the Members of the Board and Senior Management Personnel of the Company, a declaration of compliance with the Code of Conduct as applicable to them.

Place: Chennai  
 Date: 27th May, 2019

**Aditya Krishna**  
 Chairman & Managing Director

# ANNEXURE-7

## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of **Saksoft Limited**

We have examined the compliance of conditions of Corporate Governance by Saksoft Limited ('the Company') for the year ended 31st March 2019, as per Regulations 17-27, clauses (b) to (i) of Regulation 46(2) and paragraphs C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

### Management responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the SEBI Listing Regulations.

### Auditor's responsibility

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

We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC 1), Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

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 Regulation.

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

For **R G. N. PRICE & CO.**  
Chartered Accountants

Mahesh Krishnan  
Partner  
M. No. 206520  
FR No. 0027855

Place: Chennai  
Date: 27th May 2019

# ANNEXURE-8

## Management Discussion & Analysis

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

### Global economic overview

The global economy grew slower at 3.6% in 2018 compared with 3.8% in 2017, largely on account of the failure of Brexit negotiations, tightened financial conditions, geopolitical tension and higher crude oil costs. Global growth is estimated at 3.3% in 2019 on account of a sustained weakening in advanced economies. (Source: World Economic Outlook).

### Global economic growth over six years

Year	2015	2016	2017(E)	2018(E)	2019 (P)	2020 (P)
Real GDP growth (%)	3.2	3.1	3.8	3.6	3.3	3.6

[Source: World Economic Outlook, January 2019] E: Estimated; P: Projected

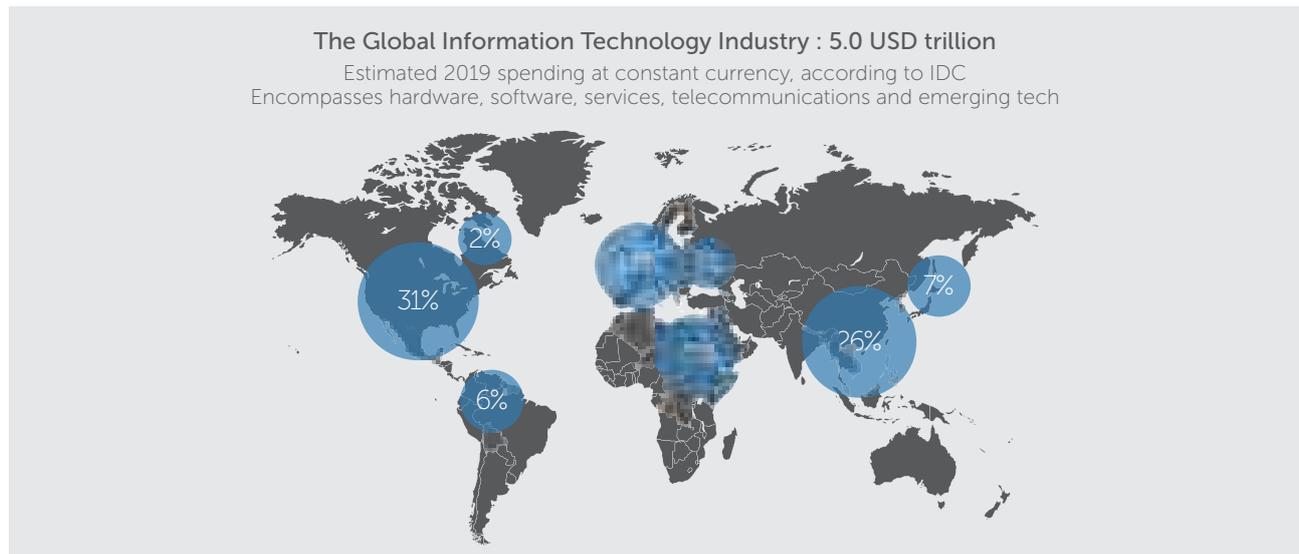
The increased proliferation of technology has emerged as a growth driver for the global IT industry. The US is the largest technology market, representing 31% of the total global market and estimated at ~ USD 1.17 trillion for 2019.

The Asia Pacific accounts for ~33% of global IT spending. The majority of technology spending is accounted by corporate and governmental bodies, while a smaller

portion is derived from household spending. The major categories of the industry can be classified into the software, hardware and services sector, accounting for ~53% of the total industry share.

While some sectors reported a decline in late 2018 due to rising debt, stock market volatility and economic turmoil, there was a thumbs up for business confidence

### Global IT sector overview



(Source: IDC)

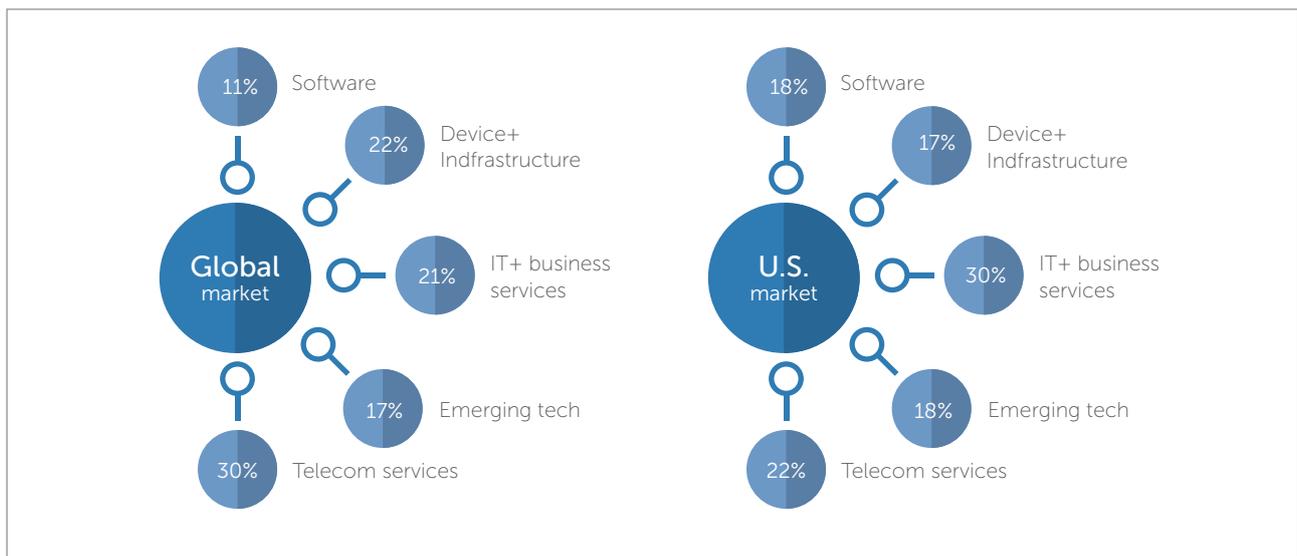
among IT industry executives at higher than the long-term index average. The IT sector's growth is being driven by investments in infrastructure, connected devices and widening bandwidth. Going ahead, technological solutions in the area of cloud computing, EDGE, 5G and other infrastructure technologies could emerge as the next wave. (Source: Gartner, IDC)

at a compounded annual growth rate (CAGR) of 12.6%. The global IoT market is projected to reach USD 318 billion by 2023 from USD 130 billion in 2018 at a CAGR of 20%. (Source: Gartner, Forbes, Globaldata, Technology Intelligence Centre)

### Outlook

Global IT spending is projected at USD 3.79 trillion in 2019, an increase of 1.1% from ~USD 3.747 trillion in 2018. Enterprise software and IT services could exhibit sustained growth with communications services accounting for much of the spending. Software spending is projected to grow at 9.3% in 2019 to USD 427 billion. The worldwide public cloud service market is expected to grow from USD 182.4 billion in 2018 to USD 331.2 billion in 2022,

### Key categories of the Information Technology industry



(Source: IDC)

# Emerging global IT sector trends

## Rising mergers and acquisitions

Despite the presence of major industry players, smaller companies are better placed to introduce innovation, catalysing acquisitions.

## More generalised networks

Increasingly generalised networks storing unrelated data in similar databases are paving the way for the development of machine learning algorithms and artificial intelligence tools.

## Artificial intelligence

Artificial intelligence is increasingly becoming an integral part of new platforms, devices and apps, strengthening the overall sector.

## Cloud computing

The minimisation of infrastructure and increasing ease-of-maintenance of hardware / software have made cloud computing globally pervasive.

## Arrival of 5G

This emerging standard promises to accelerate broadband download speeds 10x than 4G. 5G could catalyse the development of IoT, self-driving cars, robotic surgeries and drone deliveries, among others.

## Big data

The growing effectiveness of big data should allow it to strengthen corporate competitiveness.

## Global IT spending forecast

	2018 spending (USD billion)	2018 growth (%)	2019 spending (USD billion)	2019 growth (%)
Data centre systems	210	15.5	204	-2.8
Enterprise software	399	9.3	427	7.1
Devices	667	0.3	655	-1.9
IT services	982	5.5	1,016	3.5
Communications services	1,489	2.1	1,487	-0.1
<b>Total</b>	<b>3,747</b>	<b>4.0</b>	<b>3,790</b>	<b>1.1</b>

(Source: Gartner April 2019)

## Key numbers

# 166

USD billion, estimated global big data and business analytics revenues in 2018

# 2.2

USD million, average cloud budget per company in 2018

## Global IT outsourcing segment overview

To build performance, IT outsourcing is one of the most sought-after solutions. It is the process of subcontracting a customer's IT functions to a third-party vendor with domain expertise. Optimising increasing costs of developing resources and overcoming complexities with applications and aligning IT services with corporate goals could act as growth drivers of the IT outsourcing segment. In 2018, the global outsourcing industry generated USD 85.6 billion in revenues. The total contract value of the information technology outsourcing market was USD 62 billion and projected to grow at a CAGR of 4.42% during the period 2018- 2022. (Source: Statista, Warrendaily)

## Emerging trends in the global IT outsourcing segment

**Increased focus on process and people:** Cost reduction may no longer be a decisive factor for choosing service providers; this decision could graduate to a holistic business-strengthening proposition.

**Preference to multiple service providers:** Companies may no longer depend on a single subcontractor but outsource to multiple vendors. In 2008, 42% of the Forbes G-2000 largest global businesses outsourced IT to single companies but this declined to 15% in 2018. (Source: ISG data)

**Rise in IT outsourcing destinations:** Countries in Europe, Middle East and Africa generated the largest share of global outsourcing revenues in 2017. Among these, India and China were the leading countries with IT exports worth ~USD 150 billion. In the coming years, Poland, Ukraine, Romania, and Belarus could provide tough competition to India and China. Ukraine has 166,000 software developers and by 2020, this number is expected to grow to 250,000. (Source- N-ix)

**BPO growth:** The global BPO market in 2017 was worth ~USD 24.6 billion and predicted to grow to USD 220 billion by 2020. (Source: Global Industry Analysts report)

**Automation of processes:** Automation is one of the revolutionary trends in the field of outsourcing, which could lead to an increased demand for professional data scientists, big data analysts and artificial intelligence professionals. (Source: GSA report)

## Advantage India

**Cost competitiveness:** Affordable hourly rates have helped grow the outsourcing market in India. Hiring a development partner is relatively cheaper in India than in most global locations.

**Skilled personnel:** India possesses the largest strength of IT developers who are experts in the areas of digital marketing, cloud computing, analytics, programming and software development. Developers are learning new skills and tools to boost their knowledge and provide solutions for complicated problems.

**Ease of doing business:** The flexible regulatory laws introduced by the constant effort of the Government of India and stringent non-compromising approach towards strengthening IT and security laws to prevent breaching of data has made India a prominent outsourcing destination.

## Key numbers

# 37

India's share (%) of the global IT outsourcing market

# 150

USD billion, size of India's outsourcing industry in 2017

# 66

Countries served by outsourcing companies in India

(Source: Gartner, NASSCOM, Hindustan Times)

# Fintech



## Key numbers

150

USD billion, global fintech by market size in 2018

715

USD billion, projected revenues by 2025

31%

Proportion of the Company's revenues derived from this vertical

(Source: Industry Arc)

## Overview

The emergence and activities of fintech companies are reconstructing the financial landscape. Among the countries providing funding to the start-ups, North America is the major contributor with a major fintech market share of ~35% in 2018. Fintech investment in the Americas rose from USD 29 billion in 2017 to USD 54.5 billion in 2018. Deals volume also increased from 1,039 deals to 1,245. The US accounted for the bulk of this funding - USD 52.5 billion across 1,061 deals. (Source: KPMG)

## Importance

**Fraud detection in financial sector:** With companies becoming increasingly vulnerable to cyber-attacks and data breaches, fintech has amassed growing importance. With the help of machine learning, fintech companies are studying the behavioural pattern of users to detect anomalies or frauds at every stage. Fintech companies are enhancing operational convenience to ensure the smooth cash flow in financial ecosystems.

**Sharing economy:** Financial institutions consider that end-to-end solution providers could soon be replaced by a sharing economy. This could decentralise asset ownership and connect users with service providers to drive alliances between financial institutions and fintech companies.

**Shift in the digital landscape:** Global digital commerce volume exceeded USD 3 trillion in 2017 and could increase >2x by 2022. The advent of fintech has changed the scenario of digital payments. New startups have emerged with latest technologies to enhance the client experience.

**Enhanced customer experience:** To ensure seamless interactions with customers, automated voice systems or chatbots are providing an enriching experience at lower costs.

**Artificial intelligence:** Artificial intelligence is facilitating the growth of the financial economy through transaction bots, which act as financial assistants to users. Artificial intelligence is also being used to segregate clients on the basis of risk profiles. The use of artificial intelligence in the fintech market is anticipated to reach USD 7.28 billion by 2023, up from USD 1.27 billion in 2017.

**Blockchain - the game-changer:** Blockchain is a form of distributed ledger technology, which maintains records of all cryptocurrency transactions on a distributed network of computers. The data is secured through encrypted 'blocks' and provides financial transparency at much lower costs. (Source: Investing News, KPMG)

## Impact

**Payment integrity:** Fintechs are providing a swift and seamless connection between financial firms and customers by changing the

## Key numbers

# 111.8

USD billion, global fintech funding in 2018

# 54.5

USD billion, fintech funding in the US in 2018

# 34.2

USD billion, fintech funding in Europe in 2018

# 22.7

USD billion, fintech funding in the Asia Pacific in 2018

whole rigorous way of obtaining loans and making digital payments safer and secure. Cryptocurrencies, being much faster and cheaper, are nowadays being used for purchasing goods.

**Risk assessment:** With the help of smart technologies, fintechs scan huge amounts of data - from social reviews to customer usage patterns, generating a credit score for financial firms.

**Crowdfunding:** Fintechs have transformed the financial landscape by introducing the concept of crowdfunding. Crowdfunding is a platform that allows ordinary people to fund and projects online by lending money or buying equity.

**Predictive analysis:** Fintechs offer predictive analytics in financial

services to determine patterns and offer insights, improving overall revenue generation and optimising resource allocation.

## Outlook

On account of the increased demand for insurance, loans and investments, the demand for fintech services is projected to grow at a CAGR of 25% to 30% between 2019 and 2025. (Source: Industry Arc)

## Saksoft's perspective

Saksoft's customer-centric business model leverages emerging technologies to offer innovative approaches. Its domain expertise has allowed Saksoft to emerge as a trusted partner to financial institutions. Saksoft has garnered industry-wide respect on account of the following attributes:

**Comprehensive and integrated solutions:** Our focus on fintech includes building solutions for our clients in Merchant Acquiring, Electronic Bill Payment and Presentment (EBPP), Money Transfer, Merchant Cash Advance, P2P Lending, Credit Management, Digital Wealth Management, Regulatory Compliance and Identity Protection

**Experienced Team:** Saksoft, comprising a global design, and engineering team, works with leading Payment Solution Providers and major card brands in the US to build and launch products that help merchant acquirers reduce the cost of card acceptance, merchant

interchange, and help increase residual income for participating ISOs.

**Innovation:** We build innovative mobile cash disbursement solutions for clients that help 'Issuers' and 'Money service Businesses' to provide a 'Cardless cash' option at ATMs. The platform also enables enterprises looking to enhance their promotion, loyalty and rebate programs.

**Use of Technology:** Saksoft provides solutions for fintech customers through custom-built platforms, cloud migration and analytics.

## Services in the fintech domain

- Mobile and Web Development
- Product Engineering and Testing
- Cloud and Database Managed Services
- API Integration
- Advanced Analytics and AI

“Banks have to upgrade themselves, or risk being burnt to the ground.”

- JP Nicols, Co-founder,  
Bank Innovators Council

# Healthcare



## Key numbers

7.72

USD trillion,  
global spending  
on healthcare in  
2017

10.06

USD trillion,  
projected spending  
on healthcare by  
2022

9%\*

Proportion of  
Company's  
revenues derived  
from this vertical

\* Includes retail and  
healthcare

(Source: Deloitte)

## Overview

Per capita healthcare spending in the US stood at ~USD 10,224, the highest in the world. Cutting-edge technologies are ushering digital transformations in the global healthcare sector. The popularity of digital health applications is encouraging companies to advance in the technological field through an unrelenting focus on quality. Operating costs have declined on the back of round-the-clock availability of reliable data. The steady increase in healthcare spending is predominantly being attributed to the evolution of IT and advanced computing solutions.

## Importance

**Making the customer the active stakeholder:** With the onset of digital platforms, patients can access their health information anywhere and anytime. Electronic health records and apps are increasingly addressing the growing needs of the healthcare sector.

### Using technology to boost ROIs:

Advanced technologies like artificial intelligence and voice-enabled assistance are facilitating the treatment of patients in real-time. Predictive analyses monitor health conditions and take critical clinical decisions without worrying about systemic burnout.

## Impact

**Patient safety:** Health-related information is being digitised via electronic health record systems

and digital prescription apps. Subsequently, patients no longer have to worry about the possibility of incorrect dosages due to illegible handwriting. Furthermore, there are certain prescription order entry systems that alert physicians of possible dangerous side-effects resulting from the interactions of different drugs.

**Telemedicine:** Doctors access error-free health records even if the patients are not physically present. This revolutionary platform helps those staying in isolated areas where doctors are not available. The market size for global telemedicine is expected to reach >USD 40 billion by 2021.

**Blockchain:** The advent of blockchain has made data sharing easy for healthcare providers, enhancing the integrity of healthcare information.

**Big data:** Big data analysis has been used to collect data related to DNA, protein, metabolites, cells, tissues and ecosystems, among others, through smart wearables, analysed for probable treatment.

**3D bio-printing:** Physicians usually look at 2D images such as X-rays for diagnosis. However, things have changed with the advent of virtual reality. 3D bio-printing offers incisive insights into organ health to solve problems.

**Artificial intelligence:** The healthcare artificial intelligence market is forecast to grow at a CAGR

of 40% by 2021 with the potential to improve healthcare outcomes 30-40% and halve treatment costs. The result: artificial intelligence applications in healthcare could save USD 150 billion dollars annually for the US healthcare economy by 2026.

**Predictive analytics:** In the realm of healthcare, predictive analytics offers personalised patient care, reducing variations to provide actionable insights into supply utilisation for hospitals.

**IoHT/ IoMT:** Owing to the growing demand for remote treatment, various healthcare systems are utilising healthcare tools enabled by IoT. While paying, consumers are using smart wearables to facilitate the process. The number of payments made via wearables is anticipated to account for a 30% share of the market by 2020. (Source: Health system tracker, Ranosys, Business Wire, Market Watch, Frost & Sullivan, Accenture, Capgemini, Aruba Networks, HIMSS)

## Outlook

In 2018, digital health investments crossed the USD 9.5 billion-mark with a 32% jump over 2017. The compilation of a huge database, coupled with the advent of latest technologies, is expected to benefit healthcare service providers and patients. The result: the mobile healthcare market is expected to grow to ~USD 135.3 billion by 2024 at a CAGR of 31% from

2018-2024. By 2024, the digital healthcare market is expected to be worth USD 379 billion, wireless and mobile solutions accounting for the major contribution. (Source: HIMSS, Ranosys, Healthcare weekly, Seekingalpha, Deloitte)

## Saksoft's perspective

Saksoft works on major digital platforms to organise and share medical records. The data from electronic medical records can be downloaded easily, ensuring a seamless relationship between healthcare service providers and patients. Saksoft has garnered industry-wide respect on the back of the following attributes:

**Stringent compliance:** Saksoft's foresight in complying with changing regulatory norms and healthcare standards like MACRA, MIPS, Meaningful Use Stage-III, HL7, FHIR and ICD-10, among others, has allowed the Company to stay ahead of peers. The focus on qualitative excellence has resulted in error cum waste reduction.

**Effective healthcare management:** Saksoft's comprehensive health risk assessments use predictive analytics emphasising continuous innovation.

**Service portfolio:** The Company provides a variety of services comprising electronic health record maintenance and patient management.

## Healthcare services

- Product engineering – Patient portals/Provider applications
- Tele-health /Remote monitoring
- Interoperability – HL7/FHIR enabled Apps
- IoT - Integrated health monitoring
- RPA – Automate provider/ payer operations
- Healthcare analytics – AI/ML

// If you don't think healthcare is about power, you haven't been paying attention."

- Don Berwick,  
Former administrator, CMS

# Retail & e-commerce

## Key numbers

2.03

USD trillion, global e-commerce market valuation in February 2019

2.86

USD trillion, projected e-commerce market valuation in 2023

9%\*

Proportion of Company's revenues derived from this vertical

\* Includes retail and healthcare

(Source: Statista)

## Overview

E-commerce has evolved to make products easier to discover and purchase. It is expected to outgrow brick-and-mortar outlets like supermarkets and grocery stores. E-commerce is expected to become the largest retail channel in the world by 2021, accounting for 14% of retail sales. (Source: Euromonitor, Forbes)

## Importance

**Assured connectivity:** The increased penetration of smartphones via the advent of affordable technologies, such as Wi-Fi, social media and data sharing, has catalysed demand in the e-commerce market.

**Advanced technologies:** Advanced digital platforms have bolstered client-friendly and smooth operations for key sectoral players.

**Customer priority:** To cater to the ever-expanding demands of customers, organisations are improving round-the-clock availability of varied products and services through connected devices.

**Artificial intelligence:** Artificial intelligence provides improved recommendations when it comes to items frequently bought together. By automating the customer service experience through chatbots and sending engagement mails, service providers have built strong relationships.

**Data analytics:** The storing of large amounts of data has become

challenging. Data analytics helps provide reliable, accurate and timely access to data, hastening processes and enhancing customer delight.

## Impact

**Blockchain:** The conscientious customer's shifting and changing demands transparency has led to the advent of blockchain technology, reducing the presence of counterfeit products. The coming years could see blockchain creating a new level of integrity for the e-commerce sector.

**Machine learning:** Machine learning provides enhanced and upgraded visual searches by making available a wide range of products.

**IoT:** IoT is a much sought-after option when it comes to reducing theft, optimising store operations and maximising cross-purchases by customers.

**Investments:** Artificial intelligence-related investments grew at ~300% in 2017, with the possibility that >80% of all customer interactions could be addressed by AI generating corresponding gains of USD 1.2 trillion a year by 2020. (Source: Forrester, Gartner)

## Outlook

Thanks to unprecedented information available to retailers, digital commerce transactions shot up to ~USD 2.80 trillion in 2018. This is expected to grow at a CAGR of 20% till 2023. The m-commerce market is expected to grow at

## Key numbers

# 517.36

USD billion, e-commerce sales in the US in 2018

# 363.54

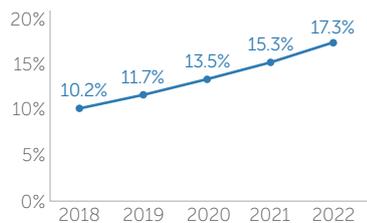
USD billion, e-commerce sales in Europe in 2017

# ~1.35

USD trillion, e-commerce sales in the Asia Pacific in 2017

(Source: Digital Commerce 360\*, Shopify)

Digital commerce's share of global B2C sales 2018-2022



Source: 451 Research Global Unified Commerce Forecast, 2018

24.41% between 2018 and 2023. (Source: Forbes, Business Wire, Mordorintelligence)

Digital commerce will account for USD 1 out of every USD 10 spent by shoppers in 2018. (Source: 451 Research)

## Saksoft's perspective

Saksoft's digital transformation solutions in the realm of business intelligence, analytics, application

development, mobile apps and cloud computing have helped retailers coordinate in-store activities, facilitate employee communication and understand customer behaviour/buying patterns better, strengthening prospects.

Saksoft aggregated respect for the following attributes:

**Store Front Solutions:** As the digital-physical divide falls apart in the retail sector, brands and retail stores are focusing on setting their e-commerce and brick-and-mortar strategies right, leverage mobile power and keep omnichannel retail as the point of differentiation. Our Omni Channel Retail Solutions are aimed at bridging the divide between the digital and physical worlds and live up to the promise of a seamless customer experience across channels. We provide thrust to e-commerce performance by providing e-commerce portal solutions, with our Mobile Shopping App and geo-marketing solutions serving well for e-commerce platforms to keep customers at the core of their operations.

**Make or Break:** With customer experience now held as the 'make or break' point in the retail industry, our comprehensive retail solutions drive a robust supply chain, with the order and billing management, warehouse/inventory management, logistics management solutions allowing retailers to address customer demands at the right time and promote customer delight.

**Advanced Analytics:** The retailer-customer bond also means earning customer loyalty, which begins with the quest to know everything about the customers and know what she wants before she makes a decision. Our analytics solutions encompassing advanced customer behavior analytics driven by way of social listening through micro influencer platform, customer churn analytics, customer 360 and customer segmentation, guide retail stores in predicting customer needs, behavior and take the next best action to drive customer loyalty and delight.

