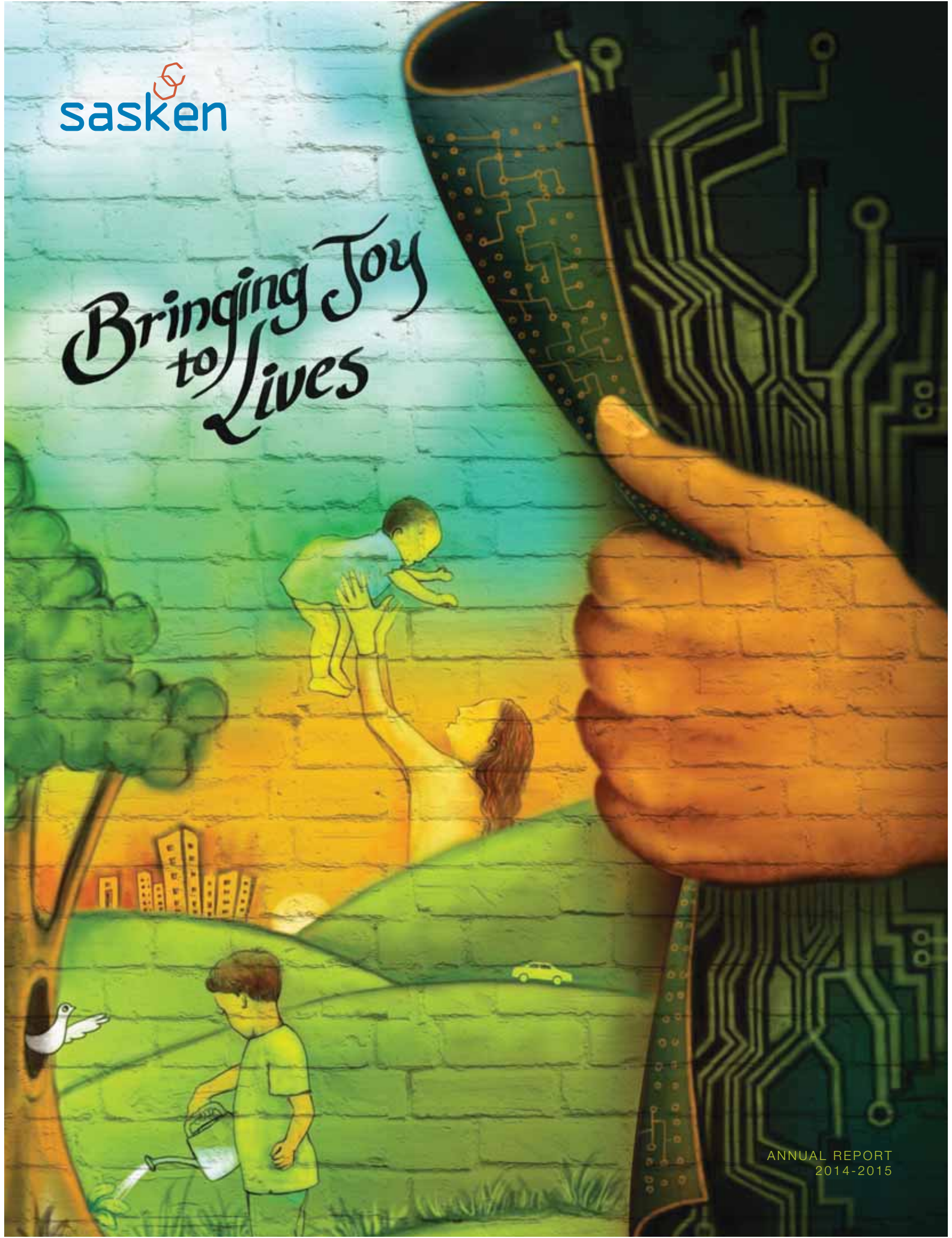


# Bringing Joy to Lives



# In this highly-connected world, technology is touching lives in our daily activities.

With every challenge that life poses, technological advances are being made that have far-reaching implications. From staying in touch with a loved one to hearing an unborn child's heartbeat or contributing to sustained living by conserving energy, technology extends its presence deep into our lives and enables a richer life.

At Sasken, we have helped some of our global customers enable technology that has not only touched the lives of over a billion people across the globe, but has also brought them together for a better future. As you turn the pages of this report, you will be taken on a journey of how we have contributed to adopting technology to celebrate life, connectivity, and communication thus enhancing togetherness and sustainability.



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# Joy of Life

Working with leading healthcare equipment manufacturers, Sasken's expertise in multimedia imaging software has helped engineer advanced prenatal solutions that celebrate life.



# Board of Directors

Mr. Rajiv C. Mody	Chairman, Managing Director and CEO
Dr. Ashok Jhunjhunwala	Director
Mr. Banshi S. Mehta	Director
Mr. Bharat V. Patel	Director
Mr. Jyotindra B. Mody	Director
Mr. Kiran S. Karnik	Director
Mr. Pranabh D. Mody	Director
Prof. J. Ramachandran	Director
Mr. Sanjay M. Shah	Director
Dr. G. Venkatesh	Director
Mr. Krishna J. Jhaveri	Whole Time Director
Ms. Neeta S. Revankar	Whole Time Director & Chief Financial Officer

## Committees of the Board

Audit Committee  
Corporate Social Responsibility Committee  
Nomination and Remuneration Committee  
Risk Management Committee  
Stakeholders Relationship Committee  
Strategy, Business and Marketing Review Committee

## Bankers

Citibank NA  
Deutsche Bank AG  
Union Bank of India

## Registered and Corporate Office

No. 139/25, Ring Road, Domlur,  
Bengaluru 560 071, India  
CIN: L72100KA1989PLC014226

## Company Secretary

Mr. S. Prasad

## Statutory Auditors

S.R. Batliboi & Co. LLP  
Chartered Accountants

# Letter to Shareholders

Dear Shareholder,

One of the highlights of the year gone by has been the resolution of our dispute with a non-Indian licensee. The arbitration ruling in our favor stands as testimony to the deep-rooted talent base of your Company, our ability to deliver world-class products and zealously defend what is rightfully due to us. During the course of this year, we collected around ₹ 276 crores pursuant to the award. Recognizing our employees as key stakeholders we shared the remuneration gained from the arbitration award. Payments made were commensurate with tenure thereby recognizing employees' long-standing commitment to the Company.

Having navigated turbulent changes in the technology landscape, we pride ourselves in being a resilient organization. In the current year, I have taken on the additional role of the Chief Executive Officer (CEO). Your Company will continue to pursue its intended strategy to work on the cusp of opportunities created by the intersection of embedded and IT domains.

As a pioneer in providing engineering research and development (ERnD) services, we have built a reputation of being a strategic partner to several marquee customers. We have worked extensively on the Android ecosystem supporting leading smart device OEMs in areas such as operating system upgrades, commercialization, application development, and testing. Upstream engagement with semiconductor vendors places us in a unique position to help OEMs accelerate product development. Our prowess in connectivity and multimedia helps customers build products that are state-of-the-art. Our capabilities in the area of network engineering complement our semiconductor and smart device expertise. We partnered with leading network equipment manufacturer (NEMs) to develop wireless communication systems for railway networks. Additionally, we have helped customers build next-generation access and packet core networks.

Hyper-connectivity of devices and pervasive wireless infrastructure has resulted in a data deluge. This has enabled platform players to disrupt conventional businesses. The Internet of Things (IoT) is integrating discreet services to fundamentally enhance the quality of life. IoT promises myriad possibilities with evolving monetization opportunities. Your Company has won pilot engagements from enterprises seeking to profit from these disruptive forces.

We are working on embedded technologies such as RFID and NFC. Additionally, we are helping retail and insurance customers deploy innovative technological solutions. Thus, your Company is associated in a process - we like to call stack2app - where enterprises can benefit from our expertise in embedded engineering to deliver new-to-market IT services.

Analysis by industry experts reveals that the verticals your Company serves are the most prolific outsourcers of ERnD services and allied IT services. Over two decades, we have served the automotive, semiconductor, consumer electronics, industrial and rugged devices, satellite, independent software vendors (ISV), insurance and retail verticals. We are now servicing the IT needs of our customers leading to greater entrenchment. Our geocentric organization provides proximity to key customers enabling sharper focus and better market access. We have augmented our forte in ERnD and Testing by building expertise in IT Infrastructure and Analytics and Data Services. The combined portfolio that Sasken has built distinctly positions us in the industry today to respond with agility to the needs of the digital enterprise.

Keeping in mind our tradition of rewarding our stakeholders, I am happy to bring to your attention the payment of a Special Dividend of 200% (₹ 20 per equity share) during October 2014. We have also paid interim dividend of 25% (₹ 2.50 per equity share) in January 2015. The Board has recommended a final dividend of 45% (₹ 4.50 per equity share) subject to approval of shareholders at the AGM, thus making the total regular dividend ₹ 7 per equity share for the year. You would recall that your Company has a good track record of paying dividends since its listing in 2005.

I believe that quality drives everything we do - from technology to processes to human resource practices. We have reinitiated the CMMI journey and have currently attained CMMI Dev V1.3, Maturity Level 3. According to TL 9000 standards, your Company has an average of 98 percent on-time delivery. This corroborates our focus towards delivery excellence. Additionally, Sasken uses a variety of software development and lifecycle management methodologies including DevOps and Agile methods. We have consistently achieved 4+ customer satisfaction score leading to a significant percentage of our projects being repeat business.

On behalf of my management team, I assure you that we will do our best to ensure the continued success of your Company. We are grateful for your support and trust that you will continue to repose your confidence in us.

Thanking you,

**Rajiv C. Mody**

Chairman, Managing Director and CEO

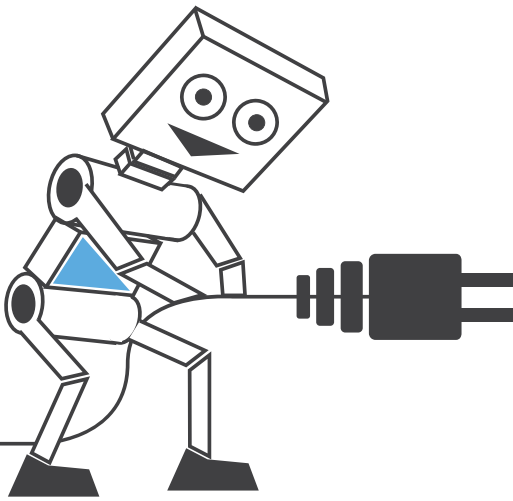


# Joy of Smart Living

Sasken's capabilities in providing product engineering services has helped in putting technology to use for a cleaner and greener environment by enabling end-users to smartly manage their energy expenditure.







# Technology and Markets

Over the last two decades, computing and communication have re-shaped human experiences. Sasken has been at the forefront of both these life-changing vectors. The world has seen two new vectors – cloud and data – begin yet another uplift of human experiences in the last couple of years. Sasken has once again made robust progress in these areas. Sasken envisions a hyper-connected world designed to elevate human existence. The Internet of Things (IoT) will be the foundation of this paradigm. Simply put, IoT comprises of four key enablers: computing, communication, cloud and data. Sasken's Product Engineering Services have mastered the confluence of communication and computing in all forms of devices such as mobiles, tablets, computers, smart TVs, set-top boxes and smart automobiles.

As the world gears up now to benefit from IoT, Sasken's traditional strengths and new forays come together in perfect symphony to offer compelling solutions to several verticals such as retail, insurance, automotive, consumer electronics, and healthcare. Widespread wireless connectivity, proliferation of sensors, increased device computing power, and an application ecosystem imply that a smart device will now be the single portal to both the information and entertainment experiences of life. The smartphone has become multifaceted by enabling commerce, health monitoring, and location based awareness. Since wearables find a natural place in the human anatomy, they are likely to cause the fragmentation of smart devices into multiple form factors. The advent of smarter wearable devices is opening up new vistas for us as they facilitate in the creation of new business opportunities.

## Semiconductors

The growth in automotive and consumer electronics, industrial automation, computing & communications, sensors, and wearables has been pushing the frontiers of research and development in the semiconductors space. The complexity of semiconductors has increased the building of complete system-on-chip (SoC) platforms. Silicon vendors are taking a platform approach to development, while architecturally ensuring compatibility with peripherals and sensors. Intense competitive pressure among original equipment manufacturers (OEMs) is driving the need for the creation of fully functional reference design (FFRD). In addition, these FFRDs need to support repurposing in order to allow rapid introduction of product families of varying form factors, price points and applications. The challenges of keeping pace with the evolution of connectivity, computing, power management, and

displays will remain. The need to cater to coexistence of smart devices and wearables will only serve to accentuate it.

Your Company has worked on several projects with customers in the semiconductor industry. Sasken helped a tier-1 North American smart device original equipment manufacturer (OEM) with Android upgrades and sustenance across multiple chipsets including modems. A world leader in embedded automotive software chose Sasken's platform and system software capabilities in developing automotive solutions. In addition to platform system software activities, Sasken contributed to virtualization to improve in-vehicle security in connected cars. Sasken also became the preferred partner for a tier-1 North American (NA) semiconductor OEM for supporting modem, Android and Windows platforms. Sasken helped a North American semiconductor solutions provider to enable application development for validating multiple sensors which are not covered by existing open source applications.

## Smart Devices

The evolution of smart devices is at a juncture where it would be apt to ask whether the smartphone is moving away from being the nerve center of activity. The smart device has evolved from being huge to handheld and is now as diminutive as a wristwatch or a belt buckle. There is a need to incorporate sensors that capture presence and proximity data for better customer engagement. For example, usage-based insurance is cashing in on acceleration sensors in smartphones to detect how an individual drives a car thereby providing customized insurance. On one hand, the smartphone is an MP3 player, game station, camera, phone and personal computer all morphed into one. On the other hand, it is fragmenting into wearables for the wrist, eye and fingers.

## Wearables

Wearables are power packed with several sensors such as location, acceleration, bearing, body temperature, point of interest, etc. pooled in for convenience. Locating a lost pet or a good diner in a new area has never been easier with attempts to make technology that can be wrapped around the human body and not as an appendage. The display is getting bigger and simultaneously smaller. While the processor is becoming bigger in terms of capacity, processing power and memory, users are demanding frugal devices. So the question arises: how much can you pack in a wrist? The answer, though surprising, is pretty much. Consumers are growing to demand prudent power management display, high performance batteries, multiple wireless sensors, gaming graphics processing, and audio video enhancements.

Sasken has built a mobile application that is designed to coach and guide budding and professional players alike on their bowling skills in cricket. The app can be paired to an Android watch on which sensors can detect all the parameters that a cricket coach would advise for bowling. The data is then presented in a concise and informative form on the phone. A state-of-the-art animation shows the exact movement of the bowling action and a performance chart is provided as well.

## Consumer Electronics

Consumer electronic products have found a way to be there in every moment of our lives and the evolution of technologies such as connectivity, mobility, computing, human-machine interfaces and the cloud is upping the ante for convergence. Today, not only can the television support an operating system but the set top box also runs on the same OS that the TV sports. The TV's connectivity is also becoming varied as it is doubling up as a broadband hub that can also connect to Wi-Fi apart from satellite. Seamless connections are possible between smartphones, media players, cameras, etc. Consumer electronic devices with seamless connectivity and data interchange enable the consumption of information sans any time or spatial limitations.

User experience is now trying to capitalize on primeval human behavior in their quest to become second nature to us. With more devices crossing over for borderless connectivity within the household, consumers expect multi-functionality in a product. Competencies that were once valued are now commoditized while newer ones are of prime importance. Consumer electronic OEMs are under relentless pressure to be the first-to-market and sustain that momentum through constant innovation. The ability to manage an ecosystem of complementary partners is an important requirement to succeed in the market.

Sasken partnered with a tier-1 Japanese handset major for Android upgrades, operator testing, and voice over long-term evolution (VoLTE) among others. A world leader in consumer electronics collaborated with Sasken in order to upgrade their smart TV platform to Android Lollipop. It was also the first Android TV platform that was upgraded to Lollipop. Sasken co-worked with a leading North American OEM for the overall upgrade of their latest phone and subsequently took over the delivery ownership from critical triaging phase onwards. Sasken's expertise in the core domains of Android helped the phone become one of the three Android L compliant smartphones in the world. These forays reaffirm our position as a leading provider of services on the Android software platform.

## Industrial Automation

The need for instant gratification is driving industries to fuel up their logistics processes and deliver faster and better. No sooner has the

user selected and paid for a product online, than he wants it delivered to his doorstep. Enabling this means cultivating long-term customer loyalty and word-of-mouth publicity but it takes a detailed logistics process to make this happen. While automatic data identification using bar code, QR code, RFID, NFC, etc. is one way to go, it also involves real-time inventory keeping and data transfer. Away from the warehouse, the product's shipment and dispatch has to be managed in a precise manner. Automation is enabling stock keeping of millions of units with the ability to locate them precisely. The wireless rugged devices today automatically identify products, capture data without manual intervention and provide accurate spatial coordinates using tags. Integration with traditional IT systems and mobility has resulted in a field force that is ably supported by real-time information and decision-making capability.

Rugged devices are today almost indistinguishable from smartphones save the compliance to standards such as IP67 that ensure ingress protection for use in extreme working conditions. Building engineering rugged devices requires the ability to manage complex systems including industrial grade hardware, sensors, hardened operating systems, and simultaneously provide a user interface that is comparable to smart devices.

Another array of devices that have undergone a phenomenal change is terminals that are used in civil defense. A plethora of standards are in vogue including TETRA, P25, and DMR that are now poised to selectively adapt civilian broadband wireless standards such as LTE due to the insatiable need for rich media. The evolution of these terminals would entail suitable adaptation of commercial technologies to suit the demands of working in a failsafe mode, security and complying to command and control mode of communication. Given that, these communication systems work via a control-room and field personnel support for dispatch of applications and location based services (LBS) are of fundamental importance.

In the past year, Sasken has been able to use its expertise in rugged devices in order to help a global leader in technology and solutions upgrade their Android devices to the latest version of Android Jelly Bean along with keypad mapping while ensuring CTS (certified technology specialist) certification within stringent timelines for Jelly Bean version. Sasken has also worked with a leading provider of field workforce automation software to help enable NFC, Bluetooth, Wi-Fi and application customization for their rugged devices.

## Satellite

The need for high-speed data regardless of one's location is driving satellite operators to introduce next generation technologies such as Long Term Evolution (LTE). The nature of satellite communication necessitates the stringent management of complex phenomena such as latency and low signal to noise ratios (SNR). This calls for customization of terrestrial standards to suit the satellite environment. Satellite operators and terminal manufacturers who forge useful partnerships to develop advanced broadband satellite communication systems would establish a competitive edge in the market. The additional challenge faced by this industry is the need to design terminals of varied form factors such as handheld, vehicular, maritime, aeronautical devices, etc. Therefore, the best response to this challenge is to seek design support for a core module that can be customized to rapidly assist in the development of any one of these devices.

Sasken with its extensive product engineering service capability brings to satellite operators its knowledge of terrestrial wireless standards such as GSM and its evolution, Universal Mobile Telecommunication

# Joy of Closeness

Combining our knowledge in Telecom & IT, Sasken's predictive analytics-based model has helped migrant communities remain connected to their loved ones without having to worry about lengthy phone bills.



System (UMTS) and LTE. This, combined with system engineering skills honed by a two-decade legacy in product development, puts us in a position of advantage to reuse and reengineer solutions from the terrestrial to the satellite environment. Sasken also helps players in satellite industry to offer much needed backward compatibility in the face of constant changes in technology and standards. The global delivery model Sasken offers, in addition to a cost optimized mix of development locations, the multi-faceted competency to engineer complex systems. This leads to industry players achieving faster time-to-market and deriving greater value from their product development budgets.

Sasken's years of expertise in the field of satellite communications is evidenced by our extensive collaboration with one of the world leaders in mobile satellite communications. In the year that has been, Sasken executed an end-to-end productization including hardware and software design of one of their primary satellite phones. This also included antenna design, system and modem optimizations. Sasken also worked for the development of revised core module for their satellite phone user terminal that encompassed evaluation and integration of new chipsets, product line continuance beyond current chipset end-of-life among others.

## Automotive

The connected car has been the fulcrum on which the automotive industry has spawned off several innovative services and solutions. Automotive electronic systems continue to be upgraded and enhanced with tremendous velocity. The key drivers for the explosion of connectivity – within and without – are to enhance safety, comfort, and infotainment of the occupants. However, auto manufacturers and independent software vendors are locking horns to gain the mindshare of both drivers and passengers. This is leading to auto OEMs upping the ante in viewing the car as a service and not a product.

Auto OEMs are actively wooing the customer and changing their evanescent loyalties by continuously raising the bar. The new norm, therefore, is to feature the automobile as a service and cater to variegated needs including prognosis & diagnosis, under the hood engine management, car-to-car & car-to-place connectivity, and safety. As is wont, auto OEMs have an obsessive concern to increase the safety continually. Toward this end, they are building systems that enable Automated Driver Assistance and Safety (ADAS) by incorporating lane departure warning, blind spot detection, infrared sensing, camera-based navigation, collision warning, and collision detection.

Automotive industry is cautiously, yet actively, adopting a multi-pronged approach to service the entire spectrum of market needs ranging from the elitist to the mass markets. This dynamic tension is managed by the adoption of either open source or proprietary platforms, both of which have their pros and cons. Insurance is an area that is being seen as an early battleground between auto OEMs, insurance providers and third-party software providers. In their quest to gain on the customer's wallet and mindshare, the industry is rapidly creating innovative product and service bundles.

Sasken's extensive experience in multimedia has been leveraged by a global auto OEM to productize streaming sub-systems of in-vehicle infotainment (IVI) solution thus providing an enhanced user experience while garnering a time-to-market advantage. Sasken has also helped a leading North American OEM enable IVI solution with next-generation streaming technologies such as Internet radio, video-on-demand among others. On the connectivity front, Sasken enabled a

North American tier-1 customer consolidate their Bluetooth solutions, optimize costs and improve their response time to customers.

## Networks

In the eye of data explosion, rich communication is taking precedence over traditional ways of communicating. With emphasis on improving technology for a richer communication experience by introducing high fidelity audio and high definition visuals, the strength lies in enabling rich media over multiple platforms. The entire communication value chain has progressed from being homogenous to being heterogeneous. The customer, demanding devices that support multi-generation networks, has pushed the networks industry to sustain older technologies while investing in new ones. For network equipment manufacturers (NEMs) the challenge is in reducing cost and time-to-market. While managing multi-generation networks, high computing time increases the complexity of the problem. Thus, it can be rightly said that the evolution of technology is disrupting the market because of a constant need to upgrade.

Being able to cover a vast space of urban area is also posing as a problem of its own. This gives rise to the need to build networks that function over a wide range of spatial separation. For service providers this is driving investment costs skyward as opposed to revenue. While traditional sources of revenue are drying up, new sources are being explored. There is a constant need to manage the tradeoff between performance and cost while continuing to enhance the overall quality of experience. Further, traditional service providers are being marginalized by over-the-top (OTT) services that ride on the telecommunications infrastructure and appropriate disproportionate value without the risk of capital investments. Revenue is not skyrocketing while there is a daunting increase in margin.

Sasken's deep domain competencies across protocols, standards, technologies and platforms have helped global leaders in network equipment commercialize a wide array of network elements. This year your Company worked with a leading Korean smartphone manufacturer in its Android VoLTE commercialization and certification. Sasken also played a vital role in developing products and solutions for one of the world leaders in the integration of IT and network technologies. Your Company helped the customer upgrade the line cards of high-speed access network (HSAN) from 1GHz to 10GHz chipset. This year also saw a strategic partnership strengthened with a global end-to-end telecomm solutions provider and equipment manufacturer that delivers solutions in diverse markets. The customer turned to Sasken for end-to-end development of latest generation of highly scalable and robust BaseStation and Packet unit solutions for running mission and business-critical systems for railways across the world.

## Testing

Testing has come to occupy the pivotal position in the product development lifecycle (PDLC). Testing has moved to being co-terminus with every stage in the development cycle as opposed to being at the logical end of it. The simultaneous demand for cost effective and comprehensive testing requires the judicious use of automation. Product manufacturers are expecting their service providers to become independent testing hubs. This has led to the emergence of Testing Centers of Excellence (TCoE) which provides subject matter expertise, automation strategies, tool selection, and complete infrastructure to offer the entire gamut of testing services. In order to optimize costs and provide deep domain expertise on demand, we have established a

shared services model that takes advantage of right mix of centralization and de-centralization while providing testing services to global leaders in product development.

On the communications and devices space there is an increased need for a plethora of test services for both existing – 3G and 4G – and future technologies such as 5G. There will be an uptake in demand for testing services spanning areas such as multi-screen content delivery, IoT, enterprise mobility, cloud and virtualization. Sasken has established a TCoE and forged a partnership with HP among others to add value by accelerating the cycle time and help customers launch proven products. Our domain knowledge spanning semiconductors, smart devices, automotive and networks coupled with our systems proficiency enables us to deliver turnkey testing services. In consonance with our foray into IT services, we have an expanded folio of validation and quality assurance services targeted toward ecommerce, social, mobile, analytics and cloud (SMAC), and the digital enterprises.

Sasken worked with a Finnish multinational communication and information technology company to execute operator test cases, error verification and application testing. Sasken has added value to its customers spanning across various industries such as semiconductors, device OEMs, automotive and networks by proactively developing test automation frame works. This has helped in bringing down the cost and time for quality in global field testing. In the Testing practice, Sasken has transitioned to Agile-based testing and continues to enhance skills of our engineers based on market changes and customer needs.

## Applications & Data Services

Today enterprises are at point of reflection and faced with the challenge of collision of two forces namely – the amalgamation of mobile, internet, cloud and social elements and the other being the convergence of smart devices and applications. Enterprises, therefore, are externally able to engage better with customers and internally enhance process efficiencies.

To ride this wave of opportunity, enterprises – especially the Chief Information Officer (CIO) organizations – must embrace the best tenets of development including Agile, Scrum and DevOps. Sasken, with its productized approach to development, brings to the CIO organizations a fresh perspective for accelerating the transition toward becoming a digital enterprise.

Sasken's legacy in mobility and associated technologies coupled with expertise across multiple generations of technologies, platforms, operating systems and standards makes it possible to bring to the table an 'inside out' perspective that places mobility at the core. This will help CIOs design and deliver solutions that fully leverage the power of 'computing and connectivity' for enterprise-grade applications.

We continue to hone our expertise in providing Data Discovery and Analytics services to enterprises. Hyper-competition among enterprises along with the need for instant gratification has necessitated gleaming insights from data assets in a visual and agile fashion. Our business intelligence (BI) solutions are geared to help companies derive actionable insights from data via the use of predictive analytics techniques. Our heritage in communication and devices uniquely positions us to work with machine-generated data, use the appropriate analytics techniques for several business scenarios.

Your Company is helping organizations tide through the digitization process using an exploratory approach that helps CIOs move from ideation to prototyping and eventual deployment of solutions. This approach empowers CIOs to deliver tailor-made applications drawing on a repertoire of evolutionary solutions.

## IT Infrastructure

IT Infrastructure as we know has undergone a sea change. IT assets have morphed considerably in the face of the changes brought about by the adoption of SMAC in the enterprise. Infrastructure is no longer seen as a passive asset that is confined to being viewed as a system of servers and software. It has rather evolved to become the nerve center of global enterprises. CIOs need to manage with dexterity the dichotomous tension - managing legacy and continuous upgrade of the assets.

Migration to the cloud has resulted in a hybrid environment comprising private and public cloud infrastructure necessitating the management of multi-cloud environments. The ubiquity of smart devices and the incorporation of automatic identification and data capture (AIDC) capability have pushed the envelope for adoption of mobility within an enterprise. Smart CIOs are investing to take advantage of this trend to increase the productivity and efficiency of the enterprise workforce on one hand and on the other hand manage the potential threat to enterprise vulnerability by hardening security systems.

The pressure to deliver more from static to shrinking budgets is propelling CIOs to look at novel ways to manage their IT infrastructure. Automation is largely seen as a key driver to achieving significant cost advantage without compromising on the level of service provided to power users.