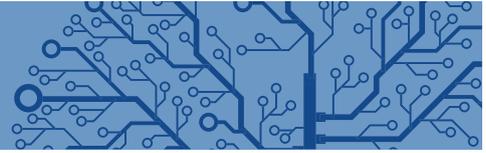
## Retail & E-commerce services

- Social listening (micro influencers)
- Customer 360\*
- Customer journey tracking
- e-commerce portal development
- Solutions like Sales / Inventory Forecasting, Sentiment analysis, Cloud Migration, Infrastructure support

“Communications is at the heart of e-commerce and community.”-

**Meg Whitman,**  
President and CEO,  
Hewlett-Packard

# Telecommunications



## Key numbers

1.4

USD trillion, global telecommunication market size in 2017

1.46

USD trillion, projected global telecommunication market size in 2020

16%

Proportion of Company's revenues derived from this vertical

(Source: Statista)

## Overview

Owing to continuous technology innovation, telecom operators are forced to adopt new technology to remain competitive. As a result, the global telecommunications market is perpetually in a state of transformation. The industry is being driven by technological advancements relating to M2M, big data analytics, proposed 5G rollout, artificial intelligence, cloud computing and IoT. Geographically, the industry is classified into Asia Pacific, North America, Europe, and Rest of the World. The population base in Asian countries (China and India largely) is driving the telecom industry.

## Importance

**Innovation:** Telecom industry is one of the prime movers of innovation in the ecosystem. This has led to increased opportunities to address not only telecom operator specific needs but also those across the ecosystem, making end enterprise customers prospective customers.

**Security and Adoption:** Virtualisation has increased security concerns and advanced digital technologies (VoLTE support in Cat-M1) possess the ability to make voice calls to devices and create new revenue opportunities for service providers.

**Customer-centricity:** Telecom service providers are introducing free unlimited voice services through VoLTE. The video over LTE, an extension of VoLTE, provides quality video services.

## Impact

**Advent of 5G:** The industry is projected to invest USD 225 billion in 5G between 2019 and 2025. 5G fixed wireless access subscription revenue is expected to grow to USD 40 billion by 2025. This could create a unique set of business applications across the ecosystem.

**Artificial intelligence:** All telecom companies are solving inquires and resolving problems with the help of artificial intelligence. Case in point: Vodafone resolves >70% of inquires with its AI chatbot.

**Edge computing:** Edge computing facilitates the local processing of data, reducing network traffic. Some 5.6 billion IoT devices could use edge computing for data processing by 2020.

**Blockchain:** Blockchain is a revolutionary feature in the telecom Industry. It is reported that 38% of communication service providers consider using blockchain or have implemented it. This is especially relevant for communication service providers dealing with B2B customers and third party local circuits to manage multi-party contracts with transparency

**Chipset technology:** New chipset technology improves geolocation accuracy and addresses battery draining, strengthening the market for IoT devices and wearables.

**Business intelligence:** Corporate performance management and business intelligence unify integrated

data from various enterprise systems and sources, which can then be utilized in a personalised dashboard to schedule automated alerts.

**Upgradation:** Carriers need to update legacy IT systems as they expand into new areas.

## Outlook

IoT, 5G, data analytics and cloud strategy are projected to emerge as critical drivers of the telecommunications ecosystem. Mobile subscribers reached 5.1 billion in December 2018; ~67% of the global population now enjoys access to a mobile service. The telecommunication services market, which includes fixed-network services and mobile services, was valued at ~USD 1.4 trillion U.S. in 2017 and forecast to grow to ~USD 1.46 trillion by 2020. The total spending on wireless data worldwide is forecasted at ~USD 500 billion by 2019 and much of this growth could be driven by an increasing offtake of mobile phones and smartphones in Asia, particularly India. The global telecom cable market is expected to reach ~USD 50.8 billion by 2023, growing at a CAGR of 5.4%. (Source: Statista, Gartner, IDC, Prnewswire, GSMA, Economist Intelligence Unit, Deloitte, Market business insider)

## Saksoft's perspective

**Domain Knowledge:** Strong domain knowledge and technical solutions, directed at changing customer needs, are the focus at Saksoft, demonstrated in the continued growth that we enjoy in this domain.

**Agile and Flexible:** Saksoft is considered an agile and responsive organisation compared to many of our competitors. This provides us the ability to deliver our services matching the expectations of all stakeholders

**Innovative:** The Company emphasizes continued innovation comprising end-to-end solutions and has been involved in more such proposals for customers in this domain this year compared to earlier years.

### Telecom services

- SharePoint development
- Advanced analytics
- Oracle support
- Testing

// 5G will bring job opportunities for women in telco and IT, as well as a whole new era of communications for consumers and industries of all kinds."

**Caroline Chan,**

Vice President and General Manager of the 5G Infrastructure Division at Intel

# Transportation and logistics



## Key numbers

10.32

USD billion,  
global logistics  
market size in 2017

12.68

USD billion,  
projected global  
logistics market size  
in 2023

11%

Proportion of  
the company's  
revenues derived  
from this vertical

(Source: Pnewswire)

## Overview

Global trade in developing economies, rise in free trade agreements and information technology advancement have accelerated the growth of the logistics market. The increased use of RFID, Bluetooth, drone delivery and driverless vehicles are providing a new dimension to the global logistics market.

## Importance

**Blockchain:** Blockchain maintains a large quantum of accurate, real-time and digitised data in a secure environment, reducing fraud. Modern logistics companies facilitate process seamlessness by reducing certifications by third parties.

## Machine learning and data analytics

With IoT solutions churning out huge amounts of data, ML-based data analytics is an indispensable part of any good Transportation Management solution.

**IoT:** IoT is expected to transform a reactive supply chain into a proactive one. The sensor data from different network nodes (parcels, trucks and vans) with the help of RFID and GPS can provide the latest status of items. The probable upcoming defect or change in weather or chances of accident can be detected earlier to plan and inform customers. The solution can also detect vehicle performance, ensuring lower breakdowns.

**Robotic transport:** Elimination of repeated manual tasks like shipment status update, vehicle information and invoice management are being automated using modern RPA techniques

**Artificial intelligence:** AI is being increasingly used to manage domestic intervention and intelligent predictive analysis to address mismanagement.

## Impact

**Technology:** Technology has catalysed a complete digital transformation of the global connected logistics ecosystem.

**Increased transparency:** Blockchain is revolutionising the transparency of the end-to-end supply chain like never before. Fraud detection, provenance, carrier history and real-time shipment status will soon be an integral part of every supply chain.

## Environmental sustainability:

IoT-based fleet management solutions aid optimal route and load management, hazardous material handling and vehicle maintenance, reducing carbon emissions significantly.

**Safety :** Close monitoring of Hours of Service of a driver using IoT-based ELD (Electronic Logging Devices) has improved trucking safety standards.

## Outlook

In 2017, the global logistics market stood at USD 10.32 billion and expected to grow at a CAGR of 3.49% between 2017 and 2023 to USD 12.68 billion in 2023. Owing to increasing developments in the e-commerce sector and rising customer acceptance, the global drone logistics & transportation market is anticipated to grow at a CAGR of 60.6% over the forecast period of 2019-2027 to account for USD 1,626.98 million in 2027 from USD 24.58 million in 2018. (Source: Prnewswire)

## Saksoft's perspective

**Distributed:** Saksoft experts offer insights, guidance and solutions to address complex issues, accelerated by using SMAC.

**Agile:** A real-time visibility to the end-to-end supply chain helps the Company plan better.

**Agile Teams** Our small but smart agile teams, distributed onsite and offshore, churn out working software every two weeks.

**Industry Expertise:** Saksoft has a team of 300+ technology professionals who have specialised in the logistics industry for eight years. The Company has worked with about 50 logistics enterprises globally, which included freight brokers, 3PLs as well as carrier and transportation management

software providers. With our own IP-based solution accelerators and a highly competent team, we can build cutting-edge logistics software with speed.

**Technology :** With a dedicated R&D team that focuses on new trends, including Blockchain, IoT, AI, ML and RPA, Saksoft remains ahead of the technology curve to provide new generation software to customers.

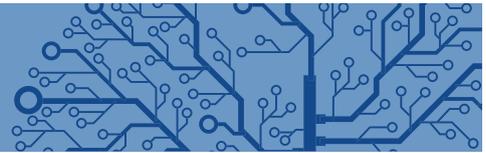
### Transportation and logistics services

- IoT solutions
- Freight management
- Warehouse management
- Supply chain management
- EDI integration
- Logistics dashboard

“ Leaders win through logistics. Vision, sure. Strategy, yes. But when you go to war, you need to have both toilet paper and bullets at the right place at the right time. In other words, you must win through superior logistics.”

**Tom Peters,**  
Management guru and author

# Public sector



## Key numbers

79.5

USD billion,  
IoT spending in  
Smart Cities in 2018

219.6

USD billion,  
projected IoT  
spending in Smart  
Cities in 2023

(Source: Business  
wire, Gartner,  
Marketsandmarkets)

## Overview

With an increase in conscientious citizens, data will be readily available and accessible at any time from any place at low or no cost. This is providing governments with reasons to spend and invest in a digital-driven society. Capturing the full potential of government digitisation could liberate USD 1 trillion annually in economic value worldwide. Governments are focusing on improved efficiency, integrated services and fraud management. (Source: McKinsey)

## Importance

**Smart Cities:** Smart Cities can catalyse benefits by increasing economic opportunities and livability while reducing congestion and pollution. The Government is deploying IoT in this regard.

**Cloud services:** Almost half of all governmental organisations are actively using cloud services and it is expected that government spending on public cloud services could grow 17.1% per year through 2021. (Source: Gartner)

## Impact

**Foster public welfare:** Dematerialisation of documents and biometric identity assurance have moderated documentation errors. Innovative voice and data communications, as well as IT-based applications, simplify work processes, saving time and money.

**Reduce crime rates:** Increased data has given rise to the fear of data breach and fraud, enhancing the importance of digital security solutions. The smart deployment of data-driven tools can reduce fatalities by up to 10%, lower crime by 40% and reduce emergency response times.

**Address growing demand:** To cater to the growing public demand for better life quality, the government is investing in automated and predictive systems leading to a reduction in delays, machine breakdown and operating costs, while increasing reliability and traceability.

**Boosting the workforce:** Governments are deploying intelligent automation tools to complement workers, reducing repetitive manual work and attrition. (Source: McKinsey)

## Outlook

Worldwide spending on IoT is estimated to reach USD 745 billion in 2019, growing at a rate of 15.4% over USD 646 billion spent in 2018. It is projected that the number could surpass USD 1 trillion by 2022. The consumer sector could drive IoT spending growth with a worldwide CAGR of 19%, followed by the insurance and healthcare sectors. Discrete manufacturing and transportation spending are anticipated to exceed USD 150 billion in 2022, making these the two largest IoT spending sectors. (Source: IDC)

“Stone Age. Bronze Age. Iron Age. We define entire epics of humanity by the technology they use.”

Reed Hastings,  
CEO, Netflix

### Key numbers

1.2

USD trillion, estimated global AI-derived business value in 2018

3.9

USD trillion, projected AI-derived business value in 2022

13.4

USD billion, digital workplace market size in 2018

35.7

USD billion, projected digital workplace market size in 2023

(Source: Business wire, Gartner, Marketsandmarkets)

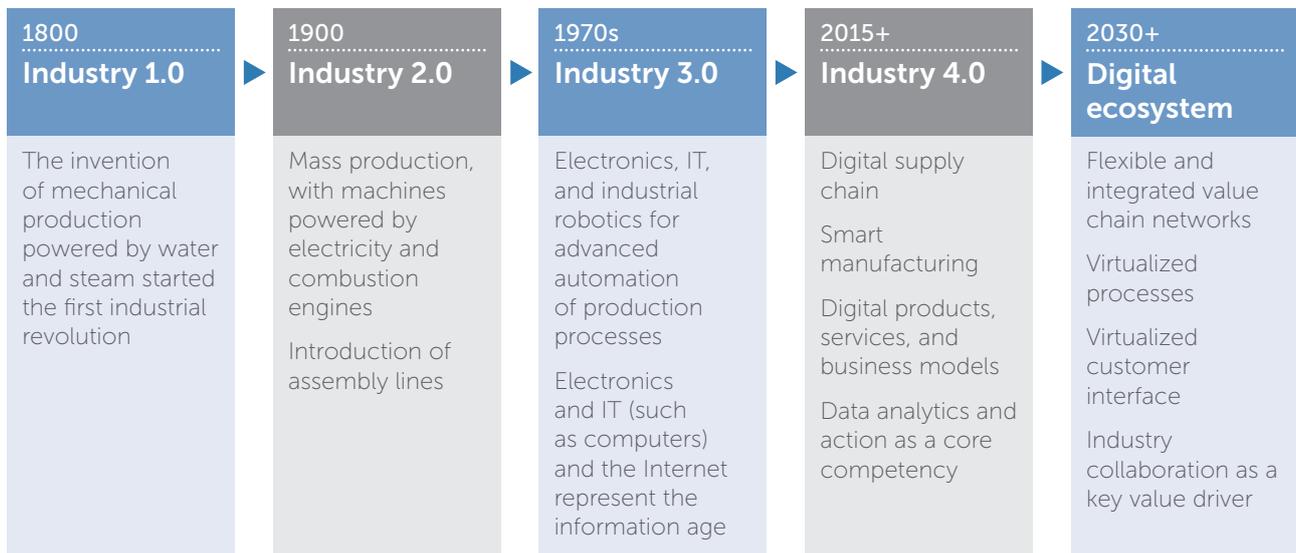
### Saksoft's perspective

Saksoft helps public sector organizations transform digitally in terms of information management and optimized applications, which reduce costs and increase efficiency in a sustainable way serving the general public.

#### Public sector services

- Smart Cities using IOT (machine learning natural language processing, sensors and robotic process automation)
- Predictive/prescriptive advanced analytics and next generation business intelligence
- Identity management, Big Data solutions and knowledge management
- DevOps, testing and application development

### The long road to Industry 4.0, the digitization of every aspect of business



(Source: PwC)

## The Company's overview

Saksoft has successfully evolved and maintained its business leadership in the area of providing digital transformation solutions. The Company leverages its experience and competence to provide cost-effective solutions and value-added services, enriching the customer experience.

Ratio	FY 2018-19	FY 2017-18
Operating Profit %	17%	14%
PAT Margin %	11%	8%
Debt Equity Ratio	0.19	0.3
Interest Cover (x)	11.89	7.49
Return on Capital Employed (%)	27%	20%
Return on Net Worth (%)	21%	16%
Debtors Turnover Ratio (days)	66	74
Earnings per share	36.66	21.98
Current Ratio	2.21	1.85

### Internal control systems and their adequacy

The Company's robust and intricate internal control systems ensure there is efficient use and protection of resources and compliance with policies, procedures and statutory requirements. We have developed well-documented guidelines, procedures for authorisation and approvals which include processes such as audits. Integral to the overall governance, we have a well-established internal audit frame work which extensively covers all aspects of financial and operational controls, covering all

units, functions and departments. The Company also has an efficient financial reporting system in place. Our internal audit team consists of senior members across various functional departments some of whom are also key managerial personnel of Saksoft. They actively engage in the evaluation and improvement of various functions and activities of the Company including restaurant operations and other support functions and departments. The Company also has an Internal Audit cell, which supports the Audit Committee besides the independent review of internal controls, operating systems and procedures by external auditors.

### Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward looking statements' within the meaning of applicable Securities Laws and Regulations. Forward looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised by the Company. Actual results could differ materially from those expressed in the statements or implied due to the influence of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent development, information or events.

# ANNEXURE-9

## Managing risks at Saksoft

Saksoft’s success over the year lies in effective risk management. The key risks associated with the core business are identified and effectively by the risk management team and are mitigated through scale, spread, product portfolio and segmental presence among others.

Rigorous and consistent risk management is embedded across the Company through our robust risk management framework, comprising our systems of governance, our risk management processes and risk preferences.

### Risk management framework of the company



#### Regulatory risk

The changes brought about by regulatory policies are addressed by Saksoft’s continuous adopting and adapting changes whenever possible.

#### Loyalty risk

Saksoft works closely with customers to determine their growing demands and respond quickly to market realities to help them enhance their market place competitiveness.

#### Technology risk

The technologies used should be tested properly or may lead to liability lawsuits. Saksoft ensures that the technologies used are fail-proof and efficient.

#### Protectionism risk

To counteract the rise in tariff barriers, Saksoft is increasing its local sourcing of skills.

#### Currency risk

This risk is perpetual, which is dealt by Saksoft moderating costs and hedging strategies.

#### Human capital risk

Attrition of human capital could impact long-term sustainability. Saksoft takes adequate measures to train, motivate and upgrade skills of employees. The Company offers industry-best remuneration structure to its employees with a well chalked-out career progression plan to create.

# INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
SAKSOFT LIMITED

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of SAKSOFT LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions

of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Valuation of investments in subsidiaries:

The carrying amount of the company's investments in its subsidiaries, held at cost, amount to Rs.1096 million (representing 79% of the total assets) as at 31st March 2019. The recoverability of these amounts is tested by comparing their carrying value of Equity Investments of the parent in its subsidiaries, with their respective fair value, derived by the valuation principles prescribed by Ind AS 113 – Fair Value Measurement. The valuation principles adopted would be under either income approach or market approach. While under the Income approach, the value available to equity shares holders is represented by the present value of the future free cash flows generated by each of the subsidiaries as adjusted by Cash and Cash Equivalents and liabilities, under the market approach the amount a market participant would expect to receive or pay in exchange of similar asset/liability would determine the fair value. In view of the significance of the assumptions underlying the ascertainment of future free cash flows or the market multiples as the case may be in deriving the fair value of investment, valuation of subsidiaries is considered a key audit matter.

### How the matter was disposed off:

The Management reviews the need for impairment of its investments in its subsidiaries, by comparing the carrying amount of investments with the fair value of such investments derived under the principles contained in Ind AS 109 Financial Instruments and Ind AS 113 Fair Value Measurement. In doing so, the amount by which the free cash flows fall below the carrying value of investments, an impairment provision to that extent is considered in the books. Such provision is reviewed at of every subsequent reporting date for necessary adjustments as may be required.

### Findings:

We reviewed management's selection of valuation model for deriving fair value of its equity investments with reference to assumptions underlying ascertainment of future free cash flows from each Cash Generating Units and concluded, that, in view of the present values of such cash flows being in excess of the cost of investments carried in parent's books there was no need for diminution in its investments in subsidiaries.

### Information other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the bank has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether

a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2016 ("Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraph 3 and 4 of the Order.
2. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended;

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

3. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is

disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 22 (a) to the standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

For **R G. N. PRICE & CO.**  
Chartered Accountants

Mahesh Krishnan  
Partner

Place: Chennai  
Date: 27th May 2019

M. No. 206520  
FR No. 0027855

## Annexure A to the Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SAKSOFT LIMITED of even date)

- |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>I a. The Company has maintained proper records for its fixed assets showing full particulars including quantitative details and situation of those assets.</p> <p>b. The Company has a policy of physically verifying its fixed assets once in two years which in our opinion is reasonable having regard to the size of the Company and its business. The Company had physically verified the assets during the previous financial year 2017-18.</p> <p>c. According to information and explanations given to us and on the basis of examination of records of the Company, there are no immovable properties held in the name of the Company.</p> <p>II In our opinion and according to the information and explanations given to us, having regard to the nature of the Company's business / activities during the year, clause (ii) of paragraph 3 of the Order relating to inventories is not applicable to the company.</p> <p>III The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the Register maintained under Section 189 of the Act.</p> | <p>IV In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of investments made and the Company has not granted any loans to Directors nor has granted any loan or guarantee or security to any company, body corporate or to any person.</p> <p>V The Company has not accepted any deposits and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder are not applicable to the Company.</p> <p>VI Having regard to the nature of the Company's business / activities, the maintenance of cost records has not been specified by the Central Government under section 148(1) of the Act.</p> <p>VII a. The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods &amp; Service tax, cess and other statutory dues applicable to it. There are no arrears of undisputed statutory dues outstanding as at 31st March 2019 for a period of more than six months from the date they became payable.</p> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

- b. There are no dues of Income Tax, Sales tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax or Cess which have not been deposited on account of any dispute as at 31st March 2019, except for an amount of ₹15.26 millions as detailed below:

Name of the Statute	Nature of the dues	Amount involved (Rs in Million)	Amount unpaid (Rs in Million)	Period to which the amount relates to	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	29.56	8.61	A.Y. 2009-10	CIT (Appeals)
Income Tax Act, 1961	Income Tax	20.45	6.56	A.Y. 2010-11	DCIT
Income Tax Act, 1961	Income Tax	11.36	0.09	A.Y. 2011-12	DCIT

- VIII According to the information and explanation given to us, and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowing from financial institutions and banks. The Company has not issued any debentures.
- IX The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Term loan of Rs.25 Million obtained from a related party during the year was applied for the purpose for which the same was intended to.
- X and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, we have neither observed any instance of fraud by the Company or any fraud on the Company by its officers or employees of the Company nor have we been informed of such case by the Management, during the year.
- XI In our opinion and according to the information and explanations given to us, managerial remuneration has been paid in accordance with the requisite approval mandated by the provisions of Section 197 read with Schedule V to the Act.
- XII The Company is not a Nidhi Company and hence, Clause 3(xii) of the Order is not applicable.
- XIII In our opinion and according to the information and explanations given to us, transactions with related parties have been disclosed in the standalone financial statements with details as required by Ind AS 24 "Related Party Transactions". These transactions are in compliance with Section 177 and 188 of the Act.
- XIV The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- XV According to the information and explanation provided to us and based on our examination of records, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- XVI The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **R G. N. PRICE & CO.**  
Chartered Accountants

Mahesh Krishnan  
Partner

Place: Chennai  
Date: 27th May 2019

M. No. 206520  
FR No. 0027855

## Annexure B to the Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of Saksoft Limited ('the Company') as of 31st March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note' 34) and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal

financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted

accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

### Opinion

According to the information and explanations given to us and based on our audit, the Company has in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **R. G. N. PRICE & CO.**  
Chartered Accountants

Mahesh Krishnan  
Partner

Place: Chennai  
Date: 27th May 2019

M. No. 206520  
FR No. 0027855

## Balance Sheet as at 31 March 2019

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

Particulars	Note No	Balance As at 31-03-2019	Balance As at 31-03-2018
<b>ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Property, plant and equipment	3	14.53	13.59
(b) Other Intangible assets	4	1.75	1.75
(c) Financial Assets			
(i) Investments	5.1	1,096.04	1,053.72
(ii) Loans	5.2	0.27	0.27
(iii) Others	5.3	12.47	12.74
(d) Deferred Tax Assets (net)	6	9.95	9.68
(e) Other non-current assets	7	0.26	0.19
<b>2 Current Assets</b>			
(a) Financial Assets			
(i) Trade and other receivables	8.1	153.38	134.93
(ii) Cash and cash equivalents	8.2	20.10	2.43
(iii) Loans	8.3	0.59	0.55
(iv) Others	8.4	42.20	4.87
(b) Current Tax Assets (Net of provisions)		21.78	19.36
(c) Other Current Assets	9	17.00	16.02
<b>TOTAL ASSETS</b>		<b>1,390.32</b>	<b>1,270.10</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share capital	10	104.75	104.75
(b) Other equity	11	795.93	672.77
<b>LIABILITIES</b>			
<b>1 Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	12.1	316.02	315.67
(b) Provisions	13	11.25	8.90
<b>2 Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	14.1	73.91	44.16
(ii) Trade payables	14.2		
Total outstanding dues of micro enterprises and small enterprises		1.91	8.12
Total outstanding dues of creditors other than micro enterprises and small enterprises		26.86	25.95
(iii) Other financial liabilities	14.3	20.10	62.62
(b) Other current liabilities	15	33.18	22.59
(c) Provisions	16	6.41	4.57
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,390.32</b>	<b>1,270.10</b>

See accompanying Notes to standalone financial statements

Vide our report of even date attached

For and on behalf of the Board of Directors

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

*Chartered Accountants*

Firm Registration No: 002785S

**Aditya Krishna**

*Chairman & Managing Director*

DIN.00031345

**Ajit Thomas**

*Director*

DIN.00018691

**Mahesh Krishnan**

*Partner*

Membership No: 206520

**Niraj Kumar Ganeriwal**

*Chief Financial Officer*

**S. Muthukrishnan**

*Company Secretary*

Date: May 27, 2019

Place: Chennai

## Statement of Profit and Loss for the year ended 31 March 2019

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

Particulars	Note No	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations		945.42	576.66
Other Income	18	54.15	70.77
<b>Total income</b>		<b>999.57</b>	<b>647.43</b>
<b>Expenses:</b>			
Employee benefits expense	19	525.06	332.97
Finance costs	20	43.59	44.98
Depreciation and amortization expense	3	7.87	7.45
Support / Third party charges		78.93	44.35
Other expenses	21	134.97	97.73
<b>Total expenses</b>		<b>790.42</b>	<b>527.48</b>
<b>Profit before Tax</b>		<b>209.15</b>	<b>119.95</b>
<b>Tax expense:</b>			
Current Tax	17	47.31	26.70
Income Tax Provision (Reversal ) for earlier year	17	-	-
Deferred Tax	17	(1.21)	2.17
<b>Profit / (Loss) for the period</b>		<b>163.05</b>	<b>91.08</b>
<b>Other Comprehensive Income, Net of Tax</b>			
A. (i) Items that will not be reclassified to Statement of Profit or Loss - Remeasurement of defined benefit plan (net of taxes)		1.67	0.21
B. (i) Items that will be reclassified to Statement of Profit & Loss - Changes in fair value of derivative instrument (net of taxes)		2.44	(5.32)
<b>Total Other comprehensive Income for the year</b>		<b>4.11</b>	<b>(5.11)</b>
<b>Total Comprehensive Income for the year</b>		<b>167.16</b>	<b>85.97</b>
<b>Total Profit attributable to Equity Shareholders</b>		<b>163.05</b>	<b>91.08</b>
Earnings per equity share of Rs 10 each	22		
(1) Basic		15.57	8.70
(2) Diluted		15.51	8.63

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

For and on behalf of the Board of Directors

**For R.G.N. Price & Co.,**  
Chartered Accountants  
Firm Registration No: 002785S

**Aditya Krishna**  
Chairman & Managing Director  
DIN.00031345

**Ajit Thomas**  
Director  
DIN.00018691

**Mahesh Krishnan**  
Partner  
Membership No: 206520

**Niraj Kumar Ganeriwal**  
Chief Financial Officer

**S. Muthukrishnan**  
Company Secretary

Date: May 27, 2019  
Place: Chennai

## Statement of Cash Flow for the period April 2018 to March 2019

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>A. Cash Flow from Operating Activities:</b>		
Profit before tax:	<b>209.15</b>	<b>119.95</b>
<b>Adjustments for:</b>		
Depreciation & amortisation	7.87	7.45
Expenses on employee stock based compensation	3.12	1.20
(Profit)/Loss on sale of Investments	(1.18)	(0.67)
Advance no longer payable taken to income	(0.38)	-
Interest and other Income	(0.04)	(0.41)
Dividend Income	(52.50)	(58.98)
Interest and Finance charges	42.81	44.91
Unrealised foreign exchange loss/ (gain) , net including Bank Balances	2.79	(0.37)
Net actuarial gain / loss on defined benefit plan	2.36	0.32
<b>Operating Profit before Working Capital / Other Changes</b>	<b>214.00</b>	<b>113.40</b>
(Increase) / Decrease in Trade receivables	(21.34)	(42.51)
(Increase) / Decrease in Other Assets	(34.76)	(9.46)
Increase / (Decrease) in Trade Payables	(4.82)	17.06
Increase / (Decrease) in Other liabilities	(31.93)	0.37
Increase / (Decrease) in Provisions	4.19	10.40
<b>Cash Generated From Operations</b>	<b>125.34</b>	<b>89.26</b>
Income tax paid	(50.42)	(29.15)
<b>Net Cash Flow from Operating Activities</b>	<b>74.92</b>	<b>60.11</b>
<b>B. Cash Flow from Investing Activities:</b>		
Purchase of Property, Plant and Equipment	(8.15)	(5.71)
Proceeds from sale of Property, Plant and Equipment	-	0.67
Purchase of Intangible assets	(0.66)	(0.13)
Interest and other Income	0.04	0.41
Sale / (Purchase) of Current Investments , (net)	33.87	-
Sale / (Purchase) of Non current Investments , (net)	(75.00)	(60.91)
Dividend income Received	52.50	58.98
<b>Net Cash Used in Investing Activities</b>	<b>2.60</b>	<b>(6.69)</b>

## Statement of Cash Flow for the period April 2018 to March 2019

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>C. Cash Flow from Financing Activities:</b>		
Proceeds/ (repayment) of borrowings	30.10	22.78
Interest and Finance charges	(42.81)	(44.91)
Proceeds from allotment of shares	-	1.37
Dividend paid (including Dividend Distribution Tax)	(47.14)	(33.38)
<b>Net Cash Used in Financing Activities</b>	<b>(59.85)</b>	<b>(54.14)</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents [A+B+C]</b>	<b>17.67</b>	<b>(0.72)</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>2.43</b>	<b>3.15</b>
<b>Cash and Cash Equivalents as at End of the Year</b>	<b>20.10</b>	<b>2.43</b>

### Note:

a. The above Cash Flow Statement is prepared under Indirect Method as provided by Ind AS 7 "Statement of Cash Flow" notified under Companies (Indian Accounting Standards) Rules, 2015. Figures in brackets represents cash outflow.