CIOs have a tremendous opportunity to provide almost ready-to-use solutions to their functional counterparts. For the large part, they achieve this by transforming information into actionable data points. CIOs judiciously manage a slew of tools to support and enable business, which may be owned or procured as a service in order to derive cost savings and protect against obsolescence.

Sasken's Infrastructure Services Practice has risen to many challenges with offerings across data center services, cloud, network & security, telecom infrastructure, end-user computing, service desk and cross-functional services. With an eye to deliver optimized IT services, Sasken has forged a partnership with HP to establish a Center of Excellence (CoE). Sasken Infrastructure practice has built capabilities around various enterprise IT management tools through this CoE. Sasken's automation solution helps customers reduce cost of delivery, improve availability, increase agility and create customer delight.

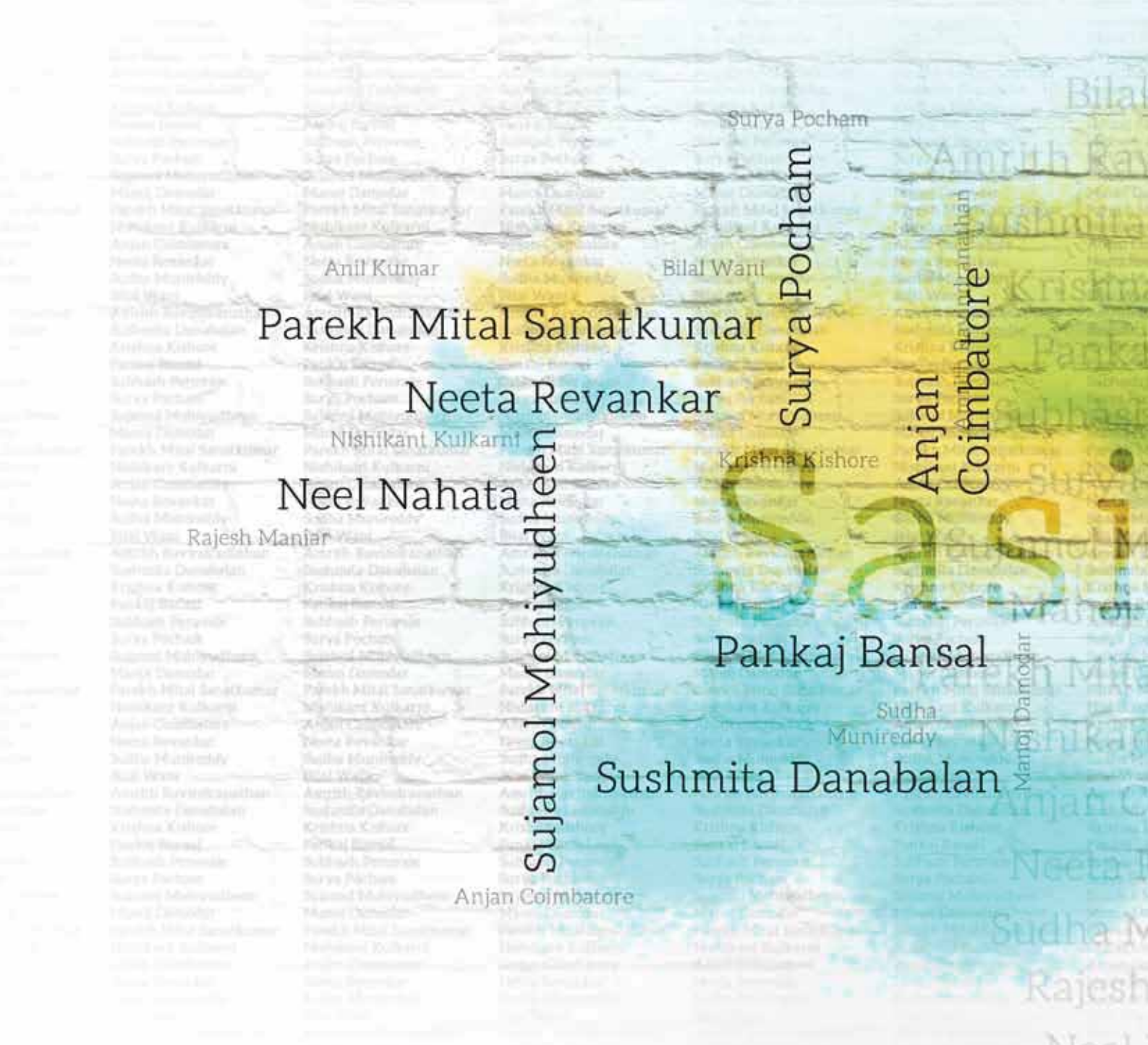
# Joy of time Touch-time

Sasken's expertise in developing new-generation handheld satellite phones has helped users stay connected to their world in spite of being in remote places with challenging environmental and climatic conditions.









# Sasken People

Sasken has been a firm believer in the three pillars: people, process and performance. Pride for us is a result of relentless pursuit of our passion to deliver the best value for customers. From the inception, we have designed policies that have put people first and provided the necessary impetus for all Sasians to hone their competence and deliver their best with utmost conviction. We pride ourselves in having progressive policies that spur our young and diverse talent pool to perform at the peak of their potential while striking the right work life balance. The tenets that continue to anchor and galvanize Sasken as one family are:

Subhash Peruvaje

Sudha

Munireddy

Amrith Ravindranathan

Bilal Wani

Nishikant  
Kulkarni

Manoj Damodar

Anil Kumar

Parekh Mital Sanatkumar

Krishna Kishore

Rajesh Maniar

Neeta Revankar

Neel Nahata

- 👤 Engage and Enjoy
- 👤 Empowerment and Accountability
- 👤 Trust and Verify
- 👤 Respect and Differentiate

# Enjoy EnRoute



Sasken's prowess in connectivity and communication has enabled state-of-the-art infotainment in cars that transport influential world leaders.





It is in the fitness of things that we mention a few Sasians who have continuously risen above and beyond their call of duty. We have **Amrith Ravindranathan** who is based in Somaliland, North-East Africa. Amrith has been working as the Implementation Engineer (Onsite) in Somaliland and facilitating project delivery for the nationwide deployment of operations and business support system for the country's leading telecommunications service provider. Despite the challenging environment Amrith is based in, he has upheld Sasken values of service and quality.

Then we have **Bilal Wani** who has been working in Srinagar, Jammu and Kashmir, on a tele-healthcare project. Bilal's efforts have helped spread better awareness about primary medical care by connecting patients to the right doctors. So far, the project has touched close to 300 patients and 100 doctors. In spite of his home and office getting inundated during the Kashmir floods in September, Bilal has been persistent in his endeavors to equip locals with better medical information, free of cost.

Another Sasian worth celebrating is **Sushmita Danabalan** who has been with us for 10 years now as our Library Assistant. Though she is differently abled, Sushmita never loses an opportunity to smile in the face of day-to-day challenges. Sushmita was awarded the Karnataka State Women's Achievement Award in 2009 and donates part of her salary to help in the education of differently abled children.

As a company with a technology DNA, we have many exemplary employees who have excelled in crafting and delivering innovative solutions for our customers. **Krishna Kishore** is one such representative, among many, who has relentlessly conceived solutions to help OEMs build smart devices. Your Company believes in creating and nurturing intellectual property. **Pankaj Bansal**, with close to two decades of association with Sasken, has filed for patents, mentored young engineers and architected best-in-class solutions for global leaders.

An amalgamation of humility, pragmatism and creativity is seen as a mark of a true leader. **Subhash Peruvaje**, is a serial innovator who believes in the realm of possibilities. He has championed the creation of simple yet usable solutions using a collaborative and frugal approach to technology development.

Our people policies have always endeavored to help people perform consistently at a high level. A number of Sasians are high performers who constantly push their own limits and strive to improve their performance continuously. **Surya Pocham** stands tall as one such Sasian who has been a stellar performer for six consecutive appraisal cycles. It is in Sasken's spirit to learn from and emulate Surya.

Adaptability is a mantra that is adopted by the fittest in the face of ever changing paradigms. **Sujamol Mohiyudheen** who joined us fresh from college, 20 years ago, has metamorphosed into becoming a mentor for several young engineers. By the sheer dent of her perseverance, Sujamol has worked on myriad technologies, standards and products.

Persistence is a quality that defines achievers and it is fitting to say **Manoj Damodar** is an achiever. Manoj has been leading the sales operations in Europe for many years. His never-give-up attitude has helped Sasken win deals that matter. While he has managed tough situations and negotiations with extreme deftness he pays a lot of attention to nurturing a customer relationship. His tenacity continues to inspire other sales personnel in the region.

Sasken has always been a believer in customer centricity which also forms one of the tenets of our IRISE values that recognizes Sasians who stand by these values in the toughest of situations. **Parekh Mital Sanatkumar** is one such Sasian who has been outstanding on the customer centricity front. He has managed significant customer engagements for Sasken including some key accounts. His high degree of attention to detail coupled with technical expertise and people management skills, has earned him a lot of respect from his peers and team.

Another vanguard of our value of being a customer centric organization is **Nishikant Kulkarni**. He has been instrumental in winning customer's confidence across geographies. Under his able leadership, Sasken has achieved full marks in customer satisfaction ratings on various projects. Recently he was awarded a 5/5 for a project from a leading Japanese Automotive OEM.

While customer centricity is an important asset that we look for in our employees, we also value people who go out of the way to help those in need. **Anjan Coimbatore** is one such change leader who has been associated with Vathsalya Charitable Trust for over six years. Anjan helps the NGO that focuses on children, education, nutrition and family preservation. He is also associated with the Sanman foundation – an NGO that is focused on spreading awareness on palliative care.

We would also take this opportunity to recognize **Neeta Revankar** and **Sudha Munireddy** for steadfastly pursuing our conviction in the arbitration case. Not for once did they lose sight of the goal on this journey that took over two years. This win would not have been possible without their single-minded focus in rightfully pursuing the amounts due to us when our customer took a unilateral decision to stop payment of royalty amounts due to us. Their commitment and hard work strengthened our case and resulted in an award in our favor.

The qualities of the people mentioned here, that set them apart, are common indeed to most Sasians. Additionally, we are proud to highlight external recognition awarded to Sasians.

For the second time in a row **Neel Nahata**, AVP, Finance bagged the CFONEXT100 2014. In 2015, **Rajesh Maniar**, VP, Finance was recognized for his exceptional caliber and contribution to the world of finance by the same organization. The CFO Institute organizes the CFONEXT100 award every year to recognize trend-setting CFOs who have made a difference in the world of business and finance.

Sasian **Anil Kumar**, who is the Senior Manager – Facilities, FMS & Travel and Admin Management, has recently won the Best Facility Manager award at the Facility Manager's Contest organized by Facility Management Zone, India. He has also written and presented a technical paper at the Steel, Space and Composite Structures conference held in May at Prague, Czech Republic. His paper was also published in the Journal of Civil Engineering and Architecture, USA.

## Board's Report



### To the Members,

Your Directors have pleasure in presenting the Report on the business and operations of the Company along with the Abridged Standalone and Unabridged Consolidated Audited Accounts for the financial year ended March 31, 2015.

### 1. FINANCIAL PERFORMANCE

A summary of the Company's financial performance in 2015:

(` in lakhs)

Particulars	Consolidated for the year ended March 31		Standalone for the year ended March 31	
	2015	2014	2015	2014
Revenue	42,800.99	45,802.93	34,676.38	35,393.20
Profit Before Interest and Depreciation	5,418.34	8,491.72	4,705.87	9,583.67
Finance Charges	13.87	20.25	-	-
Gross Profit	5,404.47	8,471.47	4,705.87	9,583.67
Provision for Depreciation	1,119.76	1,254.22	1,039.23	953.32
Exceptional Items Income/(Expenses)	17,333.30	-	21,716.10	(1,197.39)
Net Profit Before Tax	21,618.01	7,217.25	25,382.74	7,432.96
Provision for Tax	9,661.57	2,070.08	9,503.70	1,639.83
Net Profit After Tax	11,956.44	5,147.17	15,879.04	5,793.13
Balance of Profit brought forward	25,970.49	28,977.32	22,573.20	24,794.52
Balance available for appropriation	37,926.93	34,124.49	38,452.24	30,587.65
Retained Earnings Adjustment	36.46	-	35.89	-
Proposed Dividend on Equity Shares	960.52	-	960.52	-
Interim dividend (including Special dividend)	4,797.42	6,807.81	4,797.42	6,807.81
Dividend Tax	940.69	732.81	804.09	627.33
Transfer to General Reserve	1,587.90	613.38	1,587.90	579.31
Surplus carried to Balance Sheet	29,603.94	25,970.49	30,266.42	22,573.20

(Previous year's figures have been regrouped wherever necessary to conform to the current year's presentation)

On a consolidated basis, your Company's revenues from operation for the financial year 2014-15 have decreased by 6.55% in rupee terms, from ` 45,802.93 lakhs in 2013-14 to ` 42,800.99 lakhs in 2014-15. In the current year, Software Services, including Network Engineering Services contributed 96.71% to the revenues, while the Software Products revenues contributed 2.77%. The net profits increased from ` 5,147.17 lakhs in FY14 to ` 11,956.44 lakhs during the year, an increase of 232.29%. This has translated to a Basic Earnings Per Share of ` 56.11 in 2014-15 vs ` 24.36 in 2013-14.

There was no change in the nature of business of the Company, its subsidiaries and JV's.

### 2. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

### 3. DIVIDEND

Your Directors are pleased to recommend a final dividend of ` 4.50 per equity share of face value of ` 10 each for the year under review. During the year, your Company paid an interim dividend of ` 2.50 per equity share and special dividend of ` 20 per equity share. The total dividend for the year ended March 31, 2015 would be ` 27 per equity share.

### 4. BUY-BACK OF SHARES

In terms of decision of the Board of Directors (Board) dated April 23, 2015 and in accordance with the provisions of Companies Act, 2013 and the Securities and Exchange Board of India (Buy-back) Regulations, 1988 and with the approval of shareholders by Postal Ballot on June 25, 2015, the Company has offered to buy-back 41,57,000 fully paid up equity shares of ` 10 each, at a price of ` 260 per share for an aggregate amount of up to ` 10,808.20 lakhs from the existing shareholders of the Company under Tender Offer mechanism. The offer size represents 19.48% of the aggregate paid up capital and free reserves of the Company as at March 31, 2015.

### 5. BUSINESS OUTLOOK, ECONOMIC & REGULATORY SCENARIO AND OPPORTUNITIES

The transformation of business operations across all industry-standard verticals has been buoyed by the platformization of businesses. This has meant traditional businesses coming under attack by new entrants. Enterprises that have embraced platforms have seen their valuation skyrocket irrespective of the vertical they operate in or the consumer segments they serve. This has been made possible by the evolution of information technology (IT) from being a passive infrastructure to becoming a strategic asset.

In order to better service the immense market opportunities that we see, we have revectoring our go-to-market approach that judiciously combines a geo-focus in conjunction with customer engagement models. Our thrust areas include pursuing opportunities arising from Global In-House Centers (GICs) in India, proximity development centers of global OEMs, and delivering the work entrusted to us through a prudent choice of our global development centers.

## Board's Report (Contd.)

At Sasken, we are continuing to build on our intended strategy of leveraging our deep expertise in product engineering and embedded systems to help transform the enterprise landscape. We have started making headway in this journey and have successfully engaged both entrenched companies and challengers in diverse areas such as retail, insurance, consumer and automotive electronics. Additionally with strong heritage in designing semiconductors, which form the substratum of products and networks, your Company is able to engage in the early phase of the product development lifecycle. Our ability to provide comprehensive services from stack2app (stack to application) combined with our semiconductor expertise, places us among forerunners who can help businesses profit from this wave of platformization.

The Internet of Things (IoT) has captured the imagination of industry leaders worldwide and has become the focal point of future development initiatives. Consensus industry estimates places the IoT to emerge from its current nascent state to become a multi-trillion dollar industry by 2020. Sasken has embarked upon several initiatives to develop distinct proof-of-concepts to demonstrate its ability to put together solutions that center around the IoT space.

For example, Sasken has designed an IoT-based energy management solution that aims to provide a simple and intelligent system. It combines sensing, communication, control, cloud and analytics to realize a reliable, efficient and cost effective solution to corporates and households. The board design, system integration, analytics, device communication protocol have been developed in-house by ConnectM (a Sasken and IDG Ventures company). In similar vein, we have built solutions that use a combination of wearable technology and IoT to address sports and retail industries. While the role of IoT in transforming our pursuits in the professional and personal space seems promising, the monetization opportunities will evolve over time.

In the cusp of embedded and IT, we have worked toward enabling independent software vendors (ISVs), who are using communication technologies, to transform the way logistic management can improve both efficient management of inventory and customer service. In our traditional embedded business, we have further strengthened our position of being a pioneer in providing product-engineering services by helping our customers launch a slew of products that are truly innovative. These include, among others, the services we have rendered to help smart devices leverage near-field communications (NFC) for micro payments; railway communication systems exploit the power of newer architectures for Base Transceiver Systems. In the coming years, we will endeavor to retain the momentum and enhance customer traction across both the embedded and IT markets.

For a more detailed discussion of our areas of business, please refer to the Technology and Markets section.

### Litigation

Sasken received arbitration award in its favour on June 27, 2014. The award recognizes that the agreement between the parties is in full force and as a result, the Non-Indian Licensee was directed to pay Sasken royalties and interest on unpaid royalties as per the contract. Further, the Arbitrator had directed the said party to continue to provide royalty reports and pay the contracted royalties on an ongoing basis. During the financial year, Sasken collected around ` 276 crores against the contract pursuant to the award.

## 6. SHARE CAPITAL

The paid up equity share as on March 31, 2015 was ` 21,34,48,730. During the year, your Company issued and allotted 67,300 equity shares to eligible employees on exercise of options granted under Employee Stock Option Plan – 2006. Consequently, the issued, subscribed and paid-up capital of the Company increased from 2,12,77,573 equity shares to 2,13,44,873 equity shares of ` 10 each.

### 6.1. Employees Stock Option Plan (ESOP) - 2006

The Company's ESOP continues with the philosophy of encouraging the employees to be partners in the growth of the organization.

As on March 31, 2015, there were 54,000 options outstanding with the employees. There are 16,58,700 unissued options as on March 31, 2015.

The details required under SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme), Guidelines 1999, as on March 31, 2015, is annexed herewith as "Annexure A".

### 6.2. Warrants issued to Lahiri Family Trust

Based on the Special Resolution passed by the Company on November 8, 2013, your Company allotted on preferential basis 12,00,000 convertible warrants on November 18, 2013, to Ms. Ira Bhaduri in her capacity as Trustee of Lahiri Family Trust, of which Mr. Anjan Lahiri, former Whole Time Director and CEO of the Company, is the Managing Trustee. The allottee was entitled to one equity share of ` 10 each of the Company for each such warrant at a price of ` 120.25 each and 25% of the price amounting to ` 360.75 lakhs has been received as application money. The allottee exercised 10,40,000 options and paid ` 937.95 lakhs towards the balance 75% of the application money and as the proposed allotment/conversion was not to be proceeded with, this amount of ` 937.95 lakhs has been refunded and the stock exchanges have been informed about the non-conversion/allotment.

The Company has sought informal guidance from Securities and Exchange Board of India ("SEBI") on whether the 25% should be forfeited or can be refunded and if so, the procedural formalities in connection with that. SEBI vide its letter dated February 23, 2015 expressed its inability to issue any guidance in the matter as in its opinion, the matter for which guidance sought was not in compliance of para 8 of the Scheme. The Company was advised that since SEBI has not expressed any opinion despite having placed all the relevant facts and materials, the Company could proceed to effect the refund in its entirety. Accordingly the Board at its meeting held on April 13, 2015 approved refund of the application amount and the interest accrued and the same was paid on April 14, 2015.





### 7. DEPOSITS

Your Company has neither accepted nor renewed any deposit during the year. As such, no amount of principal and/or interest is outstanding as on the Balance Sheet date.

### 8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 (the "Act") are given in the notes to the Financial Statements.

### 9. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as "Annexure B".

### 10. RISK MANAGEMENT POLICY, INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Pursuant to the requirement of the Section 134 of the Act and Clause 49 of the Listing Agreement, your Company has constituted a Risk Management Committee. The details of the Committee and its terms of reference are set out in the Corporate Governance Report forming part of this Report.

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are also discussed at the meetings of the Audit Committee and the Board of the Company.

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested by Statutory as well as Internal Auditors. Significant audit observations and follow up actions thereon are reported to the Audit Committee.

The key business risks identified by the Company and its mitigation plans are detailed in the Management's Discussion and Analysis Report.

### 11. CORPORATE SOCIAL RESPONSIBILITY

Your Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Act. The details of the CSR Policy and the annual report on CSR activities as prescribed under the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014, is annexed herewith as "Annexure C".

Self Employed Women's Association (SEWA) is an organization in Ahmedabad that supports self-employed women workers to obtain work security, income security, food security and social security. For self-employed rural women engaged in the unorganized sector, various District Associations in the State of Gujarat, owned and managed by SEWA members, provide suitable financial services for socio-economic empowerment and self-development.

SEWA requested your Company for the development of an application and support system that would facilitate SEWA members in automating their savings and credit management activity. Based on the requirement of SEWA members to automate its existing manual processes in the savings and credit management activity, your Company using its software development expertise decided to support SEWA by independently developing the solution to make a difference to the rural women groups in Gujarat who are members of SEWA, thus fulfilling its Corporate Social Responsibility as well. Accordingly, your Company has started developing a solution known as KenSEWA that would include an Android smartphone application and associated server application ("Solution") and financing the Project.

In July 2014, the pilot phase of the Project was started for 21 groups in Anand District of Gujarat. All manual processes related to the Project would be ceased and the Solution alone would be used by end of July, 2016. The financial support both in cash or in kind shall be provided by your Company till December 2015 under its CSR activities.

Your Company had allocated ₹ 91.81 lakhs towards CSR for the year 2014-15 and spent ₹ 69.86 lakhs as above, thus utilized 76% of the amount. Your Company is in the process of identifying suitable projects and will carry out the CSR activities once this is firmed up. During the year, your Company had participated in other charitable events, contributed to a Research Project as well as to the local welfare association. As these expenditures were not part of the items detailed in the CSR Policy, your Company has not recognized the same in its reporting.

### 12. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has established a vigil mechanism for Directors and employees to report their genuine concerns, details of which have been given in the Corporate Governance Report annexed to this Report.

### 13. DIRECTORS

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Clause 49 of the Listing Agreement.

Mr. Anjan Lahiri, Whole Time Director & CEO, resigned from the Board of your Company on September 23, 2014 and Mr. Deepak Harlalka, Independent Director, resigned from the Board on January 12, 2015.

Dr. G. Venkatesh, ceased to be a Whole Time Director with effect from January 19, 2015 and continues on the Board as a Non-Executive Director.

In accordance with the provisions of the Act and in terms of the Memorandum and Articles of Association of the Company, Mr. J.B. Mody and Dr. G. Venkatesh retire by rotation and are eligible for re-appointment.

## Board's Report (Contd.)

### 13.1 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 the corporate governance requirements as prescribed by Securities and Exchange Board of India under Clause 49 of the Listing Agreement.

A comprehensive questionnaire was sent to all the Directors seeking inputs from them on various aspects and the performance of the Board was evaluated by the Board accordingly.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual directors on the basis of the 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 addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and Non-Executive directors. The same was discussed in the board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

### 13.2 Board independence

Our definition of 'Independence' of Directors is derived from Clause 49 of the Listing Agreement with Stock Exchanges and Section 149(6) of the Act. Based on the confirmation/disclosures received from the Directors and on evaluation of the relationships disclosed, the following Directors are Independent in terms of Clause 49 of the Listing Agreement and Section 149(6) of the Act :-

1. Dr. Ashok Jhunjhunwala
2. Mr. Bansi S. Mehta
3. Mr. Bharat V. Patel
4. Mr. Kiran S. Karnik
5. Prof. J. Ramachandran
6. Mr. Sanjay M. Shah

Details of the familiarization programme of the Independent Directors is available on the website of the Company ([www.sasken.com/investors/corporate-governance](http://www.sasken.com/investors/corporate-governance)).

### 13.3 Nomination & Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration, including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under Section 178(3) of the Act. The Remuneration Policy and the composition of the Nomination and Remuneration Committee have been stated in the Corporate Governance Report.

### 13.4 Meetings of the Board and its Committees

The details of the meeting of the Board and its Committees are detailed in the Corporate Governance Report.

### 13.5 Committees of the Board

During the year, in accordance with the Act, the Board re-constituted some of its Committees and also formed a Corporate Social Responsibility Committee and Risk Management Committee. The composition and terms of reference of all the Committees are detailed in the Corporate Governance Report.

### 13.6 Code of conduct

The Board has approved a Code of Business Conduct which is applicable to the Members of the Board and all employees. The Code has been posted on the Company's website ([www.sasken.com/investors/corporate-governance](http://www.sasken.com/investors/corporate-governance)). The Code lays down the standard of conduct which is expected to be followed by the Directors and the employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

Details of the Committees along with their charters, composition and meetings held during the year, are provided in the Corporate Governance Report.

## 14. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of our knowledge and belief and according to the information and explanations obtained by us, your Directors make the following statements in terms of Section 134(3)(c) of the Act 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) accounting policies have been selected and applied consistently and, judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the year ended March 31, 2015;
- c) proper and sufficient care has been taken for the 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 fraud and other irregularities;
- d) the annual accounts have been prepared on a going concern basis;

## Board's Report (Contd.)



- e) proper internal financial controls to be followed by the company were in place and that such internal financial controls were adequate and were operating effectively with no material defects; and
- f) systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

### 15. SUBSIDIARY COMPANIES & JOINT VENTURES

The Company has one wholly owned subsidiary in India and four wholly owned subsidiaries overseas and one Joint Venture viz. ConnectM Technology Solutions Pvt. Ltd. During the year, Sasken Network Solutions Inc., the wholly owned subsidiary of Sasken Network Engineering Ltd. was liquidated on April 17, 2014.

There has been no change in the nature of business of the subsidiaries or the joint venture, during the year under review. In accordance with Section 129(3) of the Act, the Company has prepared a consolidated financial statement of the Company and all its subsidiary companies and joint venture, which is forming part of the Annual Report. A statement containing salient features of the financial statements of the subsidiary companies and joint venture is also included in the Annual Report.

In accordance with third proviso of Section 136(1) of the Act, the Annual Report of the Company, containing therein its standalone and the consolidated financial statements has been placed on the website of the Company ([www.sasken.com/investors](http://www.sasken.com/investors)). Further, as per fourth proviso of the said section, audited annual accounts of each of the subsidiary companies and joint venture have also been placed on the website of the Company ([www.sasken.com/investors](http://www.sasken.com/investors)). Shareholders interested in obtaining a copy of the audited annual accounts of the subsidiary companies may write to the Company Secretary at the Company's registered office.

The Audit Committee of the Board reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of the Company.

The Company does not have any material non-listed Indian subsidiary companies. The Company has a policy for determining 'material subsidiaries' which is disclosed on its website.

### 16. AUDITORS

#### 16.1. Statutory Auditors

The Company's Auditors, M/s. S.R. Batliboi & Co., LLP, were appointed for a period of three years at the last Annual General Meeting held on September 22, 2014. However, vide letter dated July 20, 2015 they have expressed their inability to continue as auditors of your Company, in view of the internal restructuring by them. The Board has appointed M/s. S.R. Batliboi & Associates, LLP as auditors of your Company. They have confirmed their eligibility under Section 141 of the Act and the Rules framed thereunder for appointment as Statutory Auditors of the Company. Both M/s. S.R. Batliboi & Co. LLP and M/s. S.R. Batliboi & Associates LLP are members of the same network of firms of S.R. Batliboi & Affiliates. As required under Section 139 of the Act, a resolution is being placed before the shareholders at this Annual General Meeting for their appointment.