<b>b. Cash and Cash Equivalents comprise of:</b>		
Balance with Schedule banks in current accounts	20.06	2.40
Bank Deposits with maturity less than 3 months		
Cash and Cheques on Hand and in-transit	0.04	0.03
<b>Total</b>	<b>20.10</b>	<b>2.43</b>

The notes form an integral part of the Statement of Cash Flow  
This is the Statement of Cash Flows  
referred to in our Report of even date.

For and on behalf of the Board of Directors

**For R.G.N. Price & Co.,**  
Chartered Accountants  
Firm Registration No: 002785S

**Aditya Krishna**  
Chairman & Managing Director  
DIN.00031345

**Ajit Thomas**  
Director  
DIN.00018691

**Mahesh Krishnan**  
Partner  
Membership No: 206520

**Niraj Kumar Ganeriwal**  
Chief Financial Officer

**S. Muthukrishnan**  
Company Secretary

Date: May 27, 2019  
Place: Chennai

## Statement of Changes in Equity for the year ended 31 March 2019

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

### (a) Equity Share Capital

<b>Balance as at 1st April 2017</b>	<b>104.55</b>
Add: Shares issued on exercise of employee stock options	0.20
<b>Balance as at 31st March 2018</b>	<b>104.75</b>
<b>Balance as at 1st April 2018</b>	<b>104.75</b>
Add: Shares issued on exercise of employee stock options	-
<b>Balance as at 31st March 2019</b>	<b>104.75</b>

### (b) Other Equity

Particulars	Reserves and Surplus					Items of Other Comprehensive Income		Total Other Equity
	Capital reserve	General reserve	Securities Premium Reserve	Share Options outstanding reserve	Retained earnings	Financial instruments through Other Comprehensive Income	Remeasurement of Defined benefit plans through Other Comprehensive Income	
<b>Balance as at 1st April 2017</b>	0.21	46.44	88.48	15.05	461.48	5.82	0.35	<b>617.83</b>
Profit for the year	-	-	-	-	91.08	-	-	91.08
Other Comprehensive Income (Net of taxes)	-	-	-	-	-	(5.32)	0.21	(5.11)
Issue of equity shares	-	-	1.70	-	-	-	-	1.70
Transferred to Securities Premium reserve	-	-	-	(0.55)	-	-	-	(0.55)
Cost related to employee share based payments	-	-	-	1.20	-	-	-	1.20
Cash Dividends	-	-	-	-	(31.36)	-	-	(31.36)
Dividend Distribution Tax	-	-	-	-	(2.02)	-	-	(2.02)
<b>Balance as at 31st March 2018</b>	<b>0.21</b>	<b>46.44</b>	<b>90.18</b>	<b>15.70</b>	<b>519.18</b>	<b>0.50</b>	<b>0.56</b>	<b>672.77</b>
<b>Balance as at 1st April 2018</b>	<b>0.21</b>	<b>46.44</b>	<b>90.18</b>	<b>15.70</b>	<b>519.18</b>	<b>0.50</b>	<b>0.56</b>	<b>672.77</b>
Profit for the year	-	-	-	-	163.05	-	-	163.05
Other Comprehensive Income (Net of taxes)	-	-	-	-	-	2.44	1.68	4.12
Cost related to employee share based payments	-	-	-	3.12	-	-	-	3.12
Cash Dividends	-	-	-	-	(47.13)	-	-	(47.13)
<b>Balance as at 31st March 2019</b>	<b>0.21</b>	<b>46.44</b>	<b>90.18</b>	<b>18.82</b>	<b>635.10</b>	<b>2.94</b>	<b>2.24</b>	<b>795.93</b>

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

For and on behalf of the Board of Directors

**For R.G.N. Price & Co.,**  
 Chartered Accountants  
 Firm Registration No: 002785S

**Aditya Krishna**  
 Chairman & Managing Director  
 DIN.00031345

**Ajit Thomas**  
 Director  
 DIN.00018691

**Mahesh Krishnan**  
 Partner  
 Membership No: 206520

**Niraj Kumar Ganeriwal**  
 Chief Financial Officer

**S. Muthukrishnan**  
 Company Secretary

Date: May 27, 2019  
 Place: Chennai

## Notes forming part of the Financial Statements for the year ended 31 March 2019

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

### Company Overview and Significant Accounting Policies

#### NOTE-1: COMPANY OVERVIEW

Saksoft Limited('the Company') is a Public Limited Company incorporated and domiciled in India listed with National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange (BSE) and has its registered office at Chennai, Tamil Nadu, India.

The Company is primarily engaged in providing Information technology services, viz; Business Intelligence, Testing, Digital, Cloud, Mobility, IoT, Big Data & Software Solutions across Industries and Verticals. Saksoft provides end-to-end business solutions that leverage technology and enables its clients to enhance business performance. 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.

The financial statements were authorized for issue by the Company's Board of Directors on 27th May 2019.

#### NOTE-2: SIGNIFICANT ACCOUNTING POLICIES

**a. Basis of preparation of financial statements**

The financial statements in all material aspects have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as applicable.

**b. Basis of measurement**

The financial statements have been prepared on historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

- i. Derivative financial instruments;
- ii. Certain financial assets and liabilities measured at fair value
- iii. Share based payments; and
- iv. Defined benefit plans and other long-term employee benefits

**c. Use of estimates**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions that affect the reported amounts of revenues and expenses, 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. Accounting estimates could change from period to period. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in notes to financial statements. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have most significant effects on the amounts recognized in the financial statements is included in the following notes:

#### *Revenue Recognition*

The Company uses the percentage of completion method in accounting for its fixed price contracts. Use of the percentage of completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the estimated total efforts or costs to be expended, as applicable. Provisions for estimated losses,

## Notes forming part of the Financial Statements for the year ended 31 March 2019

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

if any, on incomplete contracts are recorded in the period in which such losses become probable based on the estimates at the reporting date.

### *Income Taxes*

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

### *Property, plant and equipment*

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and its residual value at the end of its life. Useful life and residual value of an asset is determined by the Management at the time an asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

### *Employee Benefits*

The company's defined benefit obligation to its employees and net periodic defined benefit cost / income requires the use of certain assumptions, including, among others, estimates of discount rates and expected return on plan assets. Changes in these assumptions may affect the future funding requirements of the plans. Actuarial gains / losses are recognized in Other Comprehensive Income. The sensitivity analysis for changes in estimates is disclosed under relevant Notes.

### *Other estimates*

The Company estimates the probability of the collection of the accounts receivable by analysing historical payment of patterns and customer credit worthiness. Stock compensation expense is determined based on the company's estimate of exercise pattern of equity instruments that vests with the employees. Estimates with regard to deferred taxes and provisions are made based on the extent of uncertainty prevalent on the date of financial statements, which may cause material adjustment to the carrying amounts of assets and liabilities.

#### **d. Revenue recognition**

The Company derives revenue primarily from software development and related services. Revenue is measured at the fair value of the consideration received or receivable.

The Company adopted Ind AS 115 - "Revenue from Contracts with Customers" from 1st April 2018 using the cumulative catch-up transition method. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. Refer Note 1 - "Significant Accounting Policies," in the Company's Annual Report for the year ended 31st March 2018 for policies in effect for revenue prior to April 1, 2018. The effect on adoption of Ind AS 115 was insignificant.

Revenue disclosed is net of discounts and Goods and service tax. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses. The Company has to apply the principles of revenue recognition to each of the distinct performance obligation and transaction price is recognized for each of the performance obligation of the contract.

## Notes forming part of the Financial Statements for the year ended 31 March 2019

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

The Company recognizes revenue when the performance obligations as promised have been satisfied with a transaction price and when where there is no uncertainty as to measurement or collectability of the consideration. Recognition criteria for various types of contracts are as follows:

### ***Time and Material Contracts:***

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

### ***Fixed-Price Contracts:***

In case of fixed-price contracts, revenue is recognized based on percentage of completion basis. Where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

### ***Annual Maintenance Contract:***

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

### ***Sale of products:***

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

Unbilled revenue represents earnings in excess of efforts billed on software development and service contracts as at the end of the reporting period and is included as part of Other Financial Assets.

*Unearned revenues* represent billing in excess of revenue recognized on software development and service contracts and is included in Other Current Liabilities until the above revenue recognition criteria is met. Advance payments received from customers for whom no services have been rendered are presented as "Advance from customers".

### ***Other Income***

Other income primarily comprises of interest, dividend, foreign exchange gain/loss on financial assets / financial liabilities and on translation of other assets and liabilities. Interest income is recognized in the Statement of Profit and Loss using effective interest method at the time of accrual. Dividend income is recognized in the Statement of Profit and Loss when the right to receive payment is established. Foreign currency gain or loss is reported on net basis and includes gain or loss in respect of concluded forward contracts.

## **e. Property, Plant & Equipment**

Property, Plant and Equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditure directly attributable to acquisition until the property, plant and equipment are ready for the intended use.

Property, plant and equipment are depreciated / amortized over their estimated useful lives using straight-line method from the date the assets are ready for the intended use. Assets acquired under finance lease and leasehold improvements are amortized over the lower of estimated useful life or primary lease term.

## Notes forming part of the Financial Statements for the year ended 31 March 2019

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

Depreciation on Computer and Office equipment is provided on straight line method over their respective useful lives as prescribed in Schedule II of the Companies Act 2013. In respect of assets other than these, depreciation is provided over the economic 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

Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which Management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013

Depreciation methods, useful life and residual value are reviewed at each reporting date.

Individual asset costing Rs.5,000/- or less are depreciated in full in the year of purchase.

Gains or losses on disposal are determined by comparing proceeds with the carrying amount. Cost and related accumulated depreciation are eliminated from the financial statements up on sale of the asset and there resultant gains or losses are recognized in the Statement of Profit and Loss.

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

Advances paid towards the acquisition of Property, plant and equipment outstanding at each Balance Sheet Date is classified as capital advances under other non-current assets.

### f. Intangible assets and amortization

Intangible assets are measured at acquisition cost less accumulated amortization and impairment losses, if any. Intangible assets are amortized over their respective estimated useful lives on a straight line basis from the date they are available for use as follows:

Description	Useful Lives
Intellectual property	36 months
Software Costs	60 months

Self-generated intangible assets are generally not capitalized.

The estimated useful life of an intangible asset is based on factors including obsolescence and the level of maintenance expenditure required to obtain the expected future cash flows from the asset.

### g. 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 fair value or present value of the minimum lease payments at the inception of lease term and disclosed as leased assets. Assets under finance lease are depreciated over the economic useful life or lease term, whichever is less.

## Notes forming part of the Financial Statements for the year ended 31 March 2019

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

The lease payments, net of finance charges, are adjusted against borrowings / other financial liabilities and allocated between lease liability and finance charges.

Leases that do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Lease payments are recorded as expense in the Statement of Profit and Loss on a straight line basis over the period of lease. The lease payments that are structured to increase in line with the expected general inflation are recognized in the Statement of Profit and Loss as per the terms of lease agreement.

### h. Impairment

#### *Non-financial assets*

The Company assesses at each balance sheet date whether there is any indication that a carrying amount of a non-financial asset or a group of non-financial assets may not be recoverable and hence require to be impaired. If any such indication exists, the Company estimates the recoverable amount of these assets. Recoverable amount is the higher of an asset's fair value adjusted for costs of disposal and the value in use. If such recoverable amount of these assets or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. This reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. 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 such reassessed recoverable amount subject to a maximum of carrying value of the asset. Non-financial assets (other than Goodwill) that are already impaired are reviewed for possible reversal of impairment provision at the end of every reporting period.

#### *Financial assets*

**Receivables:** The Company follows 'simplified approach' for recognition of impairment loss on trade receivables, whereby, it recognizes impairment loss allowances based on life time expected credit loss at each reporting period from its initial recognition.

**Other financial assets:** For all other financial assets, expected credit losses (ECL) are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case the same is measured at lifetime ECL.

Impairment gain or loss recognized in the Statement of Profit and Loss is the difference between loss allowance reassessed on the reporting date and that determined on the immediately preceding reporting date.

### i. 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 non-current.

- Non-current investments in subsidiaries, associates and joint ventures are stated at cost and any decline other than temporary in the value of these investments is recognized in the Statement of Profit and Loss.
- Other non-current investments are stated at their fair value.
- Current investments are stated at their fair value.

On disposal of investments, the difference between proceeds and the carrying amount is recognized in the Statement of Profit and Loss.

## Notes forming part of the Financial Statements for the year ended 31 March 2019

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

### j. Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in foreign exchange rates on foreign currency assets or liabilities and forecasted cash flows denominated in foreign currencies. The counterparty for these contracts is generally a bank.

Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in the Statement of Profit and Loss.

#### *Cash flow hedges*

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and presented within equity in the cash flow hedging reserve to the extent that the hedge is effective.

To the extent that the hedge is ineffective, changes in fair value are recognized in the statement of profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the related forecasted transaction.

#### *Others*

Changes in fair value of foreign currency derivative instruments not designated as cash flow hedges and the ineffective portion of cash flow hedges are recognized in the Statement of Profit and Loss and reported within foreign exchange gains/(losses).

### k. Non-derivative financial instruments

#### **INITIAL MEASUREMENT:**

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measure at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognized on trade date.

#### **SUBSEQUENT MEASUREMENT:**

##### *Financial assets at amortized cost*

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets are subsequently measured at amortized cost using effective interest method, less any impairment losses.

Amortized assets are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

## Notes forming part of the Financial Statements for the year ended 31 March 2019

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

They are presented as current assets except for those maturing later than 12 months after the reporting date, which are presented as non-current assets.

### ***Financial assets at fair value through other comprehensive income: (FVTOCI)***

Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### ***Financial assets at fair value through profit or loss: (FVTPL)***

Any financial asset not subsequently measured at amortized cost or at fair value through other comprehensive income, is subsequently measured at fair value through profit or loss. Financial assets falling in this category are measured at fair value and all changes are recognized in the Statement of Profit and Loss.

### ***Financial liabilities***

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination that is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for De-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

### **Fair value hierarchy:**

The company's policy on Fair Valuation is stated below.

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

Level 1 - The fair value of financial instruments traded in active markets (such as publicly traded securities) is based on quoted (unadjusted) market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price.

Level 2 - The fair valuation of instruments not traded in active markets is determined using valuation techniques. These valuation techniques maximize the use of observable market data and minimize the use of entity specific estimates (All significant inputs to the fair value measurement is observable)

Level 3 - Valuation techniques for one or more significant inputs to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

## Notes forming part of the Financial Statements for the year ended 31 March 2019

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

### l. Foreign Currency Translation

#### *Functional and Presentation Currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (i.e. the "functional currency). The functional currency of the Company is the Indian Rupee. These financial statements are presented in Indian Rupee.

#### *Foreign currency Transactions and Balances*

Foreign current Transactions are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of foreign – currency denominated monetary assets and liabilities into the relevant functional currency at exchange rates in effect at the reporting date are recognized in the Statement of Profit and Loss and reported within foreign exchange gains / (losses).

Non-monetary assets and liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

### m. Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders. Interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

### n. Cash and Cash equivalents

Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage. For the purpose of presentation in the Statement of Cash flows, cash and cash equivalents include cash on hand, deposits held at call with Banks, other short-term, highly liquid investments with original maturities of three months or less and that are readily convertible to known amounts of cash which are subject to an insignificant change in value.

Statement of cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

### o. Employee benefits

#### *Defined Contribution Plans*

The Company pays Provident Fund contributions payable to the recognized provident fund. The contributions are accounted for as defined contribution plans and recognized as employee benefit expense in the Statement of Profit and Loss.

#### *Defined Benefit Plans*

The company provides a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company as per the provisions of the Payment of Gratuity Act, 1972. The Company makes contributions to a fund administered and managed by the Saksoft Employees' Gratuity Trust to fund the gratuity liability.

## Notes forming part of the Financial Statements for the year ended 31 March 2019

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

The liability or asset recognized in the Balance Sheet in respect of a defined gratuity plan is the present value of defined benefit obligation at the end of the reporting period less the fair value of plan assets. Gratuity liability is a defined benefit obligation and is recorded based on actuarial valuation using the projected unit credit method made at the end of the year.

The present value of defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. 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.

Remeasurement gains or losses arising from Experience Adjustments and changes in actuarial assumptions are recognized in the period they occur, directly in the Other Comprehensive Income. They are included in the statement of changes in equity and in the Balance Sheet. Remeasurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to Statement of Profit or Loss in subsequent periods.

Changes in present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the Statement of Profit and Loss.

### *Other short term Employee Benefits*

As per the employment policy of the Company, employees are required to avail their annual leave by the end of the respective calendar year. At the end of the financial year, the Company accounts for the remaining short term compensated absences. Liability towards leave encashment is recognized in the Statement of Profit and Loss.

Undiscounted liability of performance incentive is recognized during the period when the employee renders the services, based on management estimate.

### Share-based payments

Employees of the Company receive remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of the grant arrived at by using the Black-Scholes Model valuation and recognizes the cost (net of estimated forfeitures) over the vesting period.

The equity instruments generally vest in a graded manner over the vesting period. The stock compensation expense is determined based on company's estimate of equity instruments that will eventually vest and be exercised. The expenses in respect of the above share based payment schemes is recognized over the vesting period in the Statement of Profit and Loss with a corresponding adjustment to the share based payment reserve, a component of equity.

### p. Taxation

Income-tax expense comprises current tax (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 temporary differences between tax bases of assets and liabilities and their carrying amounts in the financial statements). Taxes are recognized in the Statement of Profit and Loss except to the extent it relates to items directly recognized in equity or in the Other Comprehensive Income.

## Notes forming part of the Financial Statements for the year ended 31 March 2019

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

### *Current tax*

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

### *Deferred Income Tax*

Deferred income tax is recognized using the Balance Sheet Approach. The corresponding deferred income tax liabilities or assets are recognized for deductible and taxable temporary differences between tax bases of assets and liabilities and their carrying amounts in the financial statements.

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

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the deferred income tax asset to be utilized.

Deferred income taxes are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on the tax laws enacted or substantively enacted at the reporting date.

### q. **Earnings per share**

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

For the purpose of calculating Diluted earnings per share, amounts are computed by dividing the net profit or loss after tax for the year by the weighted average number of shares outstanding during the year considered for computation of Basic EPS and also 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. 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.

### r. **Borrowings**

Borrowings are initially recognized at fair value, net of transaction costs incurred and subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in Statement of Profit and Loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after reporting period.

### s. **Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its

## Notes forming part of the Financial Statements for the year ended 31 March 2019

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

intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expended in the period in which they are incurred.

### t. Segment Reporting

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker.

### u. Provisions and Contingent liabilities

A provision is recognized when an enterprise has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, in respect of which the amount can be reliably estimated. 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 that arises from the past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company and that may, but not probable that an outflow of resources would be required to settle the obligation. 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.

### v. Recent accounting pronouncements

The following accounting standards / amendments to accounting standards are issued but not effective as at 31st March 2019

#### 1. Ind AS 116 – Leases

Ind AS 116 on Leases notified by The Ministry of Corporate Affairs on 30th March 2019, effective for financial periods beginning from 1st April 2019, replaces the existing standard Ind AS 17 on Leases. The revised Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both, the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all both operating and finance leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses to the lessee are charged to the statement of Profit & Loss as and when incurred. Ind AS 116 does not envisage any difference in accounting of lease income for the lessor as compared the erstwhile standard. The revised Standard also contains enhanced disclosure requirements for lessees.

The standard permits two possible methods of transition:

- Full retrospective – Recognize assets and liabilities relating to lease commitments retrospectively in each prior period, applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- Modified retrospective – Recognized the right to use (ROU) asset at the date of initial application by measuring the same at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application.

## Notes forming part of the Financial Statements for the year ended 31 March 2019

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

The Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116 on the date of initial application (April 1, 2019). Accordingly, the comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Management is in the process of assessing the impact on adoption of Ind AS 116 and does not expect the same to be significant .

### 2. Ind AS 12 – Accounting for taxes on income

The Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes' on 30th March 2019, in connection with accounting for dividend distribution taxes. As per the amendment, an entity shall recognize the consequence of income tax on dividends in profit or loss, other comprehensive income or equity, according to where the entity originally recognized the same. The amendment is effective date from financial periods beginning on or after April 1, 2019.

**Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :** On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C relating to Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. Accordingly, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the amendments to the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on April 1, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

### 3. Ind AS 19 – Employee Benefits

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

## Notes forming part of the Financial Statements for the year ended 31 March 2019

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

### NOTE-3: PROPERTY, PLANT AND EQUIPMENT

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

Particulars	Plant & Machinery	Leasehold improvements	Computers	Office equipments	Electrical Installations	Furniture & Fittings	Motor Vehicles Owned	Motor Vehicles Leased	Total
Gross carrying value									
At April 1, 2017	10.36	25.16	43.93	9.37	10.03	16.55	3.47	2.97	121.84
Additions	0.06	-	3.35	0.35	0.15	1.75	0.05	-	5.71
Disposals / adjustments	-	-	0.28	0.01	-	0.08	3.30	1.32	4.99
At March 31, 2018	10.42	25.16	47.00	9.71	10.18	18.22	0.22	1.65	122.56
At April 1, 2018	10.42	25.16	47.00	9.71	10.18	18.22	0.22	1.65	122.56
Additions	-	-	4.15	1.84	1.74	0.42	-	-	8.15
Disposals / adjustments	-	-	-	-	-	-	-	-	-
At March 31, 2019	10.42	25.16	51.15	11.55	11.92	18.64	0.22	1.65	130.71
Accumulated depreciation									
At April 1, 2017	10.36	25.16	38.06	6.46	7.73	14.86	3.23	1.45	107.31
Depreciation expense	-	-	3.42	1.11	0.64	0.54	0.20	0.70	6.61
Disposals / adjustments	-	-	0.27	0.01	-	0.07	3.30	1.30	4.95
At March 31, 2018	10.36	25.16	41.21	7.56	8.37	15.33	0.13	0.85	108.97
At April 1, 2018	10.36	25.16	41.21	7.56	8.37	15.33	0.13	0.85	108.97
Depreciation expense	0.01	-	4.02	1.07	0.67	0.85	0.04	0.55	7.21
Disposals / adjustments	-	-	-	-	-	-	-	-	-
At March 31, 2019	10.37	25.16	45.23	8.63	9.04	16.18	0.17	1.40	116.18
Net carrying value									
March 31, 2019	0.05	0.00	5.92	2.92	2.88	2.46	0.05	0.25	14.53
Net carrying value									
March 31, 2018	0.06	0.00	5.79	2.15	1.81	2.89	0.09	0.80	13.59

Note: The above assets are charged to the banks for various credit facilities availed by the company. Refer Note. 12.1 and 14.1

### NOTE-4: OTHER INTANGIBLE ASSETS

Particulars	Intellectual property	Acquired Computer Software	Total
Gross carrying value			
At April 1, 2017	4.50	24.04	28.54
Additions	-	0.13	0.13
Disposals / adjustments	-	-	-
At March 31, 2018	4.50	24.17	28.67
At April 1, 2018	4.50	24.17	28.67
Additions	-	0.66	0.66
Disposals / adjustments	-	-	-
At March 31, 2019	4.50	24.83	29.33
Accumulated amortization			
At April 1, 2017	4.50	21.58	26.08
Amortisation expense	-	0.84	0.84
Disposals / adjustments	-	-	-
At March 31, 2018	4.50	22.42	26.92
At April 1, 2018	4.50	22.42	26.92
Amortisation expense	-	0.66	0.66
Disposals / adjustments	-	-	-
At March 31, 2019	4.50	23.08	27.58
Net carrying value March 31, 2019	-	1.75	1.75
Net carrying value March 31, 2018	-	1.75	1.75

## Notes forming part of the Financial Statements for the year ended 31 March 2019

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

### NON-CURRENT ASSETS

#### NOTE-5.1: FINANCIAL ASSETS - NON-CURRENT INVESTMENTS

Particulars	Face value (fully paid up)	As at March 31, 2019		As at March 31, 2018	
		No. of shares / units	Cost	No. of shares / units	Cost
<b>1) Investment in equity instruments (unquoted)</b>					
<b>In subsidiary companies</b>					
Saksoft Inc, USA	USD 1	1,95,000	9.24	1,95,000	9.24
Saksoft Pte Limited, Singapore	SGD 1	5,55,002	19.17	5,55,002	19.17
Saksoft GmbH, Germany @	EUR 1	-	-	-	-
Less: Provision for Diminution in value of Investment	EUR 1	-	-	-	-
Saksoft Solutions Limited, United Kingdom	GBP 1	50,01,000	434.45	50,01,000	434.45
ThreeSixty Logica Testing Services Private Limited *	INR 10	10,000	389.68	10,000	389.68
Saksoft FR (France) @	EUR 1	-	-	-	-
DreamOrbit Softech Private Limited	INR 10	11,320	243.50	8,490	168.49
			<b>1,096.04</b>		<b>1,021.03</b>
<b>2) Investment in preference shares (unquoted)</b>					
<b>In Subsidiary Company</b>					
<b>5% redeemable preference shares</b>					
Saksoft Solutions Limited (SSL), United Kingdom #	GBP 1	-	-	3,76,015	32.69
		-	-	<b>3,76,015</b>	<b>32.69</b>
Total		-	<b>1,096.04</b>		<b>1,053.72</b>
Aggregate amount of unquoted investments		-	<b>1,096.04</b>		<b>1,053.72</b>
Aggregate amount of impairment in value of investments					-

#3,76,015 preference shares have been redeemed by SSL during the FY 2018-19 and 4,50,000 shares have been redeemed by SSL during the FY 2017-18

#### NOTE-5.2: FINANCIAL ASSETS - LONG TERM LOANS & ADVANCES

Particulars	As at March 31, 2019	As at March 31, 2018
(unsecured and considered good)*		
Loan to related parties	0.27	0.27
	<b>0.27</b>	<b>0.27</b>

\* Related party balances are presented in Note no. 22 (d)

#### NOTE-5.3: FINANCIAL ASSETS - OTHERS

Particulars	As at March 31, 2019	As at March 31, 2018
Security Deposit	12.18	12.47
Bank deposits with more than 12 months maturity	0.29	0.27
	<b>12.47</b>	<b>12.74</b>

#### NOTE-6: DEFERRED TAX ASSETS (NET)

Particulars	As at March 31, 2019	As at March 31, 2018
Arising from timing difference in respect of:		
Property, Plant and Equipment	6.74	6.61
Retirement Benefits	4.27	3.19
Financial instruments - FVTOCI	(1.13)	(0.19)
MAT Credit	0.07	0.07
	<b>9.95</b>	<b>9.68</b>

## Notes forming part of the Financial Statements for the year ended 31 March 2019

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

### NOTE-7: OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2019	As at March 31, 2018
Prepaid expenses	0.26	0.19
	<b>0.26</b>	<b>0.19</b>

### CURRENT ASSETS

#### NOTE-8.1: FINANCIAL ASSETS - TRADE RECEIVABLES

Particulars	As at March 31, 2019	As at March 31, 2018
<b>(Unsecured, considered good)*</b>		
Considered good	153.38	134.93
Considered doubtful	-	-
Less: Allowance for credit losses	-	-
	<b>153.38</b>	<b>134.93</b>

\* Related party balances are presented in Note no. 22 (d)

Movement in the expected credit loss allowance	For the year ended	
	March 31, 2019	March 31, 2018
Balance at the beginning of the year	-	1.45
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	-	(1.45)
<b>Provision at the end of the year</b>	<b>-</b>	<b>-</b>

#### NOTE-8.2: FINANCIAL ASSETS - CASH & CASH EQUIVALENTS

Particulars	As at March 31, 2019	As at March 31, 2018
a. Cash on hand	0.04	0.03
b. Balances with banks in current accounts and deposit accounts	19.58	2.03
c. Other bank balances #	0.48	0.37
	<b>20.10</b>	<b>2.43</b>

# Other bank balances represent earmarked balances in respect of unclaimed dividends and dividend payable

#### NOTE-8.3: FINANCIAL ASSETS - LOANS

Particulars	As at March 31, 2019	As at March 31, 2018
<b>(unsecured, considered good)</b>		
Employee loans and advances	0.59	0.55
	<b>0.59</b>	<b>0.55</b>

#### NOTE-8.4: FINANCIAL ASSETS - OTHERS

Particulars	As at March 31, 2019	As at March 31, 2018
Security Deposits	1.26	1.26
Forward Contract	3.88	0.70
Unbilled revenue	37.06	2.91
	<b>42.20</b>	<b>4.87</b>

#### NOTE-9: OTHER CURRENT ASSETS

Particulars	As at March 31, 2019	As at March 31, 2018
Balance with statutory Authorities	10.00	10.00
Prepaid expenses	6.58	5.87
Advance to suppliers	0.42	0.15
	<b>17.00</b>	<b>16.02</b>

## Notes forming part of the Financial Statements for the year ended 31 March 2019

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

### NOTE-10: SHARE CAPITAL

Particulars	As at March 31, 2019	As at March 31, 2018
<b>A) Authorised, Issued, Subscribed and Fully Paid up Share capital</b>		
<b>Authorised:</b>		
20,100,000 Equity Shares of Rs.10 each	201.00	201.00
<b>Issued &amp; Subscribed &amp; Fully Paid-up:</b>		
10,475,000 Equity Shares of Rs.10 each (March 2019: 10,475,000 shares and March 2018: 10,475,000 shares)	104.75	104.75
<b>Total</b>	<b>104.75</b>	<b>104.75</b>

### B) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

<b>Outstanding as at beginning of the year</b>	1,04,75,000	1,04,55,000
<b>Add:</b> Shares allotted to employees pursuant to ESOP 2009		20,000
<b>Outstanding as at the end of the year</b>	<b>1,04,75,000</b>	<b>1,04,75,000</b>

### 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, 2019		As at March 31, 2018	
		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	22,18,640	21.18%	23,18,640	22.13%
2	Sak Industries Private Limited	48,47,715	46.28%	46,53,315	44.42%
3	Saksoft Employees Welfare Trust	5,32,460	5.09%	5,32,460	5.09%
	<b>Total</b>	<b>75,98,815</b>	<b>72.55%</b>	<b>75,04,415</b>	<b>71.64%</b>

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

S. No.	Number and class of shares reserved for issue	Party in whose favour reserved	Details of contracts/ options under which shares reserved for issue
1	2,95,000 Options (31st March 2018: 1,85,000 Options)	Employees	ESOP 2009

### NOTE-11: OTHER EQUITY

Particulars	As at March 31, 2019	As at March 31, 2018
<b>a) Capital reserve</b> Any profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments is transferred to capital reserve.	0.21	0.21
<b>b) Securities premium reserve</b> Amounts received (on issue of shares) in excess of the par value has been classified as securities premium.	90.18	90.18
<b>c) General reserve</b> This represents appropriation of profit by the Company.	46.44	46.44
<b>d) Retained earnings</b> Retained earnings comprise of the Company's undistributed earnings after taxes.	635.10	519.18

## Notes forming part of the Financial Statements for the year ended 31 March 2019

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

Particulars	As at March 31, 2019	As at March 31, 2018
<b>e) Share option outstanding account</b> The share option outstanding account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to share premium upon exercise of stock options by employees. In case of forfeiture, corresponding balance is transferred to general reserve.	18.82	15.70
<b>f) Financial Instruments through other comprehensive income</b> Changes in the fair value of equity instruments is recognized in equity instruments through other comprehensive income (net of taxes), and presented within other equity.	2.94	0.50
<b>g) Other items of other comprehensive income</b> Other items of other comprehensive income consist of re-measurement of net defined liability/asset.	2.24	0.56
	<b>795.93</b>	<b>672.77</b>

## NON- CURRENT LIABILITY

### NOTE-12.1: FINANCIAL LIABILITIES- BORROWINGS

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Term Loans From Bank - Secured</b> Secured by pari passu charge on company's unencumbered movable fixed assets and current assets of the company and the personal guarantee of the Managing Director. <b>Repayment Terms:</b> Repayable in 16 Quarterly installments commencing from March, 2018. Rate of interest - 10.00% linked to banks one year MCLR Period and amount of continuing default: NIL	46.02	65.39
<b>Dropline Overdraft From Bank - Secured</b> Secured by pari passu charge on company's unencumbered movable fixed assets and current assets of the company and the personal guarantee of the Managing Director. <b>Repayment Terms:</b> Repayable in 7 Quarterly installments commencing from December 2017. Rate of interest - 10.20% linked to banks one year MCLR Period and amount of continuing default: NIL	-	5.00
<b>Long Term Maturities Of Finance Lease Obligations</b> Secured by hypothecation of cars taken on lease	-	0.28
<b>Unsecured, From a related party</b> From Sak Industries Private Limited <b>Repayment Terms:</b> The Loan is repayable by 30th September 2020. Rate of interest - SBI rate prime rate + 1.25%	270.00	245.00
	<b>316.02</b>	<b>315.67</b>

## Notes forming part of the Financial Statements for the year ended 31 March 2019

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

### NOTE-13: PROVISIONS

Particulars	As at March 31, 2019	As at March 31, 2018
Gratuity Payable (Net)*	11.25	8.90
	<b>11.25</b>	<b>8.90</b>

\* Refer Note 22 (e) for details of gratuity plan as per Ind AS 19

### CURRENT LIABILITIES

#### NOTE-14.1: FINANCIAL LIABILITIES- BORROWINGS

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Cash Credit From Bank - Secured</b>	-	44.16
Secured by pari passu charge on current assets of the Company and the personal guarantee of the Managing Director. Rate of interest - 10.20% linked to banks one year MCLR Period and amount of continuing default: NIL		
<b>Cash Credit From Bank - Secured</b>	73.91	-
Secured by first charge current assets of the Company and second charge on unencumbered movable fixed assets and the personal guarantee of the Managing Director. Rate of interest - 0.50 % plus twelve month MCLR of the bank Period and amount of continuing default: NIL		
	<b>73.91</b>	<b>44.16</b>

#### NOTE-14.2: FINANCIAL LIABILITY- TRADE PAYABLES

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Payables-Micro,small enterprises*	1.91	8.12
Trade payables - Others #	26.86	25.95
	<b>28.77</b>	<b>34.07</b>

# Related Party Balances are presented in Note no 22 (d)

\* Refer Note No. 22 (h)

#### NOTE-14.3: FINANCIAL LIABILITY- OTHERS

Particulars	As at March 31, 2019	As at March 31, 2018
Current maturities of long term loans*	19.38	59.17
Current maturities of finance lease obligations	0.28	0.57
Unclaimed Dividends	0.44	0.37
Liability towards acquisition of business	-	2.51
	<b>20.10</b>	<b>62.62</b>

\* The details of interest rates, repayment and other terms are disclosed under Note 12.1

#### NOTE-15: OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2019	As at March 31, 2018
Advance from customers	2.64	2.61
Statutory dues	10.85	7.44
Others - Ascertained liabilities for expenses	19.69	12.54
	<b>33.18</b>	<b>22.59</b>

## Notes forming part of the Financial Statements for the year ended 31 March 2019

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

### NOTE-16: PROVISIONS

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for compensated absences	3.41	2.57
Provision for gratuity	3.00	2.00
	<b>6.41</b>	<b>4.57</b>

\* Refer Note 22 (e) for details of gratuity plan as per Ind AS 19

### NOTE-17: INCOME TAX

Income tax expense in the statement of profit and loss consists of:

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Current income tax:</b>		
In respect of the current year	47.31	26.70
<b>Deferred tax:</b>		
In respect of the current year	(1.21)	2.17
<b>Income tax expense recognised in the statement of profit or loss:</b>	<b>46.10</b>	<b>28.87</b>
<b>Income tax recognised in other comprehensive income</b>		
Current tax arising on income and expense recognised in other comprehensive income	0.69	0.11
Deferred tax arising on income and expense recognised in other comprehensive income	0.94	0.19
<b>Total</b>	<b>1.63</b>	<b>0.30</b>

The reconciliation between the provision for income tax of the Company and amounts computed by applying the Indian statutory income tax rates to profit before taxes is as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Profit before tax	209.15	120.27
Enacted income tax rate in India	29.12%	33.06%
<b>Computed expected tax expenses</b>	<b>60.90</b>	<b>39.76</b>
<b>Effect of:</b>		
Income that is exempt from tax	(15.29)	(9.92)
Income considered under other heads	(0.34)	-
Expenses that are not deductible in determining taxable profit	1.03	3.15
Income subject to different taxes	-	(7.37)
Disallowance under 14A	1.71	1.15
Depreciation allowance / disallowance under IT Act	(0.01)	0.04
Reversal of tax provisions of previous year	-	-
<b>Income tax expenses recognized in the Statement of Profit and Loss</b>	<b>48.00</b>	<b>26.81</b>

Calculation of Applicable Tax Rate:

Particulars	As at March 31, 2019	As at March 31, 2018
Basic tax rate	25.00%	30.00%
Surcharge @ 12% (PY 7%) on the basic tax rate	3.00%	2.10%
Aggregate of tax and surcharge	28.00%	32.10%
Cess @ 4% (PY 3%) on tax and Surcharge	1.12%	0.96%
<b>Tax Rate applicable</b>	<b>29.12%</b>	<b>33.06%</b>

## Notes forming part of the Financial Statements for the year ended 31 March 2019

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

### Deferred tax assets / liabilities as at March 31, 2019

Particulars	As at April 1, 2018	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	Recognized directly in equity	As at March 31, 2019
Property, Plant and Equipment	6.61	0.13	-	-	6.74
Retirement and employee Benefits	3.19	1.08	-	-	4.27
Financial instruments - FVTOCI	(0.19)	-	(0.94)	-	(1.13)
<b>MAT Credit entitlement</b>	0.07	-	-	-	0.07
<b>Total</b>	<b>9.68</b>	<b>1.21</b>	<b>(0.94)</b>	<b>-</b>	<b>9.95</b>

### Deferred tax assets / liabilities as at March 31, 2018

Particulars	As at April 1, 2017	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	Recognized directly in equity	As at March 31, 2018
Property, Plant and Equipment	8.65	(2.04)	-	-	6.61
Retirement and employee Benefits	3.32	(0.13)	-	-	3.19
Derivative financial instruments - FVTOCI	-	-	(0.19)	-	(0.19)
<b>MAT Credit entitlement</b>	0.07	-	-	-	0.07
<b>Total</b>	<b>12.04</b>	<b>(2.17)</b>	<b>(0.19)</b>	<b>-</b>	<b>9.68</b>

Note: Long term capital loss as computed under the provisions of Income Tax Act, 1961 carried forward amounted to Rs.139.63 million as on the Balance Sheet date on which the Deferred Tax Asset has not been recognised as the probability of reversal of such deferred tax is not certain in the foreseeable future.

### NOTE-18: OTHER INCOME

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>(A) Income from investments</b>		
Dividends	52.50	58.98
	<b>52.50</b>	<b>58.98</b>
<b>(B) Others</b>		
Exchange Fluctuation (net)	-	10.67
Interest income	0.04	0.02
Interest on fair valuation of security deposits	0.78	0.39
Profit on Sale of assets (fixed assets and investments)	-	0.67
Miscellaneous Receipts	0.83	0.04
	<b>1.65</b>	<b>11.79</b>
	<b>54.15</b>	<b>70.77</b>

## Notes forming part of the Financial Statements for the year ended 31 March 2019

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

### NOTE-19: EMPLOYEE BENEFIT EXPENSE

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and wages	477.66	293.59
Contribution to Provident and other funds	26.13	21.23
Share based compensation to employees	3.12	1.20
Staff Welfare Expenses	18.15	16.95
	<b>525.06</b>	<b>332.97</b>

### NOTE-20: FINANCE COSTS

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest Expense		
- on loans from banks	15.09	17.94
- on loans from a related party	26.76	25.63
- on fair valuation of security deposits	0.78	0.39
Other borrowing cost	0.96	1.02
	<b>43.59</b>	<b>44.98</b>

### NOTE-21: OTHERS EXPENSES

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rent	33.86	21.45
Travel and conveyance	32.76	25.97
Insurance	4.99	2.38
Rates and Taxes	4.80	0.36
CSR Expenditure	1.53	0.80
Power and Fuel	11.13	10.58
Repairs to Buildings	12.67	10.42
Repairs to Plant	3.69	2.89
Communication Expenses	4.44	5.17
Payment to statutory auditors		
- As Auditors	1.60	1.31
- For Certification	0.09	-
- reimbursement of expenses	0.04	0.07
Legal, Professional and consultancy charges	18.32	13.20
Advertisement, Publicity and Sale Promotion	0.75	0.54
Exchange Fluctuation (net)	0.15	-
Miscellaneous expenses	4.15	2.59
	<b>134.97</b>	<b>97.73</b>

## Notes forming part of the Financial Statements for the year ended 31 March 2019

(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, 2019	As at March 31, 2018
1.Income-tax matters	34.62	34.62
2.Service-tax matters	-	39.01

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 31-Mar-19	As at 31-Mar-18
<b>Future obligations for assets taken on lease</b>		
Not later than 1 year	0.29	0.65
Later than 1 year but not later than 5 years	-	0.29
	<b>0.29</b>	<b>0.94</b>
<b>Less: Amounts representing future interest</b>		
Not later than 1 year	0.01	0.07
Later than 1 year but not later than 5 years	-	0.01
	<b>0.01</b>	<b>0.08</b>
<b>Present value of minimum lease rentals</b>		
Not later than 1 year	0.28	0.57
Later than 1 year but not later than 5 years	0	0.28
	<b>0.28</b>	<b>0.85</b>

#### (c) Operating lease obligations

##### As a Lessee

Office premises are obtained under operating lease. The lease rentals incurred during the year have been charged as expenses in the Statement of Profit or Loss and Other Comprehensive Income, the details of the same is given below. The Lease term varies from 11 months to 3 years.

Particulars	As at 31-Mar-19	As at 31-Mar-18
Within One Year	37.02	30.08
After one year not more than five years	41.07	42.18
<b>Total</b>	<b>78.09</b>	<b>72.26</b>

## Notes forming part of the Financial Statements for the year ended 31 March 2019

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

### (d) Related party disclosures

Enterprises which has significant influence	Sak Industries Private Limited and its subsidiaries
Enterprises in which key management personnel exercise significant influence	Saksoft Employees Welfare Trust Saksoft Employees Gratuity Trust General Talkies (P) Ltd
Subsidiaries and step down subsidiaries and Joint Venture	Saksoft Inc, USA Saksoft Pte Ltd, Singapore Saksoft Solutions Limited, UK Acuma Solutions Limited, UK Acuma Software Limited, UK Electronic Data Professionals Inc, USA Faichi Solutions LLC ThreeSixtyLogica Testing Services Pvt Ltd, India ThreeSixtyLogica Testing Services Inc, USA DreamOrbit Softech Pvt Ltd, India DreamOrbit Inc, USA
Key management personnel	Mr Aditya Krishna- CMD Mr Niraj Kumar Ganeriwal-CFO Mr Muthukrishnan- Company Secretary Ms Kanika Krishna – Director
Relatives of Key Managerial Personnel	Ms Avantika Krishna – Employee

### Transactions entered during the year

Description	Year ended March 31, 2019	Year ended March 31, 2018
<b>Revenues</b>		
Acuma Solutions Limited, United Kingdom	80.36	51.15
Saksoft Inc, USA	375.23	323.06
Saksoft Pte Limited, Singapore	10.36	12.11
DreamOrbit Inc	2.28	3.36
Faichi Solutions LLC	13.30	7.53
ThreeSixtyLogica Testing Services Pvt Ltd, India	18.00	18.00
Saksoft Solutions Limited, UK	10.06	-
<b>Dividend Income</b>		
Saksoft Inc, USA	-	28.98
ThreeSixtyLogica Testing Services Pvt Ltd, India	37.50	30.00
DreamOrbit Softech Pvt Ltd, India	15.00	-
<b>Reimbursement of expenses (Net)</b>		
Saksoft Solutions Limited, United Kingdom	1.35	0.60
Acuma Solutions Limited, United Kingdom	-	0.44
Saksoft Inc, USA	5.56	6.91
Saksoft Pte Limited, Singapore	0.50	1.13
Sak Industries Pvt Ltd	0.72	0.67
ThreeSixty Logica Testing Services Pvt Ltd	2.45	2.28
<b>Rent Expense</b>		
Sak Industries Private Limited	8.64	6.85

## Notes forming part of the Financial Statements for the year ended 31 March 2019

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

Description	Year ended March 31, 2019	Year ended March 31, 2018
<b>Dividend paid</b>		
Sak Industries Private Limited	21.46	13.66
Chairman and Managing Director	10.33	6.96
Chief Financial Officer	0.32	0.19
Saksoft employees welfare Trust	2.40	1.60
<b>Interest on loan</b>		
Sak Industries Private Limited	26.76	25.63
<b>Borrowings/(Repayment), net</b>		
Sak Industries Private Limited	25.00	30.00
<b>Investment/(Redemption) made during the year</b>		
Investment in ThreeSixtyLogica Testing Services Pvt Ltd	-	87.65
Investment in DreamOrbit Softech India Pvt Ltd	75.00	-
Redemption of 5% Redeemable Preference shares of Saksoft Solutions Limited, United Kingdom	(32.69)	(26.08)
<b>Remuneration of Key Managerial Personnels</b>	14.35	12.47
Non-Executive Director Commission	0.10	0.10
Non-Executive Director - Sitting Fees	0.09	0.12
<b>Shares allotted under ESOP (2009 scheme)</b>		
Chief Financial Officer	-	10,000

### Year end balances

Description	As at March 31, 2019	As at March 31, 2018
<b>Investments</b>		
Saksoft Inc, USA	9.24	9.24
Saksoft Pte Limited, Singapore	19.17	19.17
Saksoft Solutions Limited, United Kingdom	434.45	434.45
ThreeSixtyLogica Testing Services Pvt Ltd, India	389.68	389.68
Saksoft Solutions Limited, - Preference shares	-	32.69
DreamOrbit Softech Pvt Ltd	243.49	168.49
<b>Receivables</b>		
Acuma Solutions Limited, United Kingdom	6.95	3.34
Saksoft Inc, USA	62.32	58.09
Saksoft Pte Limited, Singapore	1.82	0.73
Faichi Solutions LLC	-	7.51
Dreamorbit Inc	0.86	0.04
ThreeSixty Logica Testing Services Pvt Ltd, India	-	(0.02)
<b>Loans and advances</b>		
Saksoft employees welfare trust	0.25	0.25
Saksoft employees gratuity trust	0.02	0.02
<b>Borrowings</b>		
Sak Industries Private Limited	270.00	245.00

## Notes forming part of the Financial Statements for the year ended 31 March 2019

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

### (e) Gratuity

#### IMPACT IN THE STATEMENT OF PROFIT AND LOSS:

The expenses charged to the Statement of Profit and Loss for period along with the corresponding charge of the previous period is presented in the table below:

Particulars	Period Ended	
	31-Mar-19	31-Mar-18
Current service cost	6.05	3.73
Past service cost	-	2.25
Administration expenses.	-	-
Interest on net defined benefit liability / (asset)	0.66	0.22
(Gains) / losses on settlement	-	-
<b>Total expense charged to Statement of profit and loss</b>	<b>6.71</b>	<b>6.20</b>

#### FINANCIAL ASSUMPTIONS AT THE VALUATION DATE:

Particulars	Period Ended	
	31-Mar-19	31-Mar-18
Discount rate (p.a.)	7.55%	7.45%
Salary escalation rate (p.a.)	7.00%	7.00%

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. The expected return on plan assets is based on expectation of the average long-term rate of return expected on investments of the fund during the estimated term of the obligations.