#### 16.2. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. J. Sundharesan & Associates, Practising Company Secretaries to undertake the Secretarial Audit of the Company. The Practising Company Secretaries have submitted their report of the Secretarial Audit conducted by them which is annexed herewith as "Annexure D".

### 17. COMMENTS ON AUDITORS' REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. S.R. Batliboi & Co. LLP, Statutory Auditors, in their report and by M/s. J. Sundharesan & Associates, Practising Company Secretaries, in their secretarial audit report.

### 18. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION

The Company is committed to maintaining the highest standards of Corporate Governance and adhering to the Corporate Governance requirements as set out by Securities and Exchange Board of India. The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, shareholders information together with Corporate Governance Compliance Certificate, forms an integral part of this Report which is annexed herewith as "Annexure E".

### 19. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

The Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is given separately, forming part of this Annual Report.

### 20. RELATED PARTY TRANSACTIONS

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

The Company has developed a Related Party Transactions Policy for the purpose of identification and monitoring of such transactions. This policy has been approved by the Board and is available on the website of the Company ([www.sasken.com/investors/corporate-governance](http://www.sasken.com/investors/corporate-governance)).

None of the Directors has any pecuniary relationships or transactions with the Company.

The particulars of contracts or arrangements with related parties referred to in Section 188(1), as prescribed in Form AOC- 2, of the rules prescribed under Chapter IX relating to Accounts of Companies under the Act, is annexed herewith as "Annexure F".

## Board's Report (Contd.)

### 21. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are certain on-going litigations/disputes in the normal course of business. However, there are no significant and/or material orders passed by the courts against your Company. No orders were passed by the Regulators against your Company during the year under review.

### 22. AWARDS

In terms of global rankings, Zinnov – a leading independent consultant – in its Global Service Provider Rating – 2014, has placed Sasken in the Established zone. Sasken stands amongst the leading providers in automotive and consumer electronics with headway in industrial automation, outsourced software product development in consumer software. According to the rankings, Sasken is a market leader in semiconductors and telecommunications verticals.

As forerunners in bringing innovative solutions to the market, Sasken's latest patent uses a combination of pattern and unique code, which provide a method to identify and authenticate shipment of goods. While this will go a long way in making transactions more transparent and easy to execute, it will also help Sasken and others in creating relevant solutions for retail, manufacturing and shipping industries.

Sasken has been awarded by Tektronix Communications for Service Excellence. This award recognizes Sasken's outstanding performance throughout the engagement with Tektronix and their view of Sasken as a trusted partner.

### 23. PATENTS

	US	India
Applied#	58	29
Granted	35	11
Abandoned	10	8
Pending	9	13
Sold	4	-
Granted since last report	1	1

# includes divisional patents

### 24. QUALITY CERTIFICATIONS

#### ISO 14001:2004

Sasken is certified for ISO 14001:2004 [Environment Management System Standard]. Sasken is committed to contribute towards environment management, being a responsible corporate member of the communities in which it operates. This reaffirms our Company as a responsible corporate citizen.

#### ISO/IEC 27001:2005

Sasken is certified for ISO/IEC 27001:2005 [Information Security Management System Standard]. This is important for assuring our stakeholders (like Customers, Partners, Vendors, Investors and Employees) of our commitment in protecting their information assets and Intellectual Properties (IPs), as well as sensitizing all employees about importance of confidentiality, integrity and availability of information assets of our stakeholders.

#### TL 9000 R5.5/R5.0 (including ISO 9001:2008)

Sasken is certified for Quality Management System Standards-TL9000 R5.5/R5.0 which by definition includes the ISO 9001:2008 (QMS-Quality Management System) requirements and in addition telecom domain specific measurement and documentation requirements which helps to maintain consistent quality of deliverables within agreed timelines and budget to its valued customers.

#### CMMI-Dev-V1.3-ML3

Sasken's quality management system is formally assessed at CMMI-Dev-V1.3-ML3 in May-2014. This provides the infrastructure and stability necessary to deal with an ever-changing world and to maximize the productivity of people and the use of technology to be competitive.

### 25. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company prepared in accordance with relevant Accounting Standards (AS) issued by the Institute of Chartered Accountants of India form part of this Annual Report.

### 26. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as "Annexure G".

### 27. PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as "Annexure H1".

A statement containing names of employees employed throughout the financial year and in receipt of remuneration of `60 lakhs or more, employees employed for part of the year and in receipt of `5 lakhs or more per month, pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as "Annexure H2".

## Board's Report (Contd.) & Annexure to the Board's Report



### 28. ACKNOWLEDGEMENTS

Your Directors thank the various Central and State Government Departments, Organizations and Agencies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

For and on behalf of the Board of Directors

Place : Bengaluru  
Date : July 20, 2015

**Rajiv C. Mody**  
Chairman & Managing Director

### Annexure A

#### Disclosures under SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme), Guidelines 1999

Sl.No.	Description	Apr 14 to Mar 15
1.	Total no. of options outstanding as on April 1	1,88,800
2.	Total no. of options granted during the year	-
3.	Total no. of options vested (but not exercised) cumulative till March 31	27,000
4.	Total no. of options exercised during the year	67,300
5.	Total no. of shares arising as a result of exercise of options	67,300
6.	Total no. of options lapsed (due to resignation, etc.) during the year ended March 31	67,500
7.	Total no. of options outstanding as on March 31	54,000
8.	Money realized by the exercise of options (₹)	98,91,700
9.	Total no. of options in force	54,000

10. Variation of terms of Options – Nil

11. Pricing formula for the grant:

Pricing of the Option will be at market price, as may be determined by the Nomination & Remuneration Committee of the Company. The first lot of Options will vest after one year from the date of grant of Option and the subsequent lots will vest thereafter. The Option - holder will have 2 years from the date of vesting to exercise the Options. On the expiry of the exercise period, Options that have not been exercised will lapse and cease to be valid. However, the exercise period can be extended for exceptional cases based on approval by the Nomination & Remuneration Committee.

Following is a snapshot of Vesting Schedule applied at different grants:

Options granted during	Vesting Schedule	Price Range (₹)
2004 - 05	July 2005 - July 2008	160 – 256
2005 - 06	July 2006 - July 2009	225 – 321
2006 - 07	July 2007 - July 2009	234 – 321
	Oct 2007 - Oct 2010	298 – 394
	Jan 2008 - Jan 2011	367 – 559
2007 - 08	Apr 2008 - Apr 2011	475 – 667
	July 2008 - July 2011	554 – 746
	Oct 2008 - Oct 2011	410 – 602
2008 - 09	Apr 2009 - July 2009	120
2009 - 10	April 2010 - Oct 2012	52 – 155
2010 - 11	May 2011 - Oct 2013	190 – 207
2011 - 12	Oct 2012 - July 2014	138
2012 - 13	July 2013 - April 2015	123
2013 - 14	Nov 2014 - July 2015	119

12. Details of Options granted to some of the senior managerial personnel during the year under review Nil

13. Employee - wise details of Options granted to:

Other Employees who were in receipt of grants amounting to 5% or more of total Options granted during the year Nil

Employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant Nil

14. Consolidated Diluted Earnings Per Share (EPS) calculated in accordance with the Indian Accounting Standard 20 is ₹ 15.03 per share (Before exceptional items) and ₹ 56.05 per share (After exceptional items).

## Annexure to the Board's Report (Contd.)

15. Description of method and significant assumptions used during the year to estimate fair value of Options:

The method applied was the Black – Scholes – Merton formula with the following assumptions:

Particulars	2014-15	2013-14
Average risk free interest rate (%)	-	8.49%
Weighted average expected life of options granted (in years)	-	2.63
Expected dividend yield (%)	-	5.37%
Volatility (annualized) *(%)	-	49.87%
Weighted average market price (₹)	-	130.30
Exercise Price (₹)	-	119.00
Weighted average fair value of the options (₹)	-	41.98

\* Based on historical market price of the Company's shares for the period since listing.

Annexure B

### Conservation of energy, technology absorption and foreign exchange earnings and outgo

#### A) Conservation of Energy – Environmental Management System (EMS)

**We strive to continue saving energy for the next generations.**

Sasken, with its focus on concentrating towards managing the environmental system, has made this its DNA by being environmentally responsible in its workplace. Our employees being important stakeholders have been acting as major 'Change Agents' in supporting initiatives such as:

- 100% compliance to all applicable legislation
- Creating awareness on the consumption of environment's resources through various campaigns
- Recycling and re - using resources in Business operations
- Promoting environment friendly products
- Using Water recycling plant
- Continuously monitored Metrics on Power and water consumption
- Regular energy Audits to find the gaps, if any and take improvisation steps

FY -15 saw the reduction in electricity consumption and it is 1.6 Kwh/sq ft against the benchmark or 1.9 Kwh/sq ft for the year FY 15, there is constant awareness and proactive approach toward energy usage.

Further to the 'Save Paper' initiative which runs in the organization, Sasken took an initiative to reduce number of output devices, thereby reducing paper consumption by 1,45,000 sheets per year and associated power consumption for the printers.

During Q3 of FY 2014-15, Sasken implemented "enABEL" an online power monitoring solution for Air-condition chiller plants in the corporate office, which provides;

- Online energy monitoring
- Alerts
- Periodic Reports
- Graphs
- Energy Data Profiling

This real-time monitoring and control device ensures that, with proper monitoring of the overall energy consumed by the chiller plants sends periodic alerts, which is useful information to fine tune the chillers/AHU. The device also eliminates the error which may happen in the manual recording. There is a guaranteed reduction of 10% of energy consumed by Chiller plants. This savings have started reflecting from as early as February 2015.

At Sasken, our commitment to continuous improvement on environmental performance is integrated into our programs. This is driven by individual commitment of various team members and strong support from the management.

Our philosophy is 'Every drop counts, every tree is precious and every watt is valuable. We continue to pledge to take the initiative and make a difference.'

#### B) Research & Development and Technology Absorption

The Company continues its focus in Multimedia, Wireless Broadband and Mobile Value Added Services. Your Company has made further inroads into the automotive segment with another Japanese automotive customer for its rear seat entertainment solution. Apart from making the solution compliant to industry standards, your Company has focused on compliance to popular proprietary technologies: Dolby certification is completed for this solution and DivX certification is in process.

Android has made the switch from being a promising emerging technology to being a mainstream Operating System (OS) for handheld devices. Your Company has the reputation of being a leader in the porting of Android and Windows Phone 7/8 OS and middleware onto new hardware platforms. The business opportunity also includes upgrading from one version of Android to a newer version, on existing hardware platforms. Your Company has continued to keep pace with the time-to-market demands of the customers, by investing in developing assets and processes to accelerate this task. We are the preferred partners for this domain for all the top 5 application processor companies, 4 of the top 5 handset OEMs and niche product categories like ruggedized devices.

## Annexure to the Board's Report (Contd.)



With Microsoft's focus, Windows Phone - 7/8 is also emerging as a credible alternative to Android. Your Company has strengthened its position in Windows 8 activities in ruggedized devices segment and in addition is working closely with its semiconductor partners on Windows 8 device driver aspects.

Capability building with in Testing practice is continuous activities, the focus is mainly on automation skills development considering the demands around automation Testing, includes the scripting expertise building on Perl, Python, Robot Frame work, etc., the capability development Engine provides us the ability to upskill our Engineers based on the customer demands, which had helped to deliver the customer expectation and to stay competitive in the technology and Test automation area.

### C) Foreign Exchange Earnings and outgo

	Amount in ` lakhs	
	As at March 31, 2015	As at March 31, 2014
Foreign exchange earnings	55,322.59	32,202.50
Foreign exchange expenditure	12,962.85	12,838.23

### Annexure C

#### 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.

Kindly refer the Company's website ([www.sasken.com/investors/corporate-governance](http://www.sasken.com/investors/corporate-governance)).

2. The Composition of the CSR Committee

- Mr. Rajiv C. Mody, Chairman
- Ms. Neeta S. Revankar, Member
- Mr. Sanjay M. Shah, Member

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

`4,590.66 lakhs

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)

`91.81 lakhs

5. Details of CSR spent during the financial year:

- a. Total amount to be spent for the financial year - `91.81 lakhs
- b. Amount unspent, if any - `21.95 lakhs
- c. Manner in which the amount spent during the financial year is detailed below;

Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs 1. Local area or other 2. Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or Programs Subheads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	Self Employed Women's Association (SEWA)	Women Empowerment	1. Other 2. State : Gujarat Districts: Anand and others	`69,86,337	1. `68,83,217 2. `1,03,120	`69,86,337	Directly
	TOTAL				`69,86,337	`69,86,337	

Details of implementation agency: None

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 its Board's report.

Your Company had allocated `91.81 lakhs towards CSR for the year 2014-15 and spent `69.86 lakhs as above, thus utilized 76% of the amount. Your Company is in the process of identifying suitable projects and will carry out the CSR activities once this is firmed up.

7. The CSR Committee of the Company hereby 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 CSR Committee

Place : Bengaluru  
Date : April 23, 2015

**Rajiv C. Mody**  
Chairman

**SECRETARIAL AUDIT REPORT**

For the Financial Year ended March 31, 2015

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

To,

The Members,  
Sasken Communication Technologies Limited,  
139/25 Ring Road, Domlur,  
Bengaluru – 560 071.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sasken Communication Technologies Limited (hereinafter called the "Company")**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2015 according to the provisions of:

- (i) The Companies Act, 2013 and 1956 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not Applicable to the Company during the Audit Period**);
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not Applicable to the Company during the Audit Period**);
  - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not Applicable to the Company during the Audit Period**); and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not Applicable to the Company during the Audit Period**);
- (vi) **The other Applicable laws :**
  - I. **Environmental Health and Safety**
    - (a) The Air (Prevention & Control of Pollution) Act, 1981;
    - (b) The Water (Prevention & Control of Pollution) Cess Rules, 1978, Amendment 2003;
    - (c) The Environment (Protection) Rules, 1986, Amendment 2004, 2005;
    - (d) The Hazardous Wastes (Management and Handling) Rules, 2003;
    - (e) The Batteries Handling and Management Rules, 2001, 2010;
    - (f) The Noise Pollution (Regulation and Control) (Amendment) Rules, 2010;
    - (g) The Bio-Medical Waste (Management and Handling) Rules, 1998, Amendment 2003;
    - (h) E-waste (Management and Handling) Rules, 2011.
  - II. **Intellectual Property Laws**
    - (a) The Indian Copyright Act, 1957;
    - (b) The Trade Marks Act, 1999;
    - (c) The Patents Act. 1970.
  - III. **Industry Specific laws**
    - (a) Policy relating to Software Technology Parks of India and its regulations;
    - (b) The Information Technology Act, 2000 and the Rules made thereunder;
    - (c) The Special Economic Zone Act, 2005 and the Rules made thereunder.





## Annexure to the Board's Report (Contd.)

### IV. Local Laws

- (a) The Karnataka Lifts Act, 1974;
- (b) The Bangalore Water Supply and Sewerage Act, 1964;
- (c) Shop & Commercial Establishment Act of local authorities.

### V. Tax Laws

- (a) The Finance Act, 1994 (Service Tax Law) and the rules made thereunder;
- (b) The Income Tax Act, 1961 and the rules made thereunder;
- (c) The Customs Act, 1962 and the rules made thereunder;
- (d) Central Excise Act, 1944 and the rules made thereunder.

VI. **Labour Laws** and other incidental laws related to labour and employees appointed by Company either on payroll or on contractual basis as related to wages, gratuity, provident fund and other compensation.

### VII. The Sexual harassment of Women at workplace (Prevention, Prohibition and Redressal) Rules, 2013

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India **(not notified hence not applicable to the Company during the audit period)**.
- (ii) The Listing Agreements entered into by the Company with the Stock Exchanges;

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

### I further report that

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

Adequate notice is given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. However certain Board Meetings were held at a shorter notice in which some of the Independent Directors were present.

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

This Report is to be read with my letter of even date, which is annexed as Annexure A and forms an integral part of this report.

Bengaluru  
April 14, 2015

**J Sundharesan (PCS)**  
**(M. No – 5229 CP. No – 5164)**

### Annexure A

The Members,

Sasken Communication Technologies Limited

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

1. Maintenance of Statutory records is the responsibility of the management of the Company. My responsibility is to express an opinion on these records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the records. The verification was done on test basis to ensure that correct facts are reflected in records.
3. I have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
4. Wherever required, I have obtained the management representation about the Compliance of laws, rules and regulations and happening of events, etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Bengaluru  
April 14, 2015

**J Sundharesan (PCS)**  
**(M. No – 5229 CP. No – 5164)**

#### Report on Corporate Governance

Good corporate governance is the commitment and adoption of ethical practices by the Company across its entire value chain and in all of its dealings with a wide group of stakeholders encompassing employees, customers, vendors, regulators and shareholders, in both good and bad times. To achieve this, certain checks and practices are whole-heartedly embraced by your Company.

Transparency and accountability are the two basic tenets of Corporate Governance. Your Company has the practice of in time and adequate disclosure of information regarding the financial situation, performance, ownership and governance of the company which has improved public understanding of the structure, activities and policies of the Company. Consequently, your Company is able to attract investors, and enhance the trust and confidence of the stakeholders for over 26 years.

Your Company continuously strives to maintain the work environment based on its core values - "IRISE" which stands for Integrity, Respect for Individual, Innovation, cuStomer Centricity and Excellence. Such values are an integral part of the Management system and ensure accountability, fairness, integrity and transparency in the dealings, while keeping the whole structure of the Company more responsible towards enhancing the trust of all stakeholders, both internal and external.

Your Company has ensured certain checks like Code of Conduct for its employees and Directors, a Policy on Code of Conduct for Prevention of Insider Trading and an Information Security Policy that ensures proper utilisation of IT resources.

Your Company is in compliance with the requirements of the guidelines on Corporate Governance stipulated under Clause 49 of the Listing Agreement existing as of March 31, 2015 and presents the following Corporate Governance Report for the year 2014-15 based on the said disclosure requirements.

#### Board of Directors

The fundamental role of the members of the Board is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its shareholders. They also oversee the operations of the management for a competent, ethical and sustainable operation of the Company. The Board ensures that the governance framework is created and followed diligently by them and executive management and any changes to these are made after due approval of the Board.

The Board is composed of individuals whose knowledge, background, experience and judgment are valuable to the Company, with the ability to provide advice to management. Members of the Board have access to management, Company's employees including the records and documents of the Company, thus helping the Board in advising, counseling and making decisions in order to monitor and manage potential conflicts of interests of Management, Board Members, shareholders, Government, etc.

As on March 31, 2015, the Board of Directors of your Company comprised twelve directors out of which nine are Non-Executive Directors (including six Independent Directors) and three are Executive Directors.

The Chairman of the Board is the leader of the Board, responsible for fostering and promoting the integrity of the Board while nurturing a culture where the Board works harmoniously for the long-term benefit of the Company and all its stakeholders.

The Chairman, the other Executive Directors and senior management personnel are accountable for achieving targets as well as transparent scrutiny of means and ends. They make periodic presentations to the Board on their responsibilities, performance, action taken during each quarter as well as representations required under the Company's Code of Conduct.

No Director of the Company is a member in more than 10 committees or acts as Chairman of more than 5 committees across all companies, in which he/she is a director. The names and categories of the Directors on the Board, their other directorships and shareholding in the Company are given below:

Name of the Director	DIN	Category	Shareholding as of March 31, 2015	No. of Directorship held*		Committees <sup>~</sup>	
				Public	Private	Chairman	Member
Mr. Rajiv C. Mody**	00092037	Executive	11,010	3	2	-	-
Mr. Anjan Lahiri <sup>^</sup>	06407055	Executive	-	1	-	-	-
Dr. Ashok Jhunjunwala	00417944	Independent	40,070	6	1	1	3
Mr. Bansil S. Mehta	00035019	Independent	5,929	8	-	2	6
Mr. Bharat V. Patel	00060998	Independent	20,000	4	-	3	-
Mr. J.B. Mody**	00034851	Non-Executive	7,36,612	3	3	-	1
Prof. J. Ramachandran	00004593	Independent	7,200	4	2	1	4
Mr. Kiran S. Karnik	00542951	Independent	-	1	3	-	1
Mr. Pranabh D. Mody**	00035505	Non-Executive	3,18,506	3	3	-	-
Mr. Sanjay M. Shah	00375679	Independent	12,882	-	3	-	-
Dr. G. Venkatesh***	00092085	Non-Executive	2,63,628	1	3	-	1
Mr. Krishna J. Jhaveri**	00102729	Executive	-	-	-	-	-
Ms. Neeta S. Revankar	00145580	Executive	1,30,242	1	-	-	-
Mr. Deepak Harilalka****	00170335	Independent	-	1	7	-	-

\* Does not include directorships in Saskaen, foreign bodies corporate and companies incorporated under Section 8 of the Companies Act, 2013.

\*\* Promoter

\*\*\* Dr. G. Venkatesh who was earlier the Whole Time Director of the Company, transitioned as a Non-Executive Director effective January 19, 2015.

\*\*\*\* Appointed on July 17, 2014 and resigned on January 12, 2015.

<sup>^</sup> Mr. Anjan Lahiri resigned from the services of the Company effective September 23, 2014.

<sup>~</sup> Denotes membership in Audit and Stakeholders Relationship Committee of public limited companies other than Saskaen.

## Annexure to the Board's Report (Contd.)



The Board meets at least once in each quarter and/or when necessary for an update and to review the business performance and financial results. The Board/Committee of the Board review the Company's annual financial plan. On an ongoing basis during the year, the Board monitors the performance of the Company as against its annual financial plan as well as resource allocation decisions made during the period. The Board also evaluates the Company's strategy and assesses progress against agreed milestones.

The Company Secretary in consultation with the Chairman and CFO drafts the agenda for each meeting, along with notes, and distribute these in advance to all directors. Any Board member can suggest additional items for inclusion in the agenda.

During the year 2014-15, the Board of Sasken met on 8 occasions, i.e. on April 25, 2014, July 17, 2014, September 10, 2014, September 22, 2014, September 29, 2014, October 20, 2014, December 29, 2014 and January 19, 2015. The maximum gap between the two meetings was not more than 4 months. Quorum was present at all the meetings. Video/tele-conferencing facilities are also enabled to facilitate directors to participate in the meetings, wherever permitted by relevant regulations.

Apart from the above the Independent Directors had a separate meeting as required under Clause 49 of the Listing Agreement on January 18, 2015.

The attendance of the Directors and the sitting fees paid to them for Board/Committee meetings:

Directors	No. of Board meetings during 2014-15		Whether attended last AGM held on September 22, 2014	Sitting fee (In ` lakhs)**
	Held	Attended		
Mr. Rajiv C. Mody	8	8	Yes	-
Mr. Anjan Lahiri*	4	2	-	-
Dr. Ashok Jhunjhunwala	8	7	-	1.70
Mr. Bansi S. Mehta	8	5	Yes	1.00
Mr. Bharat V. Patel	8	3	-	0.60
Mr. J.B. Mody	8	2	-	0.20
Prof. J. Ramachandran	8	6	Yes	1.50
Mr. Kiran S. Karnik	8	3	Yes	0.40
Mr. Pranabh D. Mody	8	6	-	1.30
Mr. Sanjay M. Shah	8	7	Yes	0.80
Dr. G. Venkatesh	8	7	Yes	-
Mr. Krishna J. Jhaveri	8	6	-	-
Ms. Neeta S. Revankar	8	6	Yes	-
Mr. Deepak Harlalka**	5	0	-	-

\* Information relates to Board meetings held till the date of resignation of Mr. Lahiri i.e. up to September 23, 2014.

\*\* Information relates to Board meetings held during his tenure as a Director i.e. July 17, 2014 to January 12, 2015.

\*\*\* Represents sitting fee paid for attending Board and other Committee meetings

### Tenure

Except Mr. Rajiv C. Mody and Independent Directors, all other Directors of your Company are liable to retire by rotation. One - third of the said Directors are liable to retire every year and if eligible, offer themselves for re-appointment. The Board has the power to determine tenure of all the executive directors.

### Profile

The profile of Directors who are being appointed/re-appointed at the Annual General Meeting is given in annexure forming part of the Notice convening the meeting. The profile of all the Directors is available in the Company's website, viz. [www.sasken.com](http://www.sasken.com).

### Remuneration

The Nomination and Remuneration Committee determines the compensation payable to the Executive Directors, within the overall limits approved by the Members and in accordance with the provisions of the Companies Act, 2013.

#### (i) Elements of remuneration package of Executive Directors:

The remuneration of the Executive Directors is broken into two parts viz., Fixed Pay and Variable Performance Pay (VPP). Fixed pay is determined by the Nomination and Remuneration Committee within the limits set by the Members. VPP is based upon percentage of profits in respect of performance parameters of the Company, as set by the Committee of the Board. The Committee reviews the performance of the Executive Directors for achieving the set targets for the Company.

Apart from the remuneration mentioned above, the Executive Directors are not eligible for any other benefits such as commission on net profits, etc. Contribution towards provident and superannuation funds is as per the Company's policy and forms part of the fixed pay. Among the Executive Directors, Ms. Neeta S. Revankar is eligible for stock options, Mr. Rajiv C. Mody and Mr. Krishna J. Jhaveri being Promoter Directors are not eligible for stock options.

#### (ii) Elements of remuneration package to Independent/Non-Executive Directors:

The Members have at the Annual General Meeting held on September 22, 2014 approved payment of commission on net profits to the Non-Executive Directors at the rate not exceeding 1% of the net profits of the Company in any financial year as computed under the applicable provisions of the Companies Act, 2013 and such commission be allocated amongst them in such manner as may be decided by the Board of Directors within the limits specified therein.

## Annexure to the Board's Report (Contd.)

Towards this end, the Board took into consideration the attendance and contribution made by Non-Executive Directors at Board and certain Committee Meetings as well as the time spent by them on operational matters other than at meetings while arriving at the commission payable to them for the year ended March 31, 2015. No Stock Options were granted to Directors during the year. The following table shows the remuneration paid/payable to the Directors for the year 2014-15:

(` in lakhs)

Directors	Fixed Remuneration	Variable Performance Pay	Commission
Mr. Rajiv C. Mody	80.00	243.25	-
Mr. Anjan Lahiri	50.46	-	-
Dr. Ashok Jhunjhunwala	-	-	25.00
Mr. Banshi S. Mehta	-	-	22.00
Mr. Bharat V. Patel	-	-	12.00
Prof. J. Ramachandran	-	-	25.00
Mr. Kiran S. Karnik	-	-	10.00
Mr. Sanjay M. Shah	-	-	8.00
Dr. G. Venkatesh	27.80	32.75	-
Mr. Krishna J. Jhaveri	25.79	2.89	-
Ms. Neeta S. Revankar	57.05	122.50	-

The proposed maximum remuneration payable per annum to the Executive Directors for a period of five years is given in the notice convening the Annual General Meeting, forming part of this Annual Report.

### Board Committees

In order to have a more focussed attention on the affairs of the Company, the Board has formed various committees. These Committees prepare the groundwork for decision making and report at the subsequent Board Meeting. As of March 31, 2015, your Company has the following committees of the Board of Directors:

- Audit Committee
- Corporate Social Responsibility Committee
- Nomination and Remuneration Committee
- Risk Management Committee
- Stakeholders Relationship Committee
- Strategy, Business and Marketing Review Committee

### Audit Committee

This Committee provides oversight of the Company's accounting and financial reporting processes and the audit of the Company's financial statements and assists the Board in oversight of (1) the integrity of the Company's financial statements, (2) the Company's compliance with legal and regulatory requirements, (3) the independent auditor's qualifications, independence and performance, and (4) the Company's internal accounting and financial controls and (5) Enterprise Risk Management Policy and adherence to approved policy.

Mr. Banshi S. Mehta is the Chairman of the Audit Committee. The other members of the Committee are Prof J. Ramachandran, Dr. Ashok Jhunjhunwala and Mr. Pranabh D. Mody.