#### Amount Recorded in Other Comprehensive Income

The total amount of remeasurement items and impact of liabilities assumed or settled, if any, which is recorded immediately in Other Comprehensive Income (OCI) during the period is shown in the table below:

Particulars	Period Ended	
	31-Mar-19	31-Mar-18
<b>Opening amount recognized in OCI outside profit and loss account</b>	<b>(0.66)</b>	<b>(0.35)</b>
Remeasurements during the period due to:		
Changes in financial assumptions	(0.17)	(0.44)
Changes in demographic assumptions	(0.24)	-
Experience adjustments	(2.05)	(0.05)
Actual return on plan assets less interest on plan assets	0.10	0.18
Adjustment to recognize the effect of asset ceiling	-	-
<b>Closing amount recognized in OCI outside profit and loss account</b>	<b>(3.02)</b>	<b>(0.66)</b>

## Notes forming part of the Financial Statements for the year ended 31 March 2019

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

The following table sets out the status of the gratuity plan.

Particulars	Period Ended	
	31-Mar-19	31-Mar-18
Opening of defined benefit obligation	18.09	13.83
Current service cost	6.05	3.73
Past service cost	-	2.25
Interest on defined benefit obligation	1.21	0.91
Remeasurements due to:		
Actuarial loss / (gain) arising from change in financial assumptions	(0.17)	(0.44)
Actuarial loss / (gain) arising from change in demographic assumptions	(0.24)	-
Actuarial loss / (gain) arising on account of experience changes	(2.05)	(0.05)
Benefits paid	(1.96)	(2.14)
Liabilities assumed / (settled)*	-	-
Liabilities extinguished on settlements	-	-
<b>Closing of defined benefit obligation</b>	<b>20.93</b>	<b>18.09</b>

Particulars	Period Ended	
	31-Mar-19	31-Mar-18
Opening fair value of plan assets	7.19	8.82
Employer contributions	1.00	-
Interest on plan assets	0.55	0.69
Administration expenses	-	-
Remeasurements due to:		
Actual return on plan assets less interest on plan assets	(0.10)	(0.18)
Benefits paid	(1.96)	(2.14)
Assets acquired / (settled)*	-	-
Assets distributed on settlements	-	-
<b>Closing fair value of plan assets</b>	<b>6.68</b>	<b>7.19</b>

### Sensitivity Analysis:

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points

Particulars	Period Ended March 31, 2019	
	Discount Rate	Salary Escalation Rate
Impact of increase in 50 bps on DBO	(0.80)	0.76
Impact of decrease in 50 bps on DBO	0.86	(0.72)

### Disaggregation of Plan Assets

	Total
Property	-
Government Debt Instrument	-
Other Debt Instrument	-
Equity Instruments	-
Insurer managed funds	6.68
Others	-
	<b>6.68</b>

## Notes forming part of the Financial Statements for the year ended 31 March 2019

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

### Maturity Profile of Assets:

Maturity Year	31-Mar-19
2020	3.73
2021	1.44
2022	1.54
2023	1.63
2024	1.70
2025-2029	34.29

### (f) Employee Stock option plans ('ESOP')

#### ESOP 2006 Plan

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

The Company had allotted 582,460 equity shares of Rs.10 each to the Trust to give effect to the ESOP Plan. As at the balance sheet date, the employees have exercised 50,000 options under this Plan and accordingly, 532,460 equity shares of Rs.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, 2019		Year ended March 31, 2018	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Options outstanding at the beginning of the year	-	-	27,500	44.25
Options granted during the year	-	-	-	-
Options exercised during the year	-	-	-	-
Options forfeited during the year	-	-	-	-
Options lapsed during the year	-	-	(27,500)	44.25
Options outstanding at the end of the year	-	-	-	-
Options vested and exercisable at the end of the year	-	-	-	-

#### ESOP 2009 Plan

The ESOP 2009 Plan was introduced by the Company with the consent of the shareholders in 2009 under which the Company grants options from time to time to employees of the Company and its subsidiaries. Further the scheme was amended at the AGM held on 26th September 2014 to increase the exercise period from 5 to 10 years. This Plan complies with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The plan considers an aggregate of 1,500,000 options to be granted and exercised in accordance with the ESOP 2009 plan as approved by the Nomination and Remuneration Committee.

## Notes forming part of the Financial Statements for the year ended 31 March 2019

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

During the year options have been exercised under this plan. During the year 1,10,000 shares have been issued to eligible employees at an exercise price of Rs 247.70

The outstanding options available for exercise under the ESOP 2009 as on 31st March 2019 is 2,95,000 options, of which 1,35,000 options being unvested.

The details of the ESOP 2009 Plan are

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Options outstanding at the beginning of the year	1,85,000	135.85	3,75,000	151.64
Options granted during the year	1,10,000	247.70	-	-
Options exercised during the year	-	-	(20,000)	68.63
Options forfeited during the year	-	-	-	-
Options lapsed during the year	-	-	(1,70,000)	178.59
Options outstanding at the end of the year	2,95,000	177.55	1,85,000	135.85
Options vested and exercisable at the end of the year	1,60,000	133.37	1,10,000	133.18

### (g) Earnings Per Share (EPS)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Earnings</b>		
Net profit for the year (Rs. In million)	163.05	91.08
<b>Shares</b>		
Equity shares as at the balance sheet date	10,475,000	10,475,000
Total number of equity shares the end of the year – Basic	10,475,000	10,475,000
<b>Weighted average number of equity shares outstanding as at the end of the year – Basic</b>	<b>10,475,000</b>	<b>10,463,329</b>
<b>Diluted Shares</b>		
Weighted average number of equity shares outstanding as at the end of the year.	10,475,000	10,475,000
Add: Weighted average number of equity shares arising out of outstanding stock options that have dilutive effect on the EPS	39,673	72,907
<b>Weighted average number of equity shares outstanding during the year – Diluted</b>	<b>10,514,673</b>	<b>10,547,907</b>
<b>Earnings per share of par value Rs.10 – Basic (Rs.)</b>	<b>15.57</b>	<b>8.70</b>
<b>Earnings per share of par value Rs.10 – Diluted (Rs.)</b>	<b>15.51</b>	<b>8.63</b>

### (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.

The information required to be disclosed under the Micro, Small And Medium Enterprises Development Act, 2006 ('the MSMED Act') has been determined to the extent such parties have been identified on the basis of information received from such parties and available with the Company. There are no overdue to parties on account of principal amount and / or interest as disclosed below:

## Notes forming part of the Financial Statements for the year ended 31 March 2019

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

	March 31, 2019	March 31, 2018
The principal amounts and interest overdue thereon, remaining unpaid to any supplier at the end of each accounting year		
- Principal	-	-
- Interest	-	-
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006	-	-
The amount of the payments made to suppliers beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment(which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years until such dates when the interest due above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act,2006	-	-

### (i) Dividend

The company declared a dividend of Rs.4 per share to the equity share holders including an interim dividend of Rs.1.00 for the year ended March 31, 2019 as against a dividend of Rs.3.5 for the year ended March 31, 2018.

The Board of Directors at its meeting held on 30th May 2018 had recommended a dividend of 35% (Rs.3.5 per equity share of Rs.10 face value fully paid up). The proposal was approved by the shareholders at the Annual General Meeting held on 10th August 2018. This has resulted in a cash flow of Rs.36.66 million including dividend distribution tax

The Board of Directors in its meeting held on 27th May 2019 have recommended a final dividend of Rs.3.00 per equity share of par value of Rs.10/- each which is subject to approval of shareholders. If approved, this would result in a cash outflow of approximately Rs.31.42 million plus applicable dividend distribution tax in addition to the interim dividend outflow of Rs 10.47 million

### (j) Disclosure under Ind AS 115

#### General:

The entire revenue from operations for the year ended 31st March 2019 and 31st March 2018 related to revenue from software services.

#### Disaggregation of revenue:

Revenue earned by the company is disaggregated by its sources based on geographical location as disclosed in Note 24 (d) to the consolidated financial statements.

## Notes forming part of the Financial Statements for the year ended 31 March 2019

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

### Information about contract balances

The company classifies the right to consideration as Trade receivables and unbilled revenue.

Trade receivables are amounts billed to the customer on satisfaction of performance obligation. Unbilled revenue represents revenues in excess of efforts billed on software development and service contracts as at the end of the reporting period and is included as part of Other Financial Assets.

Billing in excess of revenue are classified as unearned revenue. Balances of trade receivables, unbilled revenue and unearned income are available in the relevant Schedules of the financial statements. Trade receivables and unbilled revenue are net of impairment in the Balance Sheet.

### Information about performance obligations

Performance obligations estimates are subject to change and are affected by several factors including change in scope of contracts, its termination, foreign currency adjustments and any other items influencing the measurement, collectability and performance of the contract.

Disclosure relating to remaining performance obligation across all live fixed bid price contracts relate to require the aggregate amounts of transaction price yet to be recognized as at the reporting date and expected timelines to recognize these amounts. In view of the fact that all outstanding contracts have an original expected duration for completion of less than a year no disclosure is warranted.

Application of Ind AS 115, "Revenue from contract with customers" did not have any impact on the contracts serviced by the company during the year ended 31st March 2019

### (k) Capital Management

The Company manages its capital to ensure that it will be able to continue as going concerns while maximizing the return to stakeholders through the optimisation of the debt and equity balance. The Company's policy is to maintain a strong capital base so as to maintain investors, creditors and market confidence to sustain future development of the business. The capital structure of the Company consists of debt and equity as per table below:

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Total equity attributable to equity share holders of the Company</b>	<b>900.68</b>	<b>777.52</b>
Current borrowings	93.57	103.90
Non-current borrowings	316.02	315.67
<b>Total debt held by the Company</b>	<b>409.59</b>	<b>419.57</b>
<b>Total capital (Equity and Debt)</b>	<b>1310.27</b>	<b>1,197.09</b>
<b>Equity as a percentage of total capital</b>	69%	65%
<b>Debt as a percentage of total capital</b>	31%	35%

The Company is predominantly equity financed which is evident from the capital structure table above. The Company's risk management committee reviews the capital structure of the Company on an ongoing basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital.

## Notes forming part of the Financial Statements for the year ended 31 March 2019

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

### (l) Financial Instruments

The carrying value and fair value of financial instruments by categories as at March 31, 2019, March 31, 2018 is as follows:

Particulars	Balance as at March 31, 2019	Balance as at March 31, 2018
<b>Financial Assets</b>		
<b>Amortized Cost</b>		
Investments	153.38	134.93
Trade and other receivables	20.10	2.43
Cash and cash equivalents	-	-
Bank balances other than (iii) above		0.82
Loans	0.86	16.91
Others financial assets	50.79	-
<b>FVTOCI</b>		
Derivative instruments in hedging relationship	3.88	0.70
<b>At Cost</b>		
Investments in subsidiaries, associates and joint ventures	1096.04	1,053.72
<b>TOTAL ASSETS</b>	<b>1,325.05</b>	<b>1,209.51</b>
<b>Financial Liabilities</b>		
<b>Amortized Cost</b>		
Borrowings	389.93	359.83
Trade Payables	28.77	34.07
Other financial liabilities	20.10	62.62
<b>TOTAL LIABILITIES</b>	<b>438.80</b>	<b>456.52</b>

The Management assessed the fair value of cash and short-term deposits, trade receivables and trade payables, bank overdrafts, and other current financial assets and liabilities approximate the carrying amounts largely due to the short-term maturities of these instruments

The Company's derivative financial instruments consist of foreign currency forward exchange contracts. Fair values for derivative financial instruments are based on market observable inputs and are classified as Level 2. The most frequently applied valuation technique include forward pricing model, using present value calculations.

#### Fair Value Measurement Hierarchy

Foreign exchange forward contracts have been measured using Level 2 (Significant observable inputs) - Fair value measurement hierarchy. Balances as at March 31, 2019, March 31, 2018 amounts to Rs.3.88 million, Rs.0.70 million respectively. There have been no transfers between Level 1 and Level 2 during the year.

#### Foreign Exchange Forward Contracts

The Company is exposed to foreign currency fluctuations on foreign currency assets / liabilities and forecast cash flows denominated in foreign currency. The use of derivatives to hedge foreign currency forecast cash flows is governed by the Company's strategy, which provides principles on the use of such forward contracts and currency options consistent with the Company's Risk Management Policy. The counterparty in these derivative instruments is a bank and the Company considers the risks of non-performance by the counterparty as insignificant. The Company has entered into a series of foreign exchange forward contracts that are designated as cash flow hedges. The Company does not use forward covers and currency options for speculative purposes.

## Notes forming part of the Financial Statements for the year ended 31 March 2019

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

The following table represents the details of Company's forward contracts outstanding:

Particulars	Balance Sheet Exposure - Asset / (Liability)	
	As at March 31, 2019	As at March 31, 2018
Foreign currency forward - USD/INR	3.88	0.75
Foreign currency forward - GBP/INR	-	(0.05)
	<b>3.88</b>	<b>0.70</b>

The balance sheet exposure denotes the fair values of these contracts at the reporting date and is presented in millions. The Company presents its foreign exchange forward contracts on a net basis in the financial statements.

Various outstanding foreign currency exchange forward contracts (sell) entered into by the Company which have been designated as Cash Flow Hedges in the respective foreign currency:

Particulars	Amount outstanding in foreign currency	
	As at March 31, 2019	As at March 31, 2018
Foreign currency forward - (USD in Million)	1.1	0.90
Foreign currency forward - (GBP in Million)	-	0.03

### (m) Financial Risk Management

The Company is exposed to a variety of financial risks; credit risk, liquidity risk and market risk, viz; foreign currency risk and interest rate risk. The Company has a risk management policy to manage & mitigate these risks.

The Company's risk management policy aims to reduce volatility in financial statements and aims to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The Board of Directors reviews and agrees policies for managing each of these risks as summarized below.

#### Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to the financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and investment securities.

Financial instruments that potentially subject the Company to concentration of credit risk consists of trade receivables, investments, loans, cash and cash equivalents, other balances with banks and other financial assets. The maximum exposure to credit risk is equal to the carrying value of the financial assets. By their nature, all such financial assets involve risks, including the credit risk of non-performance by counterparties.

The Company periodically assesses the credit quality of the counterparties by taking into account their financial position, past experience, ageing of accounts receivables and any other factor determined by individual characteristic of the counterparty.

## Notes forming part of the Financial Statements for the year ended 31 March 2019

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

The maximum amount of exposure to credit was as follows:

Particulars	Balance As at March 31, 2019	Balance As at March 31, 2018
Investments	1096.04	1,053.72
Trade receivables	153.38	134.93
Cash and cash equivalents	20.10	2.43
Bank balances other than (iii) above	-	-
Loans	0.85	0.82
Other financial assets	54.67	17.61
<b>TOTAL</b>	<b>1325.05</b>	<b>1,209.51</b>

### Trade receivables:

The Company has used a practical expedient by computing the lifetime expected credit loss allowance for trade receivables based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information. The Company's exposure to customers is diversified. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

Movement in expected credit loss allowance / allowance for doubtful debts is as below:

Particulars	Balance As at March 31, 2019	Balance As at March 31, 2018
Balance at the beginning of the year	-	1.45
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	-	(1.45)
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>

### Liquidity Risk:

Liquidity risk is the risk that the Company will not be able to encounter its financial obligations associated with financial liabilities as they become due. The Company manages its liquidity risk by ensuring, as far as possible, to maintain sufficient liquid funds to meet its liabilities on the due date. The Company consistently generates sufficient cash flows from operations (with adequate reserves) and has access to multiple sources of funding (banking facilities and loans from promoter company) to meet the financial obligations and maintain adequate liquidity for use.

The processes and policies related to such risks are overseen by Senior Management.

Maturity profile of the Company's non-derivative financial liabilities based on contractual payments is as below:

Particulars	Year 1 (Current)	1 - 2 years	2 years and above
<b>As at March 31, 2019</b>			
Borrowings	93.57	299.06	16.95
Trade Payables	28.77		
Other financial liabilities	0.44		
<b>As at March 31, 2018</b>			
Borrowings	103.90	24.66	291.02
Trade Payables	34.07		
Other financial liabilities	2.87		

## Notes forming part of the Financial Statements for the year ended 31 March 2019

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

### Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

### Foreign Currency Risk:

The fluctuation in foreign currency exchange rates may have potential impact on the Statement of Profit or Loss and Other Comprehensive Income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the Company.

The Company's exchange risk arises from its foreign currency revenues (primarily in U.S. Dollars, British Pound Sterling / Euros and Singapore Dollars). A significant portion of the Company's revenue are in these foreign currencies, while a significant portion of its corresponding costs are in Indian Rupee. As a result, if the value of Indian rupee appreciates relative to these foreign currencies, the Company's revenue measured in Indian Rupee may decrease and vice versa. Thwe exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future.

The Company periodically determines its strategy to mitigate foreign currency risk. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies.

The following table presents foreign currency risk from non-derivative financial instruments as at each reporting period:

**The maximum amount of exposure to foreign currency risk was as follows: (Millions in respective currencies)**

Particulars	Balance As at March 31, 2019	Balance As at March 31, 2018
Investments		
In US Dollars	0.20	0.20
In Singapore Dollars	0.56	0.56
In Pound Sterling	5.00	5.38
Cash and cash equivalents		
In US Dollars	-	-
In Pound Sterling	-	-
Trade receivables		
In US Dollars	0.98	1.01
In Singapore Dollars	0.04	0.01
In Pound Sterling	0.08	0.04
In Euro	0.91	0.49
Trade payables		
In Euro	0.09	0.13

### Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates arises on Company's debt obligations with floating interest

## Notes forming part of the Financial Statements for the year ended 31 March 2019

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

### (n) Corporate Social Responsibility (CSR) Expenditure:

- (a) Gross amount required to be spent by the company during the year - Rs.2.40 million  
 (b) Amount spent during the year on :

Particulars	Amount spent during the year	Amount to be spent	Total
(i) Construction/acquisition of any Asset	-	-	-
(ii) On purposes other than (i) above	1.52	0.88	2.40

Vide our report of even date attached

**For R.G.N. Price & Co.,**  
 Chartered Accountants  
 Firm Registration No: 002785S

**Mahesh Krishnan**  
 Partner  
 Membership No: 206520

Date: May 27, 2019  
 Place: Chennai

For and on behalf of the Board of Directors

**Aditya Krishna**  
 Chairman & Managing Director  
 DIN.00031345

**Ajit Thomas**  
 Director  
 DIN.00018691

**Niraj Kumar Ganeriwal**  
 Chief Financial Officer

**S. Muthukrishnan**  
 Company Secretary

## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
SAKSOFT LIMITED

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of Saksoft Limited ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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 Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the

provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Test of Impairment in Goodwill:

The Group adopts suitable growth strategies, in respect of both its investment in greenfield projects and additional equity stakes in acquired subsidiaries. Goodwill represented by the excess of cost of investments over the fair value of net assets in acquired entities, is to be tested for impairment, if any, on the date of reporting. The Group carries a sum of Rs 1370.63 million as Goodwill in its consolidated financial statements as at 31st March 2019. The assessment of impairment on Goodwill is considered a Key Audit Matter due to its size of balance (49% of the total assets of the consolidated financial statements) and the significant assumptions made by the Management for determining the fair value based on valuation techniques.

#### How the matter was disposed off:

Goodwill arising upon acquisition of a business is allocated to the Cash Generating Units (CGU) which receive the synergies of such acquisition. Impairment assessment is performed at the end of every reporting period in accordance with the principles of Ind AS 36 on Impairment of Assets. The recoverable amount of each CGU (viz, the subsidiary) is compared with carrying value of assets in the books and any shortfall is provided for with corresponding adjustment to Goodwill in Consolidated Financial Statements.

### Audit Findings:

We assessed Company's internal controls over its annual impairment test and key assumptions applied. We also examined Management's interpretation of reporting units. The assumptions in support of valuation of entities, furnished by the company was critically examined for reasonableness. We also evaluated the sensitivity in the valuation to the vagaries of assumptions to conclude that recoverable value of investments would not fall below their respective carrying values and accordingly no adjustment was considered necessary for Goodwill carried in the Financial statements as at 31st March 2019.

### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the

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

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher

than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

We did not audit the financial statements / consolidated financial statements / financial information of five subsidiaries and a trust, whose financial statements reflect total assets of Rs.1553 million as at 31st March 2019, total revenues of Rs.3137 million and net cash flows amounting to Rs.82.55 Million for the year ended on that date, as considered in the consolidated financial statements. These financial statements 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-section (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

1. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our

opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 22 (a) to the consolidated financial statements;
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.

For **R. G. N. PRICE & CO.**  
Chartered Accountants

Mahesh Krishnan  
Partner

Place: Chennai  
Date: 27th May 2019

M. No. 206520  
FR No. 0027855

## Annexure A to the Independent Auditors' Report

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Saksoft Limited of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of SAKSOFT LIMITED (hereinafter referred to as "Company") and its subsidiary companies, which are companies incorporated in India, as of that date..

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting

(the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

### Meaning of Internal Financial Controls Over Financial Reporting

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

procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies incorporated in India, have, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **R G. N. PRICE & CO.**  
Chartered Accountants

Mahesh Krishnan  
Partner

Place: Chennai  
Date: 27th May 2019

M. No. 206520  
FR No. 0027855

## Consolidated Balance Sheet as at 31 March 2019

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

Particulars	Note No	Balance As at 31-03-2019	Balance As at 31-03-2018
<b>ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Property, plant and equipment	3	21.36	26.03
(b) Goodwill on consolidation	4	1,370.63	1,421.12
(c) Other Intangible assets	4	29.32	46.44
(d) Financial Assets			
(i) Loans	5.1	0.03	0.03
(ii) Others	5.2	20.21	23.92
(e) Deferred Tax Assets (net)	6	15.57	10.91
(f) Other non-current assets	7	0.47	0.19
<b>2 Current Assets</b>			
(a) Financial Assets			
(i) Trade and other receivables	8.1	649.55	584.31
(ii) Cash and cash equivalents	8.2	400.57	300.20
(iii) Bank balances other than (ii) above		-	-
(iv) Loans	8.3	0.59	1.98
(v) Others	8.4	64.89	74.63
(b) Current Tax Assets (Net of provisions)		13.77	2.24
(c) Other Current Assets	9	198.00	136.84
<b>TOTAL ASSETS</b>		<b>2,784.96</b>	<b>2,628.84</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share capital	10	99.43	99.43
(b) Other equity	11	1,653.95	1,380.74
(c) Non-controlling interest		48.18	60.86
<b>LIABILITIES</b>			
<b>1 Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	12.1	316.02	380.49
(ii) Other financial liabilities	12.2	6.93	60.93
(b) Provisions	13	29.86	26.42
<b>2 Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	14.1	73.91	44.19
(ii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	14.2	2.08	8.12
Total outstanding dues of creditors other than micro enterprises and small enterprises		241.14	278.14
(iii) Other financial liabilities	14.3	39.14	76.29
(c) Other current liabilities	15	261.67	203.23
(d) Provisions	16	12.65	10.00
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,784.96</b>	<b>2,628.84</b>

See accompanying Notes to financial statements

Vide our report of even date attached

For and on behalf of the Board of Directors

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

*Chartered Accountants*

Firm Registration No: 002785S

**Mahesh Krishnan**

*Partner*

Membership No: 206520

Date: May 27, 2019

Place: Chennai

**Aditya Krishna**

*Chairman & Managing Director*

DIN.00031345

**Niraj Kumar Ganeriwal**

*Chief Financial Officer*

**Ajit Thomas**

*Director*

DIN.00018691

**S. Muthukrishnan**

*Company Secretary*

## Statement of Profit and Loss for the year ended 31 March 2019

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

Particulars	Note No	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations		3,580.45	2,858.70
Other Income	18	21.81	23.07
<b>Total income</b>		<b>3,602.26</b>	<b>2,881.77</b>
<b>Expenses:</b>			
Employee benefits expense	19	1,654.20	1,354.12
Finance costs	20	48.04	52.14
Depreciation and amortization expense	22	42.69	28.71
Support / Third party charges		914.03	752.59
Other expenses	21	420.59	356.02
<b>Total expenses</b>		<b>3,079.55</b>	<b>2,543.58</b>
<b>Profit before Tax</b>		<b>522.71</b>	<b>338.19</b>
<b>Tax expense:</b>			
Current Tax	17	146.88	102.02
Income Tax Provision (Reversal ) for earlier year	17	-	-
Deferred Tax	17	(6.28)	(7.92)
<b>Profit / (Loss) for the period</b>		<b>382.11</b>	<b>244.09</b>
<b>Other Comprehensive Income, Net of Taxes</b>			
<b>A. Items that will not be reclassified to Statement to Profit or Loss</b>			
Remeasurement of defined benefit plan		1.73	0.78
Excess consideration on acquisition on non-controlling interest		(45.56)	(60.62)
<b>B. Items that will be reclassified to Statement to Profit &amp; Loss</b>			
Changes in fair value of derivative instrument		2.44	(5.32)
Differences on account of translation of foreign operations		7.96	103.63
<b>Total Other comprehensive Income for the year</b>		<b>(33.43)</b>	<b>38.47</b>
<b>Total Comprehensive Income for the year</b>		<b>348.68</b>	<b>282.56</b>
<b>Total Profit attributable to Equity Shareholders</b>		<b>382.11</b>	<b>244.09</b>
<b>11. Profit for the period attributable to:</b>			
Shareholders of Saksoft Limited		364.52	218.33
Non-controlling interest		17.59	25.76
		<b>382.11</b>	<b>244.09</b>
<b>12. Total Comprehensive income for the period attributable to:</b>			
Shareholders of Saksoft Limited		331.06	256.16
Non-controlling interest		17.62	26.40
		<b>348.68</b>	<b>282.56</b>
Earnings per equity share of Rs 10 each			
(1) Basic		36.66	21.98
(2) Diluted		34.67	20.70

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

For and on behalf of the Board of Directors

**For R.G.N. Price & Co.,**  
Chartered Accountants  
Firm Registration No: 002785S

**Mahesh Krishnan**  
Partner  
Membership No: 206520

Date: May 27, 2019  
Place: Chennai

**Aditya Krishna**  
Chairman & Managing Director  
DIN.00031345

**Niraj Kumar Ganeriwal**  
Chief Financial Officer

**Ajit Thomas**  
Director  
DIN.00018691

**S. Muthukrishnan**  
Company Secretary

## Consolidated Statement of Cash Flows as at 31st March 2019

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>A. Cash Flow from Operating Activities:</b>		
Profit before tax:	522.71	338.19
<b>Adjustments for:</b>		
Depreciation & amortisation	42.69	28.71
Reversal of ESOP reserve		13.82
Expenses on employee stock based compensation	(3.12)	-
(Profit)/Loss on sale of Investments and fixed assets	(0.03)	(3.93)
(Profit)/Loss on redemption of investments	(1.18)	-
Excess net assets acquires on acquisition of Non controlling interest	(45.59)	-
Allowance for doubtful debts	-	3.21
Interest and other Income	(1.15)	(1.81)
Dividend Income	(0.68)	(0.01)
Interest and Finance charges	48.04	52.14
Net actuarial gain / loss on defined benefit plan	(2.41)	0.77
Unrealised Derivatives	(2.44)	(5.32)
Unrealised exchange fluctuation	(2.61)	-
<b>Operating Profit before Working Capital / Other Changes</b>	<b>554.23</b>	<b>425.77</b>
(Increase) / Decrease in Trade receivables	(60.62)	(80.40)
(Increase) / Decrease in Other Assets	(47.52)	(2.51)
Increase / (Decrease) in Trade Payables	(41.02)	65.28
Increase / (Decrease) in Other liabilities	(32.70)	17.63
Increase / (Decrease) in Provisions	6.09	4.93
(Increase)/Decrease on account minority interest	(12.68)	(23.18)
<b>Cash Generated From Operations</b>	<b>365.78</b>	<b>407.52</b>
Income tax paid	(158.42)	(105.61)
<b>Net Cash Flow from Operating Activities</b>	<b>207.36</b>	<b>301.91</b>
<b>B. Cash Flow from Investing Activities:</b>		
Purchase of Property, Plant and Equipment	(16.61)	(18.27)
Proceeds from sale of Property, Plant and Equipment	0.03	3.93
Purchase of Intangible assets	(2.27)	(33.59)
Interest and other Income	1.15	1.81
Sale / (Purchase) of Current Investments , (net)	1.18	-
Sale / (Purchase) of Non current Investments , (net)		1.10

## Consolidated Statement of Cash Flows as at 31st March 2019

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Payment towards acquisition of business and (Increase)/Decrease on account of goodwill on consolidation	52.63	(99.42)
Dividend income Received	0.68	0.01
<b>Net Cash Used in Investing Activities</b>	<b>36.79</b>	<b>(144.42)</b>
<b>C. Cash Flow from Financing Activities:</b>		
Proceeds/ (repayment) of borrowings	(34.75)	12.37
Interest and Finance charges	(48.04)	(52.14)
Proceeds from allotment of shares	-	2.37
Share capital adjustment on consolidation	-	(5.12)
Dividend paid (including Dividend Distribution Tax)	(60.99)	(37.88)
<b>Net Cash Used in Financing Activities</b>	<b>(143.78)</b>	<b>(80.40)</b>
<b>Net Increase in Cash and Cash Equivalents [A+B+C]</b>	<b>100.37</b>	<b>77.09</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>300.20</b>	<b>223.11</b>
<b>Cash and Cash Equivalents as at End of the Year</b>	<b>400.57</b>	<b>300.20</b>

### Note:

a. The above Cash Flow Statement is prepared under Indirect Method as provided by Ind AS 7 "Statement of Cash Flow" notified under Companies (Indian Accounting Standards) Rules, 2015.

b. Cash and Cash Equivalents comprise of:		
Balance with Schedule banks in current accounts	400.44	300.09
Cash and Cheques on Hand and in-transit	0.13	0.11
<b>Total</b>	<b>400.57</b>	<b>300.20</b>

### Statement of Cash Flow

This is the Statement of Cash Flows referred to in our Report of even date.

For and on behalf of the Board of Directors

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

Chartered Accountants

Firm Registration No: 002785S

### Mahesh Krishnan

Partner

Membership No: 206520

Date: May 27, 2019

Place: Chennai

### Aditya Krishna

Chairman & Managing Director

DIN.00031345

### Niraj Kumar Ganeriwal

Chief Financial Officer

### Ajit Thomas

Director

DIN.00018691

### S. Muthukrishnan

Company Secretary

## Consolidated Statement Of Changes Of Equity for the year ended 31 March 2019

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

### (a) Equity Share Capital

<b>Balance as at 1st April 2017</b>	<b>104.55</b>
Add: Shares issued on exercise of employee stock options	0.20
Less: Elimination on account of consolidation of Saksoft Employee Welfare Trust	5.32
<b>Balance as at 31st March 2018</b>	<b>99.43</b>
<b>Balance as at 1st April 2018</b>	<b>99.43</b>
Add: Shares issued on exercise of employee stock options	-
<b>Balance as at 31st March 2019</b>	<b>99.43</b>

### (b) Other Equity

Particulars	Reserves and Surplus						Items of Other Comprehensive Income		Total Other Equity
	Capital reserve	General reserve	Securities Premium Reserve	Share Options outstanding reserve	Retained earnings	Foreign currency translation reserve	Equity instruments through Other Comprehensive Income	Remeasurement of Defined benefit plans through Other Comprehensive Income	
<b>Balance as at 1st April 2017</b>	0.21	48.93	88.47	15.04	1,038.29	(51.48)	5.82	0.35	<b>1,145.63</b>
Profit for the year	-	-	-	-	218.33	-	-	-	218.33
Other Comprehensive Income (Net of taxes)	-	-	-	-	(60.62)	103.63	(5.32)	0.78	38.47
Issue of equity shares	-	-	1.71	-	-	-	-	-	1.71
Additional reserves on consolidation of ESOP Trust	-	-	-	-	13.82	-	-	-	13.82
Transferred to Securities Premium reserve	-	-	-	(0.54)	-	-	-	-	(0.54)
Cost related to employee share based payments	-	-	-	1.20	-	-	-	-	1.20
Cash Dividends	-	-	-	-	(29.76)	-	-	-	(29.76)
Dividend Distribution Tax	-	-	-	-	(8.12)	-	-	-	(8.12)
<b>Balance as at 31st March 2018</b>	<b>0.21</b>	<b>48.93</b>	<b>90.18</b>	<b>15.70</b>	<b>1,171.94</b>	<b>52.15</b>	<b>0.50</b>	<b>1.13</b>	<b>1,380.74</b>
<b>Balance as at 1st April 2018</b>	<b>0.21</b>	<b>48.93</b>	<b>90.18</b>	<b>15.70</b>	<b>1,171.94</b>	<b>52.15</b>	<b>0.50</b>	<b>1.13</b>	<b>1,380.74</b>
Profit for the year	-	-	-	-	364.52	-	-	-	364.52
Other Comprehensive Income (Net of taxes)	-	-	-	-	(45.56)	7.96	2.44	1.73	(33.43)
Issue of equity shares	-	-	-	-	-	-	-	-	-
Transferred to Securities Premium reserve	-	-	-	-	-	-	-	-	-
Cost related to employee share based payments	-	-	-	3.12	-	-	-	-	3.12
Cash Dividends	-	-	-	-	(54.74)	-	-	-	(54.74)
Dividend Distribution Tax	-	-	-	-	(6.25)	-	-	-	(6.25)
<b>Balance as at 31st March 2019</b>	<b>0.21</b>	<b>48.93</b>	<b>90.18</b>	<b>18.82</b>	<b>1,429.90</b>	<b>60.11</b>	<b>2.94</b>	<b>2.86</b>	<b>1,653.95</b>

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

For and on behalf of the Board of Directors

**For R.G.N. Price & Co.,**  
*Chartered Accountants*  
 Firm Registration No: 002785S

**Aditya Krishna**  
*Chairman & Managing Director*  
 DIN.00031345

**Ajit Thomas**  
*Director*  
 DIN.00018691

**Mahesh Krishnan**  
*Partner*  
 Membership No: 206520

**Niraj Kumar Ganeriwal**  
*Chief Financial Officer*

**S. Muthukrishnan**  
*Company Secretary*

Date: May 27, 2019  
 Place: Chennai

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2019

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

### Company Overview and Significant Accounting Policies

#### NOTE-1: COMPANY OVERVIEW

Saksoft Limited ('the Company') is a Public Limited Company incorporated and domiciled in India listed with National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange (BSE) and has its registered office at Chennai, Tamil Nadu, India.

The Company together with its subsidiaries (collectively referred to as "the Group") is primarily engaged in providing Information technology services, viz; Business Intelligence, Testing, Digital, Cloud, Mobility, IoT, Big Data & Software Solutions across Industries and Verticals. The Group provides end-to-end business solutions that leverage technology and enables its clients to enhance business performance. The Group 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. The consolidated financial statements were authorized for issue by the Company's Board of Directors on 27th May 2019. 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%
<b>Step down subsidiary of Saksoft Inc:</b>		
Nanda Infotech Services Inc (D.B.A Electronic Data Professionals)	United States of America	100%
Faichi Solutions Inc.	United States of America	100%
Saksoft Pte Limited	Singapore	100%
Saksoft Solutions Limited	United Kingdom	100%
<b>Step down subsidiaries of Saksoft Solutions Limited</b>		
Acuma Solutions Limited	United Kingdom	100%
Acuma Software Limited	United Kingdom	100%
ThreeSixty Logica Testing Services Pvt Ltd	India	100%
<b>Step down Subsidiary of ThreeSixty Logica Testing Services Pvt Ltd:</b>		
ThreeSixty Logica Testing Services Inc	United States of America	100%
DreamOrbit Softech Pvt Ltd	India	80%
<b>Step down Subsidiary of DreamOrbit Softech Pvt Ltd:</b>		
DreamOrbit Inc	United States of America	100%

#### NOTE-2: SIGNIFICANT ACCOUNTING POLICIES

##### a. Basis of preparation of financial statements

The consolidated financial statements in all material aspects have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as applicable.

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2019

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

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 policy, if any of the Company and its subsidiaries are adjusted in the consolidated financial statements, if material.

### b. Basis of measurement

The consolidated financial statements have been prepared on historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

- i. Derivative financial instruments;
- ii. Certain financial assets and liabilities measured at fair value
- iii. Share based payments; and
- iv. Defined benefit plans and other long-term employee benefits

### c. Use of estimates

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions that affect the reported amounts of revenues and expenses, balances of assets and liabilities, and disclosure of contingent liabilities as at the date of the consolidated financial statements. Actual results could differ from those estimates. Accounting estimates could change from period to period. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in notes to consolidated financial statements. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have most significant effects on the amounts recognized in the consolidated financial statements is included in the following notes:

#### *Revenue Recognition*

The Group uses the percentage-of completion method in accounting for its fixed price contracts. Use of the percentage-of-completion method requires the Group to estimate the efforts or costs expended to date as a proportion of the estimated total efforts or costs to be expended, as applicable. Provisions for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the estimates at the reporting date.

#### *Income Taxes*

The Group's two major tax jurisdictions are India and the U.S., though the Groups also files tax returns in other foreign Jurisdictions. Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

#### *Property, plant and equipment*

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and its residual value at the end of its life. Useful life and residual value of an asset is determined by the Management at the time an asset is acquired and reviewed periodically, including at each financial year end. The lives are based on

# Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2019

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

historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

## ***Employee Benefits***

The Group's defined benefit obligation to its employees and net periodic defined benefit cost / income requires the use of certain assumptions, including, among others, estimates of discount rates and expected return on plan assets. Changes in these assumptions may affect the future funding requirements of the plans. Actuarial gains / losses are recognized in Other Comprehensive Income. The sensitivity analysis for changes in estimates is disclosed under relevant Notes.

## ***Other estimates***

The Group estimates the probability of the collection of the accounts receivable by analysing historical payment of patterns and customer credit worthiness. Stock compensation expense is determined based on the group's estimate of exercise pattern of equity instruments that vests with the employees. Estimates with regard to deferred taxes and provisions are made based on the extent of uncertainty prevalent on the date of consolidated financial statements, which may cause material adjustment to the carrying amounts of assets and liabilities.

## **d. Principles of Consolidation**

The Consolidated Financial Statements comprise the financial statements of the parent company and its subsidiaries consolidated for all entities which are controlled by the parent company. Control exists when the parent has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the effective date the control commences and ceases when the control is lost.

For preparation of consolidated financial statements of the Group, the financial statements of the parent company and its subsidiaries 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 unrealized 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 Group identifies that the goodwill has been impaired, the goodwill to the extent impaired is recognized in the Consolidated Statement of Profit and Loss.

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 equity shareholders of 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 2019

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

### e. Business Combinations and Goodwill

In accordance with the provisions of Ind AS 101 related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from the transition date. As such, Previous GAAP balances relating to business combinations entered into before the transition date, including goodwill, have been carried forward at same values.

Business combinations are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Expense relating to acquisition is generally recognized in the Statement of Profit and Loss as and when the same is incurred.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as financial liability is measured at fair value with changes in fair value recognized in the statement of profit and loss

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amounts of the identifiable assets acquired and the liabilities assumed on the acquisition date

### f. Revenue recognition

The Group derives revenue primarily from software development and related services. Revenue is measured at the fair value of the consideration received or receivable.

The Group adopted Ind AS 115 - "Revenue from Contracts with Customers" from 1st April 2018 using the cumulative catch-up transition method. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. Refer Note 1 - "Significant Accounting Policies," in the Company's Annual Report for the year ended 31st March 2018 for policies in effect for revenue prior to April 1, 2018. The effect on adoption of Ind AS 115 was insignificant.

Revenue disclosed is net of discounts and Goods and service tax. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses. The Group has to apply the principles of revenue recognition to each of the distinct performance obligation and transaction price is recognized for each of the performance obligation of the contract.

The Group recognizes revenue when the performance obligations as promised have been satisfied with a transaction price and when there is no uncertainty as to measurement or collectability of the consideration. Recognition criteria for various types of contracts are as follows:

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2019

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

### ***Time and Material Contracts:***

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

### ***Fixed-Price Contracts:***

In case of fixed-price contracts, revenue is recognized based on percentage of completion basis. Where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

### ***Annual Maintenance Contract:***

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

### ***Sale of products:***

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

*Unbilled revenue* represents earnings in excess of efforts billed on software development and service contracts as at the end of the reporting period and is included as part of Other Financial Assets.

*Unearned revenues* represent billing in excess of revenue recognized on software development and service contracts and is included in Other Current Liabilities until the above revenue recognition criteria is met. Advance payments received from customers for whom no services have been rendered are presented as "Advance from customers".

### ***Other Income***

Other income primarily comprises of interest, dividend, foreign exchange gain/loss on financial assets / financial liabilities and on translation of other assets and liabilities. Interest income is recognized in the Statement of Profit and Loss using effective interest method at the time of accrual. Dividend income is recognized in the Statement of Profit and Loss when the right to receive payment is established. Foreign currency gain or loss is reported on net basis and includes gain or loss in respect of concluded forward contracts.

### **e. *Property, Plant & Equipment***

Property, Plant and Equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditure directly attributable to acquisition until the property, plant and equipment are ready for the intended use.

Property, plant and equipment are depreciated / amortized over their estimated useful lives using straight-line method from the date the assets are ready for the intended use. Assets acquired under finance lease and leasehold improvements are amortized over the lower of estimated useful life or primary lease term.

Depreciation on Computer and Office equipment is provided on straight line method over their respective useful lives as prescribed in Schedule II of the Companies Act 2013. In respect of assets other than these, depreciation is

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2019

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

provided over the economic 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

Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which Management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013

Depreciation methods, useful life and residual value are reviewed at each reporting date.

Individual asset costing Rs.5,000/- or less are depreciated in full in the year of purchase.

Gains or losses on disposal are determined by comparing proceeds with the carrying amount. Cost and related accumulated depreciation are eliminated from the consolidated financial statements upon sale of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

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

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet Date is classified as capital advances under other non-current assets.

### f. Intangible assets and amortization

Intangible assets are measured at acquisition cost less accumulated amortization and impairment losses, if any. Intangible assets are amortized over their respective estimated useful lives on a straight line basis from the date they are available for use as follows:

Description	Useful Lives
Intellectual property	36 months
Software Costs	60 months

Self-generated intangible assets are generally not capitalized.

The estimated useful life of an intangible asset is based on factors including obsolescence and the level of maintenance expenditure required to obtain the expected future cash flows from the asset.

### g. Leases

Finance leases, which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of fair value or present value of the minimum lease payments at the inception of lease term and disclosed as leased assets. Assets under finance lease are depreciated over the economic useful life or lease term, whichever is less.

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2019

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

The lease payments, net of finance charges, are adjusted against borrowings / other financial liabilities and allocated between lease liability and finance charges.

Leases that do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Lease payments are recorded as expense in the Statement of Profit and Loss on a straight line basis over the period of lease. The lease payments that are structured to increase in line with the expected general inflation are recognized in the Statement of Profit and Loss as per the terms of lease agreement.

### h. Impairment

#### *Non-financial assets*

The Group assesses at each balance sheet date whether there is any indication that a carrying amount of a non-financial asset or a group of non-financial assets may not be recoverable and hence require to be impaired. If any such indication exists, the Group estimates the recoverable amount of these assets. Recoverable amount is the higher of an asset's fair value adjusted for costs of disposal and the value in use. If such recoverable amount of these assets or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. This reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. 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 such reassessed recoverable amount subject to a maximum of carrying value of the asset. Non-financial assets (other than Goodwill) that are already impaired are reviewed for possible reversal of impairment provision at the end of every reporting period.

#### *Financial assets*

**Receivables:** The Group follows 'simplified approach' for recognition of impairment loss on trade receivables, whereby, it recognizes impairment loss allowances based on life time expected credit loss at each reporting period from its initial recognition.

**Other financial assets:** For all other financial assets, expected credit losses (ECL) are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case the same is measured at lifetime ECL.

Impairment gain or loss recognized in the Statement of Profit and Loss is the difference between loss allowance reassessed on the reporting date and that determined on the immediately preceding reporting date.

### i. 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 non-current.

- Non-current investments in associates and joint ventures are stated at cost and any decline other than temporary in the value of these investments is recognized in the Statement of Profit and Loss.
- Other non-current investments are stated at their fair value.
- Current investments are stated at their fair value.

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2019

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

On disposal of investments, the difference between proceeds and the carrying amount is recognized in the Statement of Profit and Loss.

### j. Derivative financial instruments

The Group holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in foreign exchange rates on foreign currency assets or liabilities and forecasted cash flows denominated in foreign currencies. The counterparty for these contracts is generally a bank.

Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in the Statement of Profit and Loss.

#### *Cash flow hedges*

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and presented within equity in the cash flow hedging reserve to the extent that the hedge is effective.

To the extent that the hedge is ineffective, changes in fair value are recognized in the statement of profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the related forecasted transaction.

#### *Others*

Changes in fair value of foreign currency derivative instruments not designated as cash flow hedges and the ineffective portion of cash flow hedges are recognized in the Statement of Profit and Loss and reported within foreign exchange gains / (losses).

### k. Non-derivative financial instruments

#### INITIAL MEASUREMENT:

Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measure at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognized on trade date.

#### SUBSEQUENT MEASUREMENT:

##### *Financial assets at amortized cost*

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2019

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

the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets are subsequently measured at amortized cost using effective interest method, less any impairment losses.

Amortized assets are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

They are presented as current assets except for those maturing later than 12 months after the reporting date, which are presented as non-current assets.

### ***Financial assets at fair value through other comprehensive income: (FVTOCI)***

Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### ***Financial assets at fair value through profit or loss: (FVTPL)***

Any financial asset not subsequently measured at amortized cost or at fair value through other comprehensive income, is subsequently measured at fair value through profit or loss. Financial assets falling in this category are measured at fair value and all changes are recognized in the Statement of Profit and Loss.

### ***Financial liabilities***

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination that is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for De-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

### **Fair value hierarchy:**

The group's policy on Fair Valuation is stated below.

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

Level 1 - The fair value of financial instruments traded in active markets (such as publicly traded securities) is based on quoted (unadjusted) market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price.

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2019

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

Level 2 - The fair valuation of instruments not traded in active markets is determined using valuation techniques. These valuation techniques maximize the use of observable market data and minimize the use of entity specific estimates (All significant inputs to the fair value measurement is observable)

Level 3 -Valuation techniques for one or more significant inputs to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### l. Foreign Currency Translation

#### *Functional and Presentation Currency*

Items included in the consolidated financial statements of the Group's subsidiaries are measured using the currency of the primary economic environment in which the entity operates (i.e. the "functional currency). The functional currency of the parent company is the Indian Rupee. These consolidated financial statements are presented in Indian Rupee.

#### *Foreign currency Transactions and Balances*

Foreign current Transactions are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of foreign – currency denominated monetary assets and liabilities into the relevant functional currency at exchange rates in effect at the reporting date are recognized in the Statement of Profit and Loss and reported within foreign exchange gains / (losses).

Non-monetary assets and liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

The translation of foreign operations from respective functional currency into INR (the reporting currency) for assets and liabilities is performed using the exchange rates in effect at the balance sheet date, and for revenue, expenses and cash flows is performed using an appropriate daily weighted average exchange rate for the respective years. The exchange differences arising on translation for consolidation are reported as a component of Other Comprehensive Income. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in the Statement of Profit and Loss.

### m. Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders. Interim dividends are recorded as a liability on the date of declaration by the by the Board of Directors of each company of the Group.

### n. Cash and Cash equivalents

Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage. For the purpose of presentation in the Statement of Cash flows, cash and cash equivalents include cash on hand, deposits

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2019

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

held at call with Banks, other short-term, highly liquid investments with original maturities of three months or less and that are readily convertible to known amounts of cash which are subject to an insignificant change in value.

Statement of cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

### o. Employee benefits

#### *Defined Contribution Plans*

The Group pays Provident Fund contributions payable to the recognized provident fund for the parent company and the Indian subsidiaries. The contributions are accounted for as defined contribution plans and recognized as employee benefit expense in the Statement of Profit and Loss.

#### *Defined Benefit Plans*

The Company and its subsidiaries in India provides a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Group as per the provisions of the Payment of Gratuity Act, 1972.

The liability or asset recognized in the Balance Sheet in respect of a defined gratuity plan is the present value of defined benefit obligation at the end of the reporting period less the fair value of plan assets. Gratuity liability is a defined benefit obligation and is recorded based on actuarial valuation using the projected unit credit method made at the end of the year.

The present value of defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. 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.

Remeasurement gains or losses arising from Experience Adjustments and changes in actuarial assumptions are recognized in the period they occur, directly in the Other Comprehensive Income. They are included in the statement of changes in equity and in the Balance Sheet. Remeasurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to Statement of Profit or Loss in subsequent periods.

Changes in present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the Statement of Profit and Loss.

#### *Other short term Employee Benefits*

The employees of the Group are entitled to compensated absences. At the end of the financial year, the Group accounts for the remaining short term compensated absences. Liability towards leave encashment is recognized in the Statement of Profit and Loss.

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2019

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

Undiscounted liability of performance incentive is recognized during the period when the employee renders the services, based on management estimate.

Contributions to other foreign defined contribution plans are recognized as expense when the employees have rendered services entitling them to such benefits.

### *Share-based payments*

Employees of the Group receive remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of the grant arrived at by using the Black-Scholes Model valuation and recognizes the cost (net of estimated forfeitures) over the vesting period.

The equity instruments generally vest in a graded manner over the vesting period. The stock compensation expense is determined based on group's estimate of equity instruments that will eventually vest and be exercised. The expenses in respect of the above share based payment schemes is recognized over the vesting period in the Statement of Profit and Loss with a corresponding adjustment to the share based payment reserve, a component of equity.

### p. Taxation

Income-tax expense comprises current tax (amount of tax for the period determined in accordance with the Income Tax law of the respective geographies) and deferred tax charge or credit (reflecting the tax effects of temporary differences between tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements). Taxes are recognized in the Statement of Profit and Loss except to the extent it relates to items directly recognized in equity or in the Other Comprehensive Income.

#### *Current tax*

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Group offsets current tax assets and current tax liabilities, where it has legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

#### *Deferred Income Tax*

Deferred income tax is recognized using the Balance Sheet Approach. The corresponding deferred income tax liabilities or assets are recognized for deductible and taxable temporary differences between tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

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

# Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2019

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

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the deferred income tax asset to be utilized.

Deferred income taxes are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on the tax laws enacted or substantively enacted at the reporting date.

## q. Earnings per share

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

For the purpose of calculating Diluted earnings per share, amounts are computed by dividing the net profit or loss after tax for the year by the weighted average number of shares outstanding during the year considered for computation of Basic EPS and also adjusted for the effects of all measurable dilutive potential equity shares.

## r. Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred and subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in Statement of Profit and Loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after reporting period.

## s. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

## t. Segment Reporting

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker.

## u. Provisions and Contingent liabilities

A provision is recognized when an enterprise has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, in respect of which the amount can be reliably estimated. 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.

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2019

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

A disclosure for contingent liability is made when there is a possible obligation that arises from the past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group and that may, but not probable that an outflow of resources would be required to settle the obligation. 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.