The terms of reference are as follows:

- To oversee the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- To recommend the appointment, remuneration and terms of appointment of auditors of the company;
- To approve the payment to statutory auditors for any other services rendered by the statutory auditors;
- To review, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions; and
  - Qualifications in the draft audit report.
- To review, with the management, the quarterly financial statements before submission to the board for approval;
- To review, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;



## Annexure to the Board's Report (Contd.)

7. To review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. To approve or any subsequent modification of transactions of the company with related parties;
9. To scrutinize inter - corporate loans and investments;
10. To valuate undertakings or assets of the company, wherever it is necessary;
11. To evaluate internal financial controls and risk management systems;
12. To review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. To discuss with internal auditors for any significant findings and follow up there on;
15. To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. To discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post - audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non - payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. To approve the appointment of CFO (i.e., the Whole Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

The Audit Committee met four times during the year, i.e. on April 25, 2014, July 17, 2014, October 20, 2014 and January 19, 2015. The minutes of the meetings are placed before the Board at the succeeding Board Meeting for information. Quorum was present at all the meetings. Whenever needed, decisions were also taken by the Committee by circulation process.

Details of attendance at the Committee meetings are given below:

Director	No. of Meetings	
	Held	Attended
Mr. Bansi S. Mehta	4	4
Prof J. Ramachandran	4	3
Dr. Ashok Jhunjunwala	4	4
Mr. Pranabh D. Mody	4	3

Mr. Rajiv C. Mody, Chairman & Managing Director, Ms. Neeta S. Revankar, Whole Time Director & CFO, Dr. G. Venkatesh, Non - Executive Director and both the Internal as well as Statutory Auditors of the Company are permanent invitees to the Audit Committee meetings.

Mr. S. Prasad, Company Secretary acts as Secretary to the Committee.

### Corporate Social Responsibility Committee

As per section 135 of the Companies Act, 2013 the Company had constituted a Corporate Social Responsibility Committee of the Board consisting of Mr. Rajiv C. Mody as Chairman, Mr. Sanjay M. Shah and Ms. Neeta S. Revankar as members.

The objective of the SASKEN CSR Policy is to:

1. Ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders.
2. To directly or indirectly take up programs that benefit the communities in & around its work centers and results, over a period of time, in enhancing the quality of life & economic well - being of the local populace.
3. To generate, through its CSR initiatives, a community goodwill for SASKEN and help reinforce a positive & socially responsible image of SASKEN as a corporate entity.

The said Policy is made available in the website of the Company.

### Nomination and Remuneration Committee

Prof. J. Ramachandran chairs the Nomination and Remuneration Committee. Dr. Ashok Jhunjunwala and Mr. Pranabh D. Mody are the members of the Committee.

The objective and purpose of the policy of the Committee, including its terms of reference are as follows:

1. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
2. Oversee the identification of persons who are qualified to become a Director and who may be appointed in accordance with the criteria laid down in the Nomination and Remuneration policy of the Company.
3. Recommend to the Board, appointment and removal of Director.
4. To device a Policy on Board Diversity.

## Annexure to the Board's Report (Contd.)

- To work with the Chairperson to plan for CEO/Managing Director's succession including plans for interim succession in the event of an unexpected occurrence or a planned transition and submit to the Board to nominate potential successors to CEO.
- Guide and review the remuneration of Directors & KMP ensuring a balance between fixed and variable pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- Guide and review Remuneration Policy of the Company including Sales Incentive Plan, Variable Pay, RSUs/stock option plans, etc.
- Delegate such activities to the CEO/Managing Director as the Committee deems necessary and to review the actions taken by the person on such activities.

The Nomination and Remuneration Committee met twice during the year, i.e. on April 7, 2014 and on January 18, 2015 to deliberate on the aforesaid matters. The minutes of the meetings are placed before the Board at the succeeding Board Meeting for information. Quorum was present at both the meetings. Whenever needed, decisions were also taken by the Committee by circulation process.

Details of the attendance at the Committee meetings are given below:

Director	No. of Meetings	
	Held	Attended
Prof. J. Ramachandran	2	2
Dr. Ashok Jhunjhunwala	2	2
Mr. Pranabh D. Mody	2	2

### Risk Management Committee

Business Risk Evaluation and Management is an ongoing process within the Company. The company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities. Mr. Rajiv C. Mody and Ms. Neeta S. Revankar are the members of the Committee.

The terms of reference are as follows:

- To continuously evaluate the risk factors in the operations;
- To identify the risk and take steps to mitigate the same;
- To implement similar mitigation steps once a new risk is identified or existing steps are inadequate;
- To assure business growth with financial stability;
- To emphasize on converting the detectable risk into preventive risk;
- To automate the Risk Management Process as much as possible and this will be an on-going process with updates and improvements.
- To make the respective Process Owners responsible for their sphere of activities;
- To engage an external consultant, if required for implementation;
- Appraising the Board at regular intervals on the updates of risk assessment and minimization procedures.
- Review and recommend changes to the Risk Management Policy and/or associated frameworks, processes and practices of the Company;
- Coordinate its activities with the Audit Committee in instances where there is any overlap with audit activities. For example, internal or external audit issue relating to risk management policy or practice;
- Perform other activities as requested by the Board or to address issues related to any significant matters within its term of reference.

### Stakeholders Relationship Committee

The Company has a Stakeholders Relationship Committee at the Board level inter alia to look into various issues relating to Investor Grievances including transfer and transmission of shares, issue of duplicate share certificates, non-receipt of dividend, Annual Report, etc. The Committee meets to approve share transfers, transmissions and issue of duplicate share certificates from time to time. Members of the Committee are Prof. J. Ramachandran (Chairman), Mr. Rajiv C. Mody and Dr. G. Venkatesh.

The Committee met four times during the year i.e. on April 25, 2014, July 17, 2014, October 20, 2014 and January 19, 2015 to deliberate on the aforesaid matters. The minutes of the meetings are placed before the Board at its succeeding meeting for information. Quorum was present at all the meetings.

Details of the attendance at the Committee meetings are given below:

Director	No. of Meetings	
	Held	Attended
Prof. J. Ramachandran	4	3
Mr. Rajiv C. Mody	4	4
Dr. G. Venkatesh	4	4

The shares of the Company are traded on the Stock Exchanges only in dematerialised form and are automatically transferred on delivery in dematerialised form. To expedite transfer of shares in physical segment, authority has been delegated to the Company Secretary to approve such share transfers.

As on March 31, 2015, there were no share transfers pending. Details of number of shares transferred during the year, time taken for effecting transfers and number of complaints received are given in the "Shareholder Information" section of the Annual Report.

Mr. S. Prasad, Company Secretary acts as the Compliance Officer.

## Annexure to the Board's Report (Contd.)



### Strategy, Business and Marketing Review Committee

The main objectives of this Committee are, among other things, to review the Strategic Business Plans, Annual Business Plans of the Company. The Committee comprises three Independent Directors with Prof. J. Ramachandran as Chairman and other members being Dr. Ashok Jhunjhunwala and Mr. Bharat V. Patel.

Terms of reference are as follows:

1. Assist the Board by analyzing and reviewing with the Senior Leadership Team the Strategic Business Plans, Annual Business Plans;
2. Recommend to the Board the adoption of such plans as the Senior Leadership would prepare in consultation with the Committee from time to time;
3. Bring to bear on such plans the best business practices followed by leading companies across the globe relevant to the Company's businesses;
4. Validate on behalf of the Board proposals for (i) new business venture, (ii) any investment in capital of any entity beyond ` 5.00 crores, (iii) any mergers, acquisitions, demergers, (iv) forming new Joint Ventures or wholly owned subsidiary companies and (v) investing in any existing Joint Venture any sum beyond the Board approved limit;
5. Review on an ongoing basis the Capital Budgets and Annual Operating Plans at the end of each half year;
6. Be an aid to the Board in reviewing the performance of the Company, its subsidiaries and joint venture companies for the purposes of Quarterly Business Results.
7. Review with the Senior Management Team on a half yearly basis marketing channels engaged by the Company and advise improvements thereon; and
8. Serve in an advisory capacity on matters of importance on Strategy, Business and Marketing aspects.

The Committee met thrice during the year i.e. on April 7, 2014, December 22, 2014 and December 24, 2014 to deliberate on the aforesaid matters. The minutes of the meetings are placed before the Board at its succeeding meeting for information.

Details of the attendance at the Committee meetings are given below:

Director	No. of Meetings	
	Held	Attended
Prof. J. Ramachandran	3	3
Dr. Ashok Jhunjhunwala	3	3
Mr. Bharat V. Patel	3	2

### Sexual Harassment Redressal Committee

An Internal Complaints Committee (ICC) was constituted in accordance with the provisions of the Sexual harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the purpose of resolving employee grievances related to sexual harassment and any other form of harassment at workplace. The committee comprises senior employees of the Company including representatives from HR, other locations, a counsellor and a chairperson.

The chairperson is one amongst employees and is a senior level woman employee and the members of the committee comprises of not less than 50% being woman members. One member of the team at all times is from a third party, NGO or any other individual/body of social standing competent to deal with the issue of harassment.

The meetings are held as and when required and at least 3 members are required to be present to discuss about the concern.

Terms of reference are as follows:

1. To resolve employee grievances related to sexual harassment and any other forms of harassment at workplace.
2. Assisting aggrieved to get appropriate information, support and assistance in resolving the said grievance.
3. Preventing victimization for having raised a complaint or on account of being associated with a grievance.
4. Working towards closing the grievance as soon as possible after doing the required enquiry and providing the necessary resolution.

During the year under review, no complaints were received by the ICC. With a view to sensitize the employees with regard to the measures taken to ensure that all employees particularly women employees feel safe and secure at the workplace, your Company had conducted awareness sessions by one of the Committee Members. Apart from the above, any new entrant such as employees, contractors, trainees and consultants working from our premises are mandated to go through the E-learning modules on addressing Sexual Harassment in an effort to build awareness. Your Company would continue to ensure that all employees are treated equally and there is no discrimination or harassment of any nature at the workplace.

### Annual General Meeting

Details of last three Annual General Meetings of the Company are given below:

Year	Venue	Date	Time
2014	Registered office of the Company	September 22, 2014	4.00 p.m.
2013	Registered office of the Company	July 18, 2013	4.00 p.m.
2012	Registered office of the Company	July 23, 2012	4.00 p.m.

## Annexure to the Board's Report (Contd.)

At each of the above AGMs, special resolutions were passed approving the appointment of independent directors, payment of remuneration to Executive Directors, payment of commission to Non - Executive Directors and Amendment to Articles of Association.

### Extraordinary General Meeting

No Extraordinary General Meeting of the members was held during the year 2014-15.

### Postal Ballot

There were no resolutions passed by postal Ballot during the year 2014-15.

Your Company also proposes to conduct Postal Ballot and/or E - voting to pass special resolution of the members as appropriate.

### Other Disclosures

#### 1. Reconciliation of share capital audit:

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

#### 2. Related Party Transactions:

All related party transactions that were entered into during the financial year were on an arm's length basis and in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

Details of the related party transactions are given in Annexure F to the Board's Report.

3. There are no non-compliances by the Company, penalties and strictures imposed on the Company by Stock Exchanges or SEBI or any other statutory authority, on any matter related to capital markets, during the last three years.
4. The Company has complied with the requirements of the Stock Exchanges and SEBI on matters relating to Capital Markets, as applicable from time to time.
5. Your Company has been having a Whistle Blower Policy in place since June, 2004 and have been amended from time to time incorporating the changes. The said Policy is also available on the website of the Company. We confirm that no employee of the Company has been denied access to the Audit Committee in respect of any incident covered by the Whistle Blower Policy.
6. The terms and conditions of appointment of independent directors are disclosed on the website of the Company.

### Means of communication:

Following information is displayed at Company's website [www.sasken.com](http://www.sasken.com) from time to time:

1. Financial results at the end of each quarter of the year
2. Relevant Press Releases
3. Company Presentations
4. Shareholding Pattern
5. Annual Report

The quarterly audited financial results are published in Financial Express (National daily) and in Kannada Prabha (a Kannada daily). The last four quarterly results were published in the above dailies on April 26, 2014, July 18, 2014, October 21, 2014 and January 20, 2015.

All material information about the Company is promptly uploaded in the Portals and also sent through e-mail/facsimile to the Stock Exchanges where the Company's shares are listed and released to wire services and the Press for information of the public at large. Besides, the Company disseminates information through Press Release, and its website.

### Compliance with disclosure requirements under Clause 49 of the Listing Agreement with Stock Exchanges

#### Annexure X to said Clause 49

Information as required to be placed before the Board has been complied with.

#### Annexure XIII to said Clause 49

Your Company has engaged a firm of Chartered Accountants as Internal Auditors and they report to the Audit Committee of the Board.

Your Company always strive towards having unqualified financial statements.

### Code of Conduct

All the Members of the Board and Senior Management personnel have affirmed compliance with the Company's Code of Conduct in respect of the last financial year.

Bengaluru  
April 23, 2015

**Rajiv C. Mody**  
Chairman & Managing Director





## Annexure to the Board's Report (Contd.)

### General Shareholder Information

#### Forthcoming AGM

The next Annual General Meeting of the Company will be held on September 14, 2015 at 10.30 a.m. at the registered office of the Company at 139/25, Ring Road, Domlur, Bengaluru 560 071.

As required under Clause 49(VIII)(E)(1) of the Listing Agreements entered into with the stock exchanges, particulars of directors seeking appointment/re-appointment at the forthcoming AGM are given in the Annexure to the notice of the AGM to be held on September 14, 2015.

#### Tentative Calendar for the financial year April 1, 2015 to March 31, 2016:

Quarter ending	Likely Board Meeting Schedule
June 30, 2015	Second fortnight of July 2015
September 30, 2015	Second fortnight of October 2015
December 31, 2015	Second fortnight of January 2016
March 31, 2016	Second fortnight of April 2016
Year ending March 31, 2016	Likely Shareholder Meeting Schedule
Annual General Meeting	July - August 2016

#### Financial Year of the Company

The Company follows the period of April 1 to March 31, as the Financial Year.

#### Book Closure dates for the purpose of dividend

The Register of Members and Share Transfer Books will remain closed on September 12, 2015 to determine the entitlement of shareholders to receive the dividend as may be declared for the year ended March 31, 2015.