### v. Recent accounting pronouncements

The following accounting standards / amendments to accounting standards are issued but not effective as at 31st March 2019

#### 1. Ind AS 116 – Leases

Ind AS 116 on Leases notified by The Ministry of Corporate Affairs on 30th March 2019, effective for financial periods beginning from 1st April 2019, replaces the existing standard Ind AS 17 on Leases. The revised Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both, the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all both operating and finance leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses to the lessee are charged to the statement of Profit & Loss as and when incurred. Ind AS 116 does not envisage any difference in accounting of lease income for the lessor as compared the erstwhile standard. The revised Standard also contains enhanced disclosure requirements for lessees.

The standard permits two possible methods of transition:

- Full retrospective – Recognize assets and liabilities relating to lease commitments retrospectively in each prior period, applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- Modified retrospective – Recognized the right to use (ROU) asset at the date of initial application by measuring the same at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application.

The Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116 on the date of initial application (April 1, 2019). Accordingly, the comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Management is in the process of assessing the impact on adoption of Ind AS 116 and does not expect the same to be significant.

#### 2. Ind AS 12 – Accounting for taxes on income

The Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes' on 30th March 2019, in connection with accounting for dividend distribution taxes. As per the amendment, an entity shall recognise the consequence of income tax on dividends in profit or loss, other comprehensive income or equity, according to where the entity originally recognised the same. The amendment is effective date from financial periods beginning on or after April 1, 2019.

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2019

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

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C relating to Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. Accordingly, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the amendments to the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on April 1, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

### 3. Ind AS 19 – Employee Benefits

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2019

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

### NOTE-3: PROPERTY, PLANT AND EQUIPMENT

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

Particulars	Plant & Machinery	Leasehold improvements	Computers	Office equipments	Electrical Installations	Furniture & Fittings	Motor Vehicles Owned	Motor Vehicles Leased	Total
<b>Gross carrying value</b>									
<b>At April 1, 2017</b>	<b>10.36</b>	<b>29.63</b>	<b>109.69</b>	<b>18.54</b>	<b>10.08</b>	<b>24.69</b>	<b>5.17</b>	<b>2.97</b>	<b>211.13</b>
Additions	0.05	-	15.29	0.98	0.15	1.77	0.04	-	18.28
Disposals / adjustments	-	-	0.28	0.01	-	0.08	3.30	1.32	4.99
Translation/ Consolidation adjustment	-	0.63	3.03	1.98	-	(3.80)	-	-	1.84
<b>At March 31, 2018</b>	<b>10.41</b>	<b>30.26</b>	<b>127.73</b>	<b>21.49</b>	<b>10.23</b>	<b>22.58</b>	<b>1.91</b>	<b>1.65</b>	<b>226.26</b>
<b>At April 1, 2018</b>	<b>10.41</b>	<b>30.26</b>	<b>127.73</b>	<b>21.49</b>	<b>10.23</b>	<b>22.58</b>	<b>1.91</b>	<b>1.65</b>	<b>226.26</b>
Additions	-	-	12.22	2.24	1.74	0.42	-	-	16.62
Disposals / adjustments	-	-	-	-	-	-	0.75	-	0.75
Translation/ Consolidation adjustment	-	0.03	(0.13)	(0.01)	-	0.05	-	-	(0.07)
<b>At March 31, 2019</b>	<b>10.41</b>	<b>30.29</b>	<b>139.82</b>	<b>23.71</b>	<b>11.97</b>	<b>23.05</b>	<b>1.16</b>	<b>1.65</b>	<b>242.06</b>
<b>Accumulated depreciation</b>									
<b>At April 1, 2017</b>	<b>10.36</b>	<b>26.09</b>	<b>103.63</b>	<b>9.28</b>	<b>7.73</b>	<b>15.66</b>	<b>3.23</b>	<b>1.47</b>	<b>177.45</b>
Depreciation expense	0.01	0.82	10.71	4.40	0.62	1.81	0.91	0.72	20.00
Disposals / adjustments	-	-	0.28	-	-	0.08	3.30	1.32	4.98
Translation/ Consolidation adjustment	-	0.08	8.62	0.99	-	(1.21)	(0.72)	-	7.76
<b>At March 31, 2018</b>	<b>10.37</b>	<b>26.99</b>	<b>122.68</b>	<b>14.67</b>	<b>8.35</b>	<b>16.18</b>	<b>0.12</b>	<b>0.87</b>	<b>200.23</b>
<b>At April 1, 2018</b>	<b>10.37</b>	<b>26.99</b>	<b>122.68</b>	<b>14.67</b>	<b>8.35</b>	<b>16.18</b>	<b>0.12</b>	<b>0.87</b>	<b>200.23</b>
Depreciation expense	0.01	0.87	11.73	3.31	0.67	1.17	0.23	0.55	18.54
Disposals / adjustments	-	-	-	-	-	-	(0.75)	-	(0.75)
Translation/ Consolidation adjustment	-	0.03	2.13	(0.07)	-	0.02	0.56	-	2.67
<b>At March 31, 2019</b>	<b>10.38</b>	<b>27.89</b>	<b>136.54</b>	<b>17.91</b>	<b>9.02</b>	<b>17.37</b>	<b>0.16</b>	<b>1.42</b>	<b>220.69</b>
<b>Net carrying value March 31, 2019</b>	<b>0.04</b>	<b>2.40</b>	<b>3.28</b>	<b>5.81</b>	<b>2.95</b>	<b>5.68</b>	<b>1.00</b>	<b>0.22</b>	<b>21.36</b>
<b>Net carrying value March 31, 2018</b>	<b>0.04</b>	<b>3.27</b>	<b>5.05</b>	<b>6.82</b>	<b>1.88</b>	<b>6.40</b>	<b>1.79</b>	<b>0.78</b>	<b>26.03</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2019

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

### NOTE-4: 4. GOODWILL AND OTHER INTANGIBLE ASSETS

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

Particulars	Goodwill on consolidation	Acquired contracts	Intellectual property	Computer Software	Total
<b>Gross carrying value</b>					
At April 1, 2017	1,220.83	-	4.50	45.44	1,270.77
Additions	99.73	30.30	-	3.29	133.32
Disposals / adjustments	-	-	-	-	-
Translation/Consolidation adjustment	100.56	-	-	-	100.56
<b>At March 31, 2018</b>	<b>1,421.12</b>	<b>30.30</b>	<b>4.50</b>	<b>48.73</b>	<b>1,504.65</b>
At April 1, 2018	1,421.12	30.30	4.50	48.73	1,504.65
Additions	-	-	-	2.27	2.27
Disposals / adjustments	54.45	-	-	-	54.45
Translation/Consolidation adjustment	3.96	2.10	-	0.15	6.21
<b>At March 31, 2019</b>	<b>1,370.63</b>	<b>32.40</b>	<b>4.50</b>	<b>51.15</b>	<b>1,458.69</b>
<b>Accumulated amortization</b>					
At April 1, 2017	-	-	4.50	26.74	31.24
Amortisation expense	-	4.36	-	4.35	8.71
Disposals / adjustments	-	-	-	-	-
Translation/Consolidation adjustment	-	-	-	(2.87)	(2.87)
<b>At March 31, 2018</b>	<b>-</b>	<b>4.36</b>	<b>4.50</b>	<b>28.22</b>	<b>37.08</b>
At April 1, 2018	-	4.36	4.50	28.22	37.08
Amortisation expense	-	20.02	-	4.13	24.15
Disposals / adjustments	-	-	-	-	-
Translation/Consolidation adjustment	-	0.17	-	(2.67)	(2.50)
<b>At March 31, 2019</b>	<b>-</b>	<b>24.55</b>	<b>4.50</b>	<b>29.68</b>	<b>58.73</b>
<b>Net carrying value March 31, 2019</b>	<b>1,370.63</b>	<b>7.85</b>	<b>0.00</b>	<b>21.47</b>	<b>1,399.95</b>
<b>Net carrying value March 31, 2018</b>	<b>1,421.12</b>	<b>25.94</b>	<b>0.00</b>	<b>20.51</b>	<b>1,467.57</b>

b) Assessment of Impairment

The changes in the carrying value of Goodwill balances

Particulars	Amount
<b>Opening balance as at 1st April 2017</b>	<b>1,220.83</b>
Additions on Acquisition through business combinations:	
Faichi Soutions LLC	99.73
Effect of translation differences	100.56
<b>Closing balance as at 31st March 2018</b>	<b>1,421.12</b>
<b>Opening balance as at 1st April 2018</b>	<b>1,421.12</b>
Reversal of Goodwill relating to reversal of contingent consideration in Faichi Solutions LLC	(54.45)
Effect of translation differences	3.96
<b>Closing balance as at 31st March 2019</b>	<b>1,370.63</b>

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Cash generating units (CGU) or group of CGUs, which benefit from the synergies of the acquisition.

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. The fair value of a CGU is determined based on the market capitalization approach, using the turnover and earnings multiples derived from observable market data. The value-in-use is determined based on specific calculations. These calculations use pre tax cash flow projections over a period of five years based on financial budgets and an average of the range of each assumption mentioned below.

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2019

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

As at March 31, 2019, the estimated recoverable amount of the CGU exceeds its carrying amount, hence impairment is not triggered. The key assumptions used for the calculations are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Terminal growth rate	10%	10%
Discount rate	WACC Rate	

The above discount rates are based on the Weighted Average Cost of Capital (WACC) of the Company. These estimates are likely to differ from future actual results of operations and cash flows. An analysis of the calculation's sensitivity to a change in the key parameters (turnover and earnings multiples), did not identify any probable scenarios where the CGU's recoverable amount would fall below its carrying amount.

### NON-CURRENT ASSETS

#### NOTE-5.1: FINANCIAL ASSETS-LOANS

Particulars	As at March 31, 2019	As at March 31, 2018
<i>(unsecured and considered good)*</i>		
Loan to related parties	0.03	0.03
	<b>0.03</b>	<b>0.03</b>

\* Related party balances are presented in Note no. 24 (d)

#### NOTE-5.2: FINANCIAL ASSETS- OTHERS

Particulars	As at March 31, 2019	As at March 31, 2018
Security Deposit	18.86	22.01
Bank deposits with more than 12 months	1.35	1.91
	<b>20.21</b>	<b>23.92</b>

#### NOTE-6: DEFERRED TAX ASSETS (NET)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Arising from timing difference in respect of:</b>		
Property, Plant and Equipment	3.51	2.83
Retirement Benefits	15.81	12.91
Other tax disallowances	(2.69)	(4.71)
Financial instruments - FVTOCI	(1.13)	(0.19)
MAT Credit	0.07	0.07
	<b>15.57</b>	<b>10.91</b>

#### NOTE-7: OTHER NON CURRENT ASSETS

Particulars	As at March 31, 2019	As at March 31, 2018
Prepaid expenses	0.47	0.19
	<b>0.47</b>	<b>0.19</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2019

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

### CURRENT ASSETS

#### NOTE-8.1: FINANCIAL ASSETS- TRADE RECEIVABLES

Particulars	As at March 31, 2019	As at March 31, 2018
<i>(Unsecured, considered good)</i>		
Considered good	649.55	584.31
Considered doubtful	9.04	8.33
Less: Allowance for doubtful debts	(9.04)	(8.33)
	<b>649.55</b>	<b>584.31</b>

#### NOTE-8.2: FINANCIAL ASSETS- CASH & CASH EQUIVALENTS

Particulars	As at March 31, 2019	As at March 31, 2018
a. Cash on hand	0.13	0.11
b. Balances with banks in current accounts and deposit accounts	400.00	299.72
c. Other bank balances #	0.44	0.37
	<b>400.57</b>	<b>300.20</b>

# Other bank balances represent earmarked balances in respect of unclaimed dividends and dividend payable

#### NOTE-8.3: FINANCIAL ASSETS- LOANS

Particulars	As at March 31, 2019	As at March 31, 2018
<i>(unsecured, considered good)</i>		
Employee Loans	0.59	1.98
	<b>0.59</b>	<b>1.98</b>

#### NOTE-8.4: FINANCIAL ASSETS - OTHERS

Particulars	As at March 31, 2019	As at March 31, 2018
Security Deposits	8.47	5.30
Forward Contract	3.88	0.70
Unbilled revenue	52.54	68.63
	<b>64.89</b>	<b>74.63</b>

#### NOTE-9: OTHER CURRENT ASSETS

Particulars	As at March 31, 2019	As at March 31, 2018
Balance with statutory Authority	44.71	10.00
Prepaid expenses	151.31	125.24
Advance to suppliers	1.98	1.60
	<b>198.00</b>	<b>136.84</b>

#### NOTE-10: SHARE CAPITAL

Particulars	As at March 31, 2019	As at March 31, 2018
<b>A) Authorised, Issued, Subscribed and Fully Paid up Share capital</b>		
<b>Authorised:</b>		
20,100,000 Equity Shares of Rs.10 each	201.00	201.00
<b>Issued &amp; Subscribed &amp; Fully Paid-up:</b>		
"9,942,540 Equity Shares of Rs.10 each (March 2018 : 9,942,540 shares )	99.43	99.43
(Equity shares have been disclosed as net of shares held by the trust)"		
<b>Total</b>	<b>99.43</b>	<b>99.43</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2019

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

### B) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

<b>Outstanding as at beginning of the year</b>	1,04,75,000	1,04,55,000
Add: Shares allotted to employees pursuant to ESOP 2009	-	20,000
<b>Outstanding as at the end of the year</b>	1,04,75,000	1,04,75,000
Less: Elimination on account of consolidation of Saksoft Employee Welfare Trust	(5,32,460)	(5,32,460)
<b>Outstanding as at the end of the year</b>	<b>99,42,540</b>	<b>99,42,540</b>

### 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, 2019		As at March 31, 2018	
		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	22,18,640	21.18%	23,18,640	22.13%
2	Sak Industries Private Limited	48,47,715	46.28%	46,53,315	44.42%
3	Saksoft Employees Welfare Trust	5,32,460	5.09%	5,32,460	5.09%
	<b>Total</b>	<b>75,98,815</b>	<b>72.55%</b>	<b>75,04,415</b>	<b>71.64%</b>

### E) Shares reserved for issue under options and contracts [Refer Note - 24(f)]

S. No.	Number and class of shares reserved for issue	Party in whose favour reserved	Details of contracts/ options under which shares reserved for issue
1	295,000 Options (31st March 2018 : 185,000 Options)	Employees	ESOP 2009

### NOTE-11: OTHER EQUITY

Particulars	As at March 31, 2019	As at March 31, 2018
<b>a) Capital reserve</b> Any profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments is transferred to capital reserve.	0.21	0.21
<b>b) Securities premium reserve</b> Amounts received (on issue of shares) in excess of the par value has been classified as securities premium.	90.18	90.18
<b>c) General reserve</b> This represents appropriation of profit by the Company.	48.93	48.93
<b>d) Retained earnings</b> Retained earnings comprise of the Company's undistributed earnings after taxes.	1,429.90	1,171.94
<b>e) Share option outstanding account</b> The share option outstanding account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to share premium upon exercise of stock options by employees. In case of forfeiture, corresponding balance is transferred to general reserve.	18.82	15.70

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2019

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

Particulars	As at March 31, 2019	As at March 31, 2018
<b>f) Financial Instruments through other comprehensive income</b>	2.94	0.50
Changes in the fair value of equity instruments is recognized in equity instruments through other comprehensive income (net of taxes), and presented within other equity.		
<b>g) Foreign currency translation reserve</b>	60.11	52.15
Other items of other comprehensive income consist of re-measurement of net defined liability/asset.	2.86	1.13
	<b>1,653.95</b>	<b>1,380.74</b>

### NON- CURRENT LIABILITY

#### NOTE-12.1: FINANCIAL LIABILITIES- BORROWINGS

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Term Loans From Bank - Secured</b>	46.02	65.39
Secured by pari passu charge on company's unencumbered movable fixed assets and current assets of the company and the personal guarantee of the Managing Director.		
<b>Repayment Terms:</b>		
Repayable in 16 Quarterly installments commencing from March, 2018.		
Rate of interest - 10.20% linked to banks one year MCLR		
Period and amount of continuing default: NIL		
<b>Dropline Overdraft From Bank - Secured</b>	-	5.00
Secured by pari passu charge on company's unencumbered movable fixed assets and current assets of the company and the personal guarantee of the Managing Director.		
<b>Repayment Terms:</b>		
Repayable in 7 Quarterly installments commencing from December 2017.		
Rate of interest - 10.20% linked to banks one year MCLR		
Period and amount of continuing default: NIL		
<b>Long Term Maturities Of Finance Lease Obligations</b>	-	0.28
Secured by hypothecation of cars taken on lease		
<b>Unsecured, From Related Parties</b>		
From Sak Industries Private Limited	270.00	245.00
<b>Repayment Terms:</b>		
The Loan is repayable on demand, not later than 30th September 2020.		
Period and amount of continuing default: NIL		
Rate of interest-SBI rate prime rate +1.25%		
Sak Industries PTE Loan Limited (Loan a/c)	-	64.82
<b>Repayment Terms:</b>		
The Loan is repayable on demand, not later than 30th September 2021.		
Period and amount of continuing default: NIL		
Rate of interest-US Prime lending rate +1.75% with Prime lending rate at no time being less than 3.25%		
	<b>316.02</b>	<b>380.49</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2019

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

### NOTE-12.2: FINANCIAL LIABILITIES- OTHERS

Particulars	As at March 31, 2019	As at March 31, 2018
Liability towards acquisition of business	6.93	60.93
	<b>6.93</b>	<b>60.93</b>

### NOTE-13: PROVISIONS

Particulars	As at March 31, 2019	As at March 31, 2018
Gratuity Payable (Net)*	29.86	26.42
	<b>29.86</b>	<b>26.42</b>

\* Refer Note 24 ( f ) for details of gratuity plan as per Ind AS 19

### NOTE-14.1: FINANCIAL LIABILITIES- BORROWINGS

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Cash Credit From Bank - Secured</b>		
Secured by first charge current assets of the Company and second charge on unencumbered movable fixed assets and the personal guarantee of the Managing Director.	73.91	44.19
Rate of interest - 0.50 % plus twelve month MCLR of the bank		
Period and amount of continuing default: NIL		
	<b>73.91</b>	<b>44.19</b>

### NOTE-14.2: FINANCIAL LIABILITIES - TRADE PAYABLES

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Payables-Micro,small and medium enterprises*	2.08	8.12
Trade payables - Others #	241.14	278.14
	<b>243.22</b>	<b>286.26</b>

\* Refer Note No. 24 ( i )

# Related Party Balances are presented in Note no 24 ( d )

### NOTE-14.3: FINANCIAL LIABILITY- OTHERS

Particulars	As at March 31, 2019	As at March 31, 2018
Current maturities of long term loans*	19.38	59.16
Current maturities of finance lease obligations	0.28	0.57
Unclaimed Dividends	0.44	0.37
Others	19.04	16.19
	<b>39.14</b>	<b>76.29</b>

\* The details of interest rates, repayment and other terms are disclosed under Note 12.1

### NOTE-15: OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2019	As at March 31, 2018
Advance from customers	182.98	156.62
Statutory dues	23.37	(1.10)
Others	55.32	47.71
	<b>261.67</b>	<b>203.23</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2019

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

### NOTE-16: PROVISIONS

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for compensated absences	8.30	8.00
Provision for gratuity *	4.35	2.00
	<b>12.65</b>	<b>10.00</b>

\* Refer Note 24 (f) for details of gratuity plan as per Ind AS 19

### NOTE-17: INCOME TAX

Income tax expense in the statement of profit and loss consists of:

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Current income tax:</b>		
In respect of the current year	146.88	102.02
<b>Deferred tax:</b>		
In respect of the current year	(6.28)	(7.92)
<b>Income tax expense recognised in the statement of profit or loss:</b>	<b>140.60</b>	<b>94.10</b>
<b>Income tax recognised in other comprehensive income</b>		
Current tax arising on income and expense recognised in other comprehensive income	0.69	0.33
Deferred tax arising on income and expense recognised in other comprehensive income	0.94	0.19
<b>Total</b>	<b>1.63</b>	<b>0.52</b>

The reconciliation between the provision for income tax of the Company and amounts computed by applying the Indian statutory income tax rates to profit before taxes is as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Profit before tax	522.71	338.19
Enacted income tax rate in India	29.12%	33.06%
<b>Computed expected tax expenses</b>	<b>152.21</b>	<b>111.82</b>
<b>Effect of:</b>		
Differential tax rates of branches/subsidiaries operating in other jurisdiction	11.02	49.29
Income that is exempt from tax	(15.48)	-
Income considered under other heads	(0.35)	-
Expenses that are not deductible in determining taxable profit	4.39	(7.34)
Income subject to different taxes	(4.86)	(52.59)
Disallowance under 14A	1.74	1.15
Depreciation allowance / disallowance under IT Act	0.66	0.02
Reversal of tax provisions of previous year	(1.76)	-
<b>Income tax expenses recognized in the Statement of Profit and Loss</b>	<b>147.57</b>	<b>102.35</b>

Calculation of Applicable Tax Rate:

Particulars	As at March 31, 2019	As at March 31, 2018
Basic tax rate	25.00%	30.00%
Surcharge @ 12% (PY 7%) on the basic tax rate	3.00%	2.10%
Aggregate of tax and surcharge	28.00%	32.10%
Cess @ 4% (PY 3%) on tax and Surcharge	1.12%	0.96%
<b>Tax Rate applicable</b>	<b>29.12%</b>	<b>33.06%</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2019

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

### Deferred tax assets / liabilities as at March 31, 2019

Particulars	As at April 1, 2018	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income <sup>w</sup>	As at March 31, 2019
Property, Plant and Equipment	2.83	0.68	-	3.51
Retirement and employee Benefits	12.91	2.90	-	15.81
Other tax disallowances	(4.71)	2.02	-	(2.69)
Financial instruments - FVTOCI	(0.19)	-	(0.94)	(1.13)
<b>MAT Credit entitlement</b>	0.07	-	-	0.07
<b>Total</b>	<b>10.91</b>	<b>5.60</b>	<b>(0.94)</b>	<b>15.57</b>

### Deferred tax assets / liabilities as at March 31, 2018

Particulars	As at April 1, 2017	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at March 31, 2018
Property, Plant and Equipment	1.66	1.17	-	2.83
Retirement and employee Benefits	14.30	(1.56)	0.17	12.91
Other tax disallowances	(13.02)	8.31	-	(4.71)
Financial instruments - FVTOCI	-	-	(0.19)	(0.19)
MAT Credit entitlement	0.07	-	-	0.07
<b>Total</b>	<b>3.01</b>	<b>7.92</b>	<b>(0.02)</b>	<b>10.91</b>

Note: Long term capital loss as computed under the provisions of Income Tax Act, 1961 carried forward amounted to Rs.139.63 million as on the Balance Sheet date on which the Deferred Tax Asset has not been recognised as the probability of reversal of such deferred tax is not certain in the foreseeable future.

### NOTE-18: OTHER INCOME

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>(A) Income from investments</b>		
Dividends	0.68	0.01
	<b>0.68</b>	<b>0.01</b>
<b>(B) Others</b>		
Exchange Fluctuation (net)	12.16	7.91
Interest income	1.15	1.81
Interest on fair valuation of security deposits	1.26	0.91
Profit on Sale of assets (fixed assets and investments)	0.03	3.93
Miscellaneous Receipts	6.53	8.50
	<b>21.13</b>	<b>23.06</b>
<b>Total Other Income</b>	<b>21.81</b>	<b>23.07</b>

### NOTE-19: EMPLOYEE BENEFIT EXPENSE

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and wages	1,552.49	1,270.34
Contribution to Provident and other funds	57.22	46.16
Share based compensation to employees	3.12	1.20
Staff Welfare Expenses	41.37	36.42
	<b>1,654.20</b>	<b>1,354.12</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2019

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

### NOTE-20: FINANCE COSTS

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest Expense		
- on loans from banks	16.94	22.11
- on loans from a related party	26.76	25.64
- on fair valuation of security deposits	1.26	0.91
Other borrowing cost	3.08	3.47
	<b>48.04</b>	<b>52.14</b>

### NOTE-21: OTHERS EXPENSES

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Licence cost	87.04	61.15
Rent	75.82	63.34
Travel and conveyance	73.23	69.37
Insurance	20.18	19.31
Rates and Taxes	9.37	4.11
CSR Expenditure	1.53	0.80
Power and Fuel	18.99	17.39
Repairs to Buildings	22.09	19.02
Repairs to Plant	9.57	6.96
Communication Expenses	18.63	20.01
Bad debts written off	6.33	3.21
Provision for doubtful debts	8.56	-
<b>Payment to statutory auditors</b>		
- As Auditors	9.21	9.28
- For Certification	0.09	-
- reimbursement of expenses	0.09	0.10
Legal, Professional and consultancy charges	12.39	8.87
Advertisement, Publicity and Sale Promotion	22.55	25.29
Miscellaneous expenses	24.92	27.81
	<b>420.59</b>	<b>356.02</b>

### NOTE-22: DEPRECIATION AND AMORTISATION EXPENSE

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation	22.67	20.00
Amortisation expense	20.02	8.71
	<b>42.69</b>	<b>28.71</b>

### NOTE-23: CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

(a) Gross amount required to be spent by the company during the year - Rs.4.70 million

(b) Amount spent during the year on:

Particulars	Amount spent during the year	Amount to be spent	Total
(i) Construction/acquisition of any Asset	-	-	-
(ii) On purposes other than (i) above	2.81	1.89	4.70

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2019

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

### NOTE-24: ADDITIONAL NOTES

#### (a) Contingent Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
1.Income-tax matters	34.62	34.62
2.Service-tax matters	-	39.01

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 31-Mar-19	As at 31-Mar-18
<b>Future obligations for assets taken on lease</b>		
Not later than 1 year	0.29	0.65
Later than 1 year but not later than 5 years	-	0.29
	<b>0.29</b>	<b>0.94</b>
<b>Less: Amounts representing future interest</b>		
Not later than 1 year	0.01	0.07
Later than 1 year but not later than 5 years	-	0.01
	<b>0.01</b>	<b>0.08</b>
<b>Present value of minimum lease rentals</b>		
Not later than 1 year	0.28	0.57
Later than 1 year but not later than 5 years	0	0.28
	<b>0.28</b>	<b>0.85</b>

#### (c) Operating lease obligations

##### As a Lessee

Office premises are obtained under operating lease. The lease rentals incurred during the year have been charged as expenses in the Statement of Profit or Loss and Other Comprehensive Income, the details of the same is given below. The Lease term varies from 11 months to 3 years.

Particulars	As at 31-Mar-19	As at 31-Mar-18
Within One Year	53.27	45.06
After one year not more than five years	71.17	82.34
<b>Total</b>	<b>124.44</b>	<b>127.40</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2019

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

### (d) Related party disclosures

Enterprises which has significant influence	Sak Industries Private Limited and its subsidiaries.
Enterprises in which key management personnel exercise significant influence	Saksoft Employees Welfare Trust Saksoft Employees Gratuity Trust The General Talkies Private Limited
Key Management Personnel	Mr Aditya Krishna – Chairman and Managing Director Mr Niraj Kumar Ganeriwal- Chief Financial Officer Mr Muthukrishnan S Company Secretary Ms Kanika Krishna – Director
Relatives of Key managerial Personnel	Ms Avantika Krishna- Employee

### Transactions entered during the year

Description	Year ended March 31, 2019	Year ended March 31, 2018
<b>Rent expense</b>		
Sak Industries Private Limited	14.64	13.28
<b>Dividend paid</b>		
Sak Industries Private Limited	21.46	13.66
Chairman and Managing Director	10.33	6.96
Chief Financial Officer	0.32	0.19
Saksoft employees welfare Trust	2.40	1.60
<b>Interest on loan</b>		
Sak Industries Private Limited	26.76	25.63
Sak Industries Pte Limited	1.29	3.22
Interest income from Sak Abrasives Inc	0.05	-
<b>Borrowings / (Repayments), net</b>		
Sak Industries Private Limited	25.00	30.00
<b>Reimbursement of expenses</b>		
Sak Industries Pvt Ltd	0.72	0.67
<b>Remuneration of Key Managerial Personnels</b>		
Non-Executive Director Commission	14.39	12.47
Non-Executive Director - Sitting Fees	0.10	0.10
	0.09	0.12
<b>Shares allotted under ESOP 2009 scheme</b>		
Chief Financial Officer	-	10,000

### Year end balances

Description	As at March 31, 2019	As at March 31, 2018
<b>Loans and advances</b>		
Saksoft employees welfare trust	0.25	0.25
Saksoft employees gratuity trust	0.03	0.03
<b>Borrowings</b>		
Sak Industries Private Limited	270.00	245.00
Sak Industries Pte Ltd	-	64.82

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2019

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

### (e) Segment information

The CFO of the Company has been identified as the Chief Operating Decision Maker. The CODM has considered only IT Business as the operating segment as defined under Ind AS 108. The Company's operations primarily relate to providing information technology ('IT') services.

Description	Year ended March 31, 2019	Year ended March 31, 2018
<b>Revenue</b>		
Europe	1069.12	900.26
USA	1960.06	1728.34
Asia Pacific and Others	551.27	230.00
	<b>3580.45</b>	<b>2858.70</b>

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.

During the years ended 31 March 2019 and 2018, two customers, each of them contribute to 10% or more of the Group's total revenue and the top five customers accounted for 45% and 42% of the revenue of the Group respectively.

### (f) Gratuity

#### PROFIT & LOSS ACCOUNT EXPENSE:

The expenses charged to the profit & loss account for period along with the corresponding charge of the previous period is presented in the table below:

Particulars	Period Ended	
	31-Mar-19	31-Mar-18
Current service cost	11.65	8.81
Past service cost	-	3.22
Administration expenses	-	-
Interest on net defined benefit liability / (asset)	1.84	1.45
(Gains) / losses on settlement	-	-
<b>Total expense charged to profit and loss account</b>	<b>13.49</b>	<b>13.48</b>

#### FINANCIAL ASSUMPTIONS AT THE VALUATION DATE:

The expenses charged to the profit & loss account for period along with the corresponding charge of the previous period is presented in the table below:

Particulars	Period Ended	
	31-Mar-19	31-Mar-18
Discount rate (p.a.)	7.55%	7.45%
Salary escalation rate (p.a.)	7.00%	7.00%

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. The expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2019

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

### Amount Recorded in Other Comprehensive Income

The total amount of remeasurement items and impact of liabilities assumed or settled, if any, which is recorded immediately in Other Comprehensive Income (OCI) during the period is shown in the table below:

	Period Ended	
	31-Mar-19	31-Mar-18
Opening amount recognized in OCI outside profit and loss account	(3.10)	(1.14)
Remeasurements during the period due to		
Changes in financial assumptions	(0.43)	(2.43)
Changes in demographic assumptions	(0.58)	(0.87)
Experience adjustments	(1.56)	1.25
Actual return on plan assets less interest on plan assets	0.09	0.09
Adjustment to recognize the effect of asset ceiling	-	-
<b>Closing amount recognized in OCI outside profit and loss account</b>	<b>(5.58)</b>	<b>(3.10)</b>

The following table sets out the status of the gratuity plan.

	Period Ended	
	31-Mar-19	31-Mar-18
Opening of defined benefit obligation		
Consolidation Adjustment	38.13	31.58
Current service cost	11.65	8.81
Past service cost	-	3.22
Interest on defined benefit obligation	2.63	2.14
Remeasurements due to:		
Actuarial loss / (gain) arising from change in financial assumptions	(0.43)	(2.43)
Actuarial loss / (gain) arising from change in demographic assumptions	(0.58)	(0.87)
Actuarial loss / (gain) arising on account of experience changes	(1.56)	1.25
Benefits paid	(3.67)	(5.57)
Liabilities assumed / (settled)*	-	-
Liabilities extinguished on settlements	-	-
<b>Closing of defined benefit obligation</b>	<b>46.17</b>	<b>38.13</b>

	Period Ended	
	31-Mar-19	31-Mar-18
Opening fair value of plan assets	9.72	8.81
Employer contributions	5.21	5.88
Interest on plan assets	0.80	0.69
Administration expenses	-	-
Remeasurements due to:		
Actual return on plan assets less interest on plan assets	(0.09)	(0.09)
Benefits paid	(3.67)	(5.57)
Assets acquired / (settled)*	-	-
Assets distributed on settlements	-	-
<b>Closing fair value of plan assets</b>	<b>11.97</b>	<b>9.72</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2019

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

### Sensitivity Analysis:

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

	Period Ended 31 March 2019	
	Discount Rate	Salary Escalation Rate
Impact of increase in 50 bps on DBO	(2.05)	2.00
Impact of decrease in 50 bps on DBO	2.22	(1.86)

### Maturity profile of assets

Maturity Year	31-Mar-19
2020	6.68
2021	4.39
2022	4.25
2023	3.83
2024	3.56
2025-2029	92.04

### Diaggregation of plan assets:

Investment	Total
Property	-
Government Debt Instrument	2.43
Other Debt Instrument	-
Equity Instruments	2.86
Insurer managed funds	6.68
Others	-
	<b>5.29</b>

### (g) Employee Stock option plans ('ESOP')

#### ESOP 2006 Plan

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

The Company had allotted 582,460 equity shares of Rs.10 each to the Trust to give effect to the ESOP Plan. As at the balance sheet date, the employees have exercised 50,000 options under this Plan and accordingly, 532,460 equity shares of Rs.10 each represent shares held by the Trust. During the year no options have been granted under this plan

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2019

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

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

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Options outstanding at the beginning of the year	-	-	27,500	44.25
Options granted during the year	-	-	-	-
Options exercised during the year	-	-	-	-
Options forfeited during the year	-	-	-	-
Options lapsed during the year	-	-	(27,500)	44.25
Options outstanding at the end of the year	-	-	-	-
Options vested and exercisable at the end of the year	-	-	-	-

### ESOP 2009 Plan

The ESOP 2009 Plan was introduced by the Company with the consent of the shareholders in 2009 under which the Company grants options from time to time to employees of the Company and its subsidiaries. Further the scheme was amended at the AGM held on 26th September 2014 to increase the exercise period from 5 to 10 years. This Plan complies with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The plan considers an aggregate of 1,500,000 options to be granted and exercised in accordance with the ESOP 2009 plan as approved by the Nomination and Remuneration Committee.

During the year options have been exercised under this plan. During the year 1,10,000 shares have been issued to eligible employees at an exercise price of Rs 247.70

The outstanding options available for exercise under the ESOP 2009 as on 31st March 2019 is 2,95,000 options, of which 1,35,000 options being unvested.

The details of the ESOP 2009 Plan are:

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Options outstanding at the beginning of the year	1,85,000	135.85	3,75,000	151.64
Options granted during the year	1,10,000	247.70	-	-
Options exercised during the year	-	-	(20,000)	68.63
Options forfeited during the year	-	-	-	-
Options lapsed during the year	-	-	(1,70,000)	178.59
Options outstanding at the end of the year	2,95,000	177.55	1,85,000	135.85
Options vested and exercisable at the end of the year	1,60,000	133.37	1,10,000	133.18

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2019

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

### (h) Earnings Per Share (EPS)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Earnings</b>		
Net profit for the year	396.93	218.33
<b>Shares</b>		
Equity shares as at the balance sheet date	9,942,540	9,942,540
Total number of equity shares outstanding at the end of the year – Basic	9,942,540	9,942,540
<b>Weighted average number of equity shares outstanding as at the end of the year – Basic</b>	<b>99,42,540</b>	<b>99,30,869</b>
<b>Diluted Shares</b>		
Weighted average number of equity shares outstanding as at the end of the year.	9,942,540	9,942,540
<b>Add:</b> Weighted average number of equity Shares held by Saksoft employees welfare trust	<b>532,460</b>	<b>532,460</b>
<b>Add:</b> Weighted average number of equity shares arising out of outstanding stock options that have dilutive effect on the EPS	39,673	72,907
<b>Weighted average number of equity shares outstanding during the year – Diluted</b>	<b>10,514,673</b>	<b>10,547,907</b>
<b>Earnings per share of par value Rs.10 – Basic (Rs.)</b>	36.66	21.98
<b>Earnings per share of par value Rs.10 – Diluted (Rs.)</b>	34.67	20.70

### (i) 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.

The information required to be disclosed under the Micro, Small And Medium Enterprises Development Act, 2006 ("the MSMED Act") has been determined to the extent such parties have been identified on the basis of information received from such parties and available with the Company. There are no overdue to parties on account of principal amount and / or interest as disclosed below:

	March 31, 2019	March 31, 2018
The principal amounts and interest overdue thereon, remaining unpaid to any supplier at the end of each accounting year	-	-
- Principal	-	-
- Interest	-	-
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006	-	-
The amount of the payments made to suppliers beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment(which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2019

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

	March 31, 2019	March 31, 2018
The amount of further interest remaining due and payable even in the succeeding years until such dates when the interest due above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act,2006	-	-

### (j) Dividend

The company declared a dividend of Rs.4 per share to the equity share holders including an interim dividend of Rs.1.00 for the year ended March 31, 2019 as against a dividend of Rs.3.5 for the year ended March 31, 2018.

The Board of Directors at its meeting held on 30th May 2018 had recommended a dividend of 35% (Rs.3.5 per equity share of Rs.10 face value fully paid up). The proposal was approved by the shareholders at the Annual General Meeting held on 10th August 2018. This has resulted in a cash flow of Rs.36.66 million including dividend distribution tax

The Board of Directors in its meeting held on 27th May 2019 have recommended a final dividend of Rs.3.00 per equity share of par value of Rs.10/- each which is subject to approval of shareholders. If approved, this would result in a cash outflow of approximately Rs.31.42 million plus applicable dividend distribution tax in addition to the interim dividend outflow of Rs 10.47 million.

### (k) Disclosure under Ind AS 115

#### General:

The entire revenue from operations for the year ended 31st March 2019 and 31st March 2018 related to revenue from software services.

#### Disaggregation of revenue:

Revenue earned by the company is disaggregated by its sources based on geographical location as disclosed in Note 24 (e) to the financial statements.

#### Information about contract balances

The company classifies the right to consideration as Trade receivables and unbilled revenue.

Trade receivables are amounts billed to the customer on satisfaction of performance obligation. Unbilled revenue represents revenues in excess of efforts billed on software development and service contracts as at the end of the reporting period and is included as part of Other Financial Assets.

Billing in excess of revenue are classified as unearned revenue. Balances of trade receivables, unbilled revenue and unearned income are available in the relevant Schedules of the financial statements. Trade receivables and unbilled revenue are net of impairment in the Balance Sheet.

#### Information about performance obligations

Performance obligations estimates are subject to change and are affected by several factors including change in scope of contracts, its termination, foreign currency adjustments and any other items influencing the measurement, collectability and performance of the contract.

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2019

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

Disclosure relating to remaining performance obligation across all live fixed bid price contracts relate to require the aggregate amounts of transaction price yet to be recognized as at the reporting date and expected timelines to recognize these amounts. In view of the fact that all outstanding contracts have an original expected duration for completion of less than a year no disclosure is warranted.

Application of Ind AS 115, "Revenue from contract with customers" did not have any impact on the contracts serviced by the company during the year ended 31st March 2019.

### I. Financial Instruments

The carrying value and fair value of financial instruments by categories as at March 31, 2019 and March 31, 2018 is as follows:

Particulars	Balance as at March 31, 2019	Balance as at March 31, 2018
<b>Financial Assets</b>		
<b>Amortized Cost</b>		
Trade and other receivables	649.55	584.31
Cash and cash equivalents	400.57	300.20
Loans	0.62	2.01
Others financial assets	81.22	97.86
<b>Fair value through Other Comprehensive Income (FVTOCI)</b>		
Derivative instruments in hedging relationship	3.88	0.70
<b>Fair value through Profit and Loss (FVTPL)</b>		
Investments	-	-
<b>TOTAL ASSETS</b>	<b>1,135.84</b>	<b>985.08</b>
<b>Financial Liabilities</b>		
<b>Amortized Cost</b>		
Borrowings	389.93	424.68
Trade Payables	243.22	286.26
Other financial liabilities	46.07	137.22
<b>TOTAL LIABILITIES</b>	<b>679.22</b>	<b>848.16</b>

The Management assessed the fair value of cash and short-term deposits, trade receivables and trade payables, book overdrafts, and other current financial assets and liabilities approximate the carrying amounts largely due to the short-term maturities of these instruments

The Company's derivative financial instruments consist of foreign currency forward exchange contracts. Fair values for derivative financial instruments are based on market observable inputs and are classified as Level 2. The most frequently applied valuation technique include forward pricing model, using present value calculations.

#### I. Fair Value Measurement Hierarchy

Foreign exchange forward contracts have been measured using Level 2 (Significant observable inputs) - Fair value measurement hierarchy. Balances as at March 31, 2019 and March 31, 2018 amounts to Rs.3.88 million and Rs.0.70 million respectively. There have been no transfers between Level 1 and Level 2 during the year.

#### Foreign Exchange Forward Contracts

The Company is exposed to foreign currency fluctuations on foreign currency assets / liabilities and forecast cash flows denominated in foreign currency. The use of derivatives to hedge foreign currency forecast cash flows is governed by the Company's strategy, which provides principles on the use of such forward contracts and currency options consistent with

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2019

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

the Company's Risk Management Policy. The counterparty in these derivative instruments is a bank and the Company considers the risks of non-performance by the counterparty as insignificant. The Company has entered into a series of foreign exchange forward contracts that are designated as cash flow hedges. The Company does not use forward covers and currency options for speculative purposes.

The following table represents the details of Company's forward contracts outstanding:

Particulars	Balance Sheet Exposure - Asset / (Liability)	
	As at March 31, 2019	As at March 31, 2018
Foreign currency forward - USD/INR	3.88	0.75
Foreign currency forward - GBP/INR	-	(0.05)
	<b>3.88</b>	<b>0.70</b>

The balance sheet exposure denotes the fair values of these contracts at the reporting date and is presented in millions. The Company presents its foreign exchange forward contracts on a net basis in the financial statements.

Various outstanding foreign currency exchange forward contracts (sell) entered into by the Company which have been designated as Cash Flow Hedges in the respective foreign currency:

Particulars	Amount outstanding in foreign currency	
	As at March 31, 2019	As at March 31, 2018
Foreign currency forward - (USD in Million)	1.10	0.90
Foreign currency forward - (GBP in Million)	-	0.03

### (m) Financial Risk Management

The Company is exposed to a variety of financial risks; credit risk, liquidity risk and market risk, viz; foreign currency risk and interest rate risk. The Company has a risk management policy to manage & mitigate these risks.

The Company's risk management policy aims to reduce volatility in financial statements and aims to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The Board of Directors reviews and agrees policies for managing each of these risks as summarized below

#### Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to the financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and investment securities.

Financial instruments that potentially subject the Company to concentration of credit risk consists of trade receivables, investments, loans, cash and cash equivalents, other balances with banks and other financial assets. The maximum exposure to credit risk is equal to the carrying value of the financial assets. By their nature, all such financial assets involve risks, including the credit risk of non-performance by counterparties.

The Company periodically assesses the credit quality of the counterparties by taking into account their financial position, past experience, ageing of accounts receivables and any other factor determined by individual characteristic of the counterparty.

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2019

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

The maximum amount of exposure to credit was as follows:

Particulars	Balance As at March 31, 2019	Balance As at March 31, 2018
Investments	-	-
Trade receivables	649.55	584.31
Cash and cash equivalents	400.57	300.20
Loans	0.62	2.01
Other financial assets	85.10	98.56
<b>TOTAL</b>	<b>1,135.84</b>	<b>985.08</b>

**Trade receivables:**

The Company has used a practical expedient by computing the lifetime expected credit loss allowance for trade receivables based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information. The Company's exposure to customers is diversified. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

Movement in expected credit loss allowance / allowance for doubtful debts is as below:

Particulars	Balance As at March 31, 2019	Balance As at March 31, 2018
Balance at the beginning of the year	8.33	8.92
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses (Net of reversals)	0.71	(0.59)
<b>Balance at the end of the year</b>	<b>9.04</b>	<b>8.33</b>

**Liquidity Risk:**

Liquidity risk is the risk that the Company will not be able to encounter its financial obligations associated with financial liabilities as they become due. The Company manages its liquidity risk by ensuring, as far as possible, to maintain sufficient liquid funds to meet its liabilities on the due date. The Company consistently generates sufficient cash flows from operations (with adequate reserves) and has access to multiple sources of funding (banking facilities and loans from promoter company) to meet the financial obligations and maintain adequate liquidity for use.

The processes and policies related to such risks are overseen by Senior Management.

Maturity profile of the Company's non-derivative financial liabilities based on contractual payments is as below:

Particulars	Year 1 (Current)	1 - 2 years	2 years and above
<b>As at March 31, 2019</b>			
Borrowings	93.57	299.06	16.95
Trade Payables	241.14		
Other financial liabilities	26.42		
<b>As at March 31, 2018</b>			
Borrowings	103.92	334.48	46.02
Trade Payables	278.14		
Other financial liabilities	77.48		

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2019

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

### Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

### Foreign Currency Risk:

The fluctuation in foreign currency exchange rates may have potential impact on the Statement of Profit or Loss and Other Comprehensive Income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the Company.

The Company's exchange risk arises from its foreign currency revenues (primarily in U.S. Dollars, British Pound Sterling / Euros and Singapore Dollars). A significant portion of the Company's revenue are in these foreign currencies, while a significant portion of its corresponding costs are in Indian Rupee. As a result, if the value of Indian rupee appreciates relative to these foreign currencies, the Company's revenue measured in Indian Rupee may decrease and vice versa. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future.

The Company periodically determines its strategy to mitigate foreign currency risk. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies.

The following table presents foreign currency risk from non-derivative financial instruments as at each reporting period:

**The maximum amount of exposure to foreign currency risk was as follows: (Millions in respective currencies)**

Particulars	Balance As at March 31, 2019	Balance As at March 31, 2018
Cash and cash equivalents		
In US Dollars	2.93	2.02
In Singapore Dollars	0.39	0.35
In Pound Sterling	0.33	1.04
In Euro	0.57	-
Trade receivables		
In US Dollars	6.53	6.49
In Singapore Dollars	0.54	0.72
In Pound Sterling	2.22	2.04
In Euro	0.91	0.49
Trade payables		
In US Dollars	1.09	2.04
In Singapore Dollars	0.01	0.03
In Pound Sterling	1.75	2.30
In Euro	0.09	0.13

### Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates arises on Company's debt obligations with floating interest rate.

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2019

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

### (n) Capital Management

The Company manages its capital to ensure that it will be able to continue as going concerns while maximizing the return to stakeholders through the optimisation of the debt and equity balance. The Company's policy is to maintain a strong capital base so as to maintain investors, creditors and market confidence to sustain future development of the business.

The capital structure of the Company consists of debt and total equity of the Company as tabled below:

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Total equity attributable to equity share holders of the Company</b>	<b>1,753.37</b>	<b>1,480.17</b>
Current borrowings	93.57	103.92
Non-current borrowings	316.02	380.49
<b>Total debt held by the Company</b>	<b>409.59</b>	<b>484.41</b>
<b>Total capital (Equity and Debt)</b>	<b>2,162.96</b>	<b>1,964.58</b>
<b>Equity as a percentage of total capital</b>	<b>81%</b>	<b>75%</b>
<b>Debt as a percentage of total capital</b>	<b>19%</b>	<b>25%</b>

The Company is predominantly equity financed which is evident from the capital structure table above. The Company's risk management committee reviews the capital structure of the Company on an ongoing basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital.

# Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2019

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

(o) Additional information required as per part II of Schedule III of Companies Act, 2013

Name of Entity	Net assets		Share in Profit or Loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of Consolidated Net assets	Amount	As a % of Consolidated Profit or Loss	Amount	As a % of Consolidated Comprehensive Income	Amount	As a % of Consolidated Total Comprehensive income	Amount
<b>Parent</b>								
Saksoft Ltd	35%	900.48	36%	163.05	99%	4.11	37%	167.17
<b>Indian Subsidiaries</b>								
ThreeSixty Logica Testing Services Pvt Ltd and its subsidiary	6%	143.12	18%	80.40	(2%)	(0.08)	18%	80.32
DreamOrbit Softech Pvt Ltd and its subsidiary	8%	216.07	20%	87.94	3%	1.40	19%	88.08
<b>Foreign Subsidiaries</b>								
Saksoft Inc and its Subsidiaries	10%	269.07	14%	61.01	0%	-	14%	61.01
Saksoft Pte	3%	76.03	(1%)	(2.52)	0%	-	(1%)	(2.52)
Saksoft Solutions and its subsidiaries	38%	983.98	13%	57.83	0%	-	13%	57.83
<b>Subtotal</b>		<b>2588.75</b>		<b>447.71</b>		<b>4.17</b>		<b>451.88</b>
Employee Welfare Trust		17.65		2.39		-		2.39
Adjustment arising out of consolidation		(804.84)		(67.99)		(37.59)		(105.58)
<b>Minority Interest in Subsidiary</b>								
DreamOrbit Softech Pvt Ltd and its subsidiary		(48.18)		(17.59)		(0.03)		(17.62)
<b>Total</b>		<b>1,753.38</b>		<b>364.52</b>		<b>33.45</b>		<b>331.07</b>

Vide our report of even date attached

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

Chartered Accountants

Firm Registration No: 0027855

**Mahesh Krishnan**

Partner

Membership No: 206520

Date: May 27, 2019

Place: Chennai

For and on behalf of the Board of Directors

**Aditya Krishna**

Chairman & Managing Director

DIN.00031345

**Niraj Kumar Ganeriwal**

Chief Financial Officer

**Ajit Thomas**

Director

DIN.00018691

**S. Muthukrishnan**

Company Secretary

## Form AOC-I

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

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**  
 (All amounts in Rupees millions)

### Part-A: Subsidiaries

S. No.		1	2	3	4	5
1	Name of the Subsidiary	Saksoft Inc & its subsidiary	Saksoft Pte Ltd	Saksoft Solutions Ltd and its subsidiaries	Three Sixty Logica Testing Services Pvt Ltd & its subsidiary	DreamOrbit Softech Private Limited
2	Reporting Period for the Subsidiary	1st April - 31st March 2019	1st April - 31st March 2019	1st April - 31st March 2019	1st April - 31st March 2019	1st April - 31st March 2019
3	Reporting Currency and exchange rate as on the last date of the relevant Financial year	USD , Ex Rate 69.32/USD	SGD, Ex Rate 51.13/SGD	GBP, Ex Rate 90.28/GBP	INR	INR
4	Share Capital	INR 9.24 m-195000 equity shares of USD 1 each fully paid up	INR 19.17m-555002 equity shares of SGD 1 each fully paid up	INR 434.45m-5001000 equity shares of GBP 1 each fully paid up	INR 0.10m - 10000 equity shares of INR 10 each fully paid up	INR - 0.14m - 14150 equity shares of INR 10 each fully paid up
5	Reserves & Surplus	229.70	56.85	549.52	143.02	215.93
6	Total Assets	519.13	88.62	1,335.67	251.24	325.79
7	Total Liabilities	280.19	12.60	351.69	108.12	109.72
8	Investments	-	-	-	-	-
9	Turnover	1,293.00	118.38	1,028.47	338.97	564.31
10	Profit Before Taxation	856.28	(2.35)	591.76	113.22	127.59
11	Provision for Taxation	19.41	0.17	2.44	32.82	39.66
12	Profit After Taxation	836.87	(2.52)	589.32	80.40	87.94
13	Interim Dividend + Tax	-	-	-	43.75	25.00
14	Proposed Dividend					
15	% of Shareholding	100.00	100.00	100.00	100.00	80.00