#### Payment of Dividend

Dividend on equity shares as recommended by the Directors for the year ended March 31, 2015, when declared at the Annual General Meeting will be paid on or before September 30, 2015:

- In respect of shares held in physical form to those members whose names appear on the Company's Register of Members, after giving effect to all valid share transfers in physical form lodged on or before September 11, 2015 with the Company or the Share Transfer Agent - M/s. Karvy Computershare Pvt. Ltd.
- In respect of shares held in electronic form, to those "deemed members" whose names are recorded in the Register of Members as on September 11, 2015.

#### Listing on Stock Exchanges

Your Company's equity shares are listed on the following stock exchanges:

- BSE Limited (BSE) Scrip Code 532663
- National Stock Exchange of India Ltd. (NSE) Scrip Code SASKEN

ISIN Number for equity shares INE231F01020.

Listing fees for the year 2015 - 16 have been paid to both the Stock Exchanges.

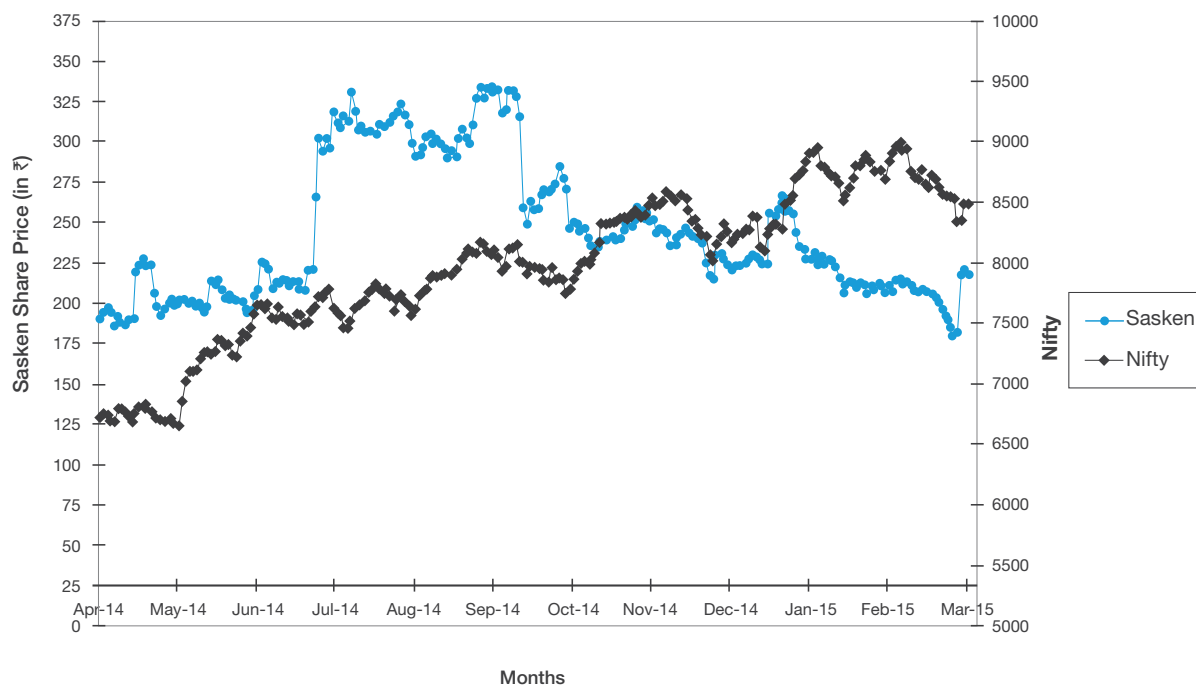
#### Stock Market Data

The monthly high and low stock quotations during the financial year 2014-15 and performance in comparison to broad based indices are given below:

Financial Year	Price @ NSE during each month (In `)		C & X Nifty Index during each month		Price @ BSE during each month (In `)		S & P BSE Sensex during each month	
	High	Low	High	Low	High	Low	High	Low
Apr - 14	234.70	184.15	6,869.85	6,820.75	234.90	184.50	22,939.31	22,295.65
May - 14	220.90	191.00	7,563.50	7,302.60	220.00	190.00	25,375.63	24,488.81
Jun - 14	233.00	194.00	7,700.05	7,593.80	232.00	194.50	25,725.12	25,496.84
Jul - 14	341.00	221.05	7,840.95	7,771.65	341.50	222.00	26,300.17	26,077.70
Aug - 14	328.50	285.15	7,968.25	7,939.20	327.90	285.10	26,674.38	26,573.69
Sep - 14	353.00	232.70	8,180.20	8,126.50	353.00	232.60	27,354.99	27,177.09
Oct - 14	291.20	233.60	8,330.75	8,198.05	290.50	234.10	27,894.32	27,438.28
Nov - 14	263.30	234.90	8,617.00	8,516.25	263.40	235.00	28,822.37	28,483.99
Dec - 14	262.00	212.15	8,626.95	8,545.15	259.45	210.60	28,809.64	28,538.44
Jan - 15	270.70	221.10	8,996.60	8,874.05	270.50	222.00	29,844.16	29,417.67
Feb - 15	231.50	203.10	8,941.10	8,816.30	230.55	204.00	29,560.32	29,178.26
Mar - 15	239.90	176.10	9,119.20	8,925.55	240.70	176.20	30,024.74	29,364.87

## Annexure to the Board's Report (Contd.)

**Stock Price Movement in National Stock Exchange Ltd.  
Price Vs. S&P CNX Nifty Index**



### Details for correspondence:

#### Company

The Company Secretary  
Sasken Communication Technologies Limited  
139/25, Ring Road, Domlur,  
Bengaluru - 560 071.  
Tel: +91 80 6694 3000; Extn.: 4906  
Fax: +91 80 3981 3329/2535 1309  
E-mail: investor@sasken.com

#### Registrar and Share Transfer Agent

(For share transfers and other communication relating to share certificates, dividend and change of address)

Kary Computershare Pvt. Ltd.  
Kary Selenium, Tower B, Plot 31 - 32,  
Gachibowli, Financial District, Nanakramguda,  
Hyderabad – 500 032.  
Tel: +91 40 6716 2222  
Toll Free No.: 1 - 800 - 3454 - 001  
Fax: +91 40 2300 1153  
Contact Person: Mr. K.S. Reddy, Asst. Gen Manager  
E - mail: einward.ris@kary.com

### Office Location

The location of the Company's offices are given on the inside cover page of the Annual Report and are also available on the Company's website.

### Distribution of Shareholding as on March 31, 2015

No. of equity shares held	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
1 - 5,000	26,321	92.65	22,62,852	10.60
5,001 - 10,000	987	3.47	7,79,618	3.65
10,001 - 20,000	538	1.89	7,94,560	3.72
20,001 - 30,000	161	0.57	4,16,184	1.95
30,001 - 40,000	84	0.30	2,93,787	1.38
40,001 - 50,000	64	0.23	2,94,136	1.38
50,001 - 1,00,000	114	0.40	8,22,414	3.85
1,00,001 & Above	141	0.50	1,56,81,322	73.47
<b>Total</b>	<b>28,410</b>	<b>100.00</b>	<b>2,13,44,873</b>	<b>100.00</b>

## Annexure to the Board's Report (Contd.)



### Shareholding Pattern as at March 31, 2015

Category	No. of shares	%
Promoters & Promoter Group	78,63,770	36.84
<b>Public Shareholdings:</b>	-	-
Mutual Funds	22,11,355	10.36
Financial Institutions/Banks	7,750	0.04
Foreign Institutional Investors	8,75,792	4.10
Foreign Portfolio Investors	1,56,902	0.74
Bodies Corporate	17,50,337	8.20
Trust	10,000	0.05
Non Resident Indians/Foreign Nationals	11,90,128	5.58
Directors & Relatives (other than Promoter / Directors)	10,05,704	4.71
Indian Public & Others	62,73,135	29.39
<b>Total</b>	<b>2,13,44,873</b>	<b>100.00</b>

### Details of complaints:

Description	Received	Cleared
Non receipt of Dividend/Annual Report	59	59

There are no valid requests pending for share transfers as at March 31, 2015.

### Details of Shares held in Suspense Account

Your Company went in for IPO during August 2005 and the shares were allotted to the applicants on August 31, 2005. When the IPO concluded, there were 838 cases involving 32,962 shares, which could not be transferred to investors due to reasons such as incomplete/wrong/invalid Demat Account details, etc. With persistent follow up and reminders, we were able to identify and transfer most of the shares. As at March 31, 2015 the number reduced to 27 cases involving 675 shares that remained unclaimed. The unclaimed shares are kept in a separate Suspense Account and will be transferred to the rightful holders as and when they approach the Company. Our efforts to locate the rightful owners will continue. The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

The current status:

Description	No. of Holders	No. of Shares in Suspense Account
At the beginning of the year	27	675
No. of shareholders that approached for transfer of shares from Suspense Account and to whom shares were transferred during the year	Nil	Nil
Status as of March 31, 2015	27	675

### Other information useful for Shareholders

During the year, the Company approved 1 request for transfer of 326 shares in physical segment. Share transfer requests are acted upon within 7 - 10 days from the date of their receipt at the Registered Office/Registrar. In case no response is received within 15 days of lodgment of transfer request, the lodger may write to the Company with full details so that necessary action could be taken to safeguard interests of the concerned against any possible loss/interception during postal transit. As mandated by the Listing Agreement, the Company has designated investor@sasken.com as the exclusive e-mail ID for redressal of investor complaints. Investors are urged to make use of this facility.

Members may note that as per the requirement of Clause 47(c) of the Listing Agreement with the Stock Exchanges, the Company has obtained half-yearly certificates from Practising Company Secretary for due compliance of share transfer formalities and filed the same with the Stock Exchanges.

Dematerialization requests duly completed in all respects are normally processed within 7 days from the date of their receipt.

### National Electronic Clearing Service/Mandates/Bank Details

Shareholders may note that Bank Account details given by them to their Depository Participants would be used for payment of dividend under National Electronic Clearing Service facility. Shareholders desirous of modifying these instructions may write to the Registrar & Share Transfer Agent, Karvy Computershare Pvt. Ltd., Hyderabad (for shares held in physical form) or to their respective Depository Participants (for shares held in electronic form), as early as possible and in any case before the date of next Annual General Meeting.

### Unclaimed Dividends

Under the provisions of the Companies Act, 2013, any dividend amount that remains unclaimed in the Unpaid Dividend Account of the Company for a period of seven years from the date of its transfer to the said account, has to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. As regards the dividend declared at the Annual General Meeting held on June 23, 2007 remaining unclaimed was transferred to IEPF within the due date.

## Annexure to the Board's Report (Contd.)

Once the transfer to IEPF is complete, no claims shall lie against the IEPF or the Company for the amount of dividend nor shall any payment be made in respect of such claims. Members who have not encashed the dividend warrants issued on any date after September 19, 2009 may write to the Company and follow the procedure for claiming the amount.

### Dematerialization of Shares

Equity Shares of the Company can be traded on the Stock Exchanges only in dematerialized form and at present about 99% of the shares of the Company are held in demat form. Considering the advantages of scrip less trading including enhanced marketability of the shares, shareholders holding shares in physical form are requested to consider dematerializing their shareholding so as to avoid inconvenience in future.

### Outstanding GDRs/ADRs/Warrants/Convertible Instruments

The Company has not issued GDRs or ADRs. There are no outstanding warrants or any convertible instruments.

### General

- (a) Shareholders holding shares in physical form are requested to notify the Company/Registrar in writing, any change in their address and Bank Account details under the signature of sole/first joint holder. Beneficial owners of shares in demat form are requested to send their instructions regarding change of name, change of address, bank details, nomination, power of attorney, etc. directly to their Depository Participants (DP) as the same are maintained by the DP.
- (b) Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferee/s, members, surviving joint holders/legal heirs be furnished to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.
- (c) Non - resident shareholders are requested to notify at the earliest:
  - change in their residential status on return to India for permanent settlement;
  - particulars of their NRE Bank Account with a bank in India, if not furnished earlier;
  - E - mail address, if any, to the Company/Registrar.
- (d) In case of loss/misplacement of share certificates, investors should immediately lodge a FIR/Complaint with the police and inform the Company/Registrar along with copy of FIR/acknowledged copy of complaint.
- (e) For expeditious transfer of shares, shareholders should fill in complete and correct particulars in the transfer deed. Wherever applicable, registration number of Power of Attorney should also be quoted in the transfer deed at the appropriate place.
- (f) Shareholders are requested to maintain record of their specimen signature before lodgement of shares with the Company to obviate possibility of difference in signature at a later date.
- (g) Shareholder(s) of the Company who have multiple accounts in identical name(s) or holding more than one Share Certificate in the same name under different Ledger Folio(s) are requested to write to the Company for consolidation of such Folio(s) with the relevant share certificates.
- (h) Nomination in respect of shares – Section 72 of the Companies Act, 2013 provides facility for making nominations by shareholders in respect of their holding of all securities. Such nomination greatly facilitates transmission of shares from the deceased shareholder to his/her nominee without having to go through the process of obtaining Succession Certificate/Probate of the Will, etc. It would therefore be in the best interests of the shareholders holding shares in physical form registered as a sole holder to make such nominations. Please write to the Company Secretary for a nomination form.
- (i) Shareholders holding shares in demat form are advised to contact their DP for making nominations.
- (j) Some of the shareholders have not yet exchanged their old share certificates for the new ones, necessitated on the consolidation of the capital effected by the Company in July 2004 (i.e. consolidation of two old shares of ₹ 5 each into one new share of ₹ 10). Such holders are advised to send the old share certificates immediately. If the share certificates are brought in -person for exchange, the new share certificates will be provided on the spot. If the share certificates are sent by post, the new share certificates will be sent under Registered Post within 2 days from the date of receipt of the old share certificates. It is needless to mention that the old share certificate(s) cannot be submitted for dematerialization.
- (k) Shareholders are requested to quote and register their E - mail IDs, Telephone/Fax numbers for receiving prompt communication and notification from the Company.
- (l) Shareholders are informed that by the operation of the Companies Act 2013, a notice may be sent through e - mail as a text or as an attachment to e - mail or as a notification providing electronic link or Uniform Resource Locator for accessing such notice. Shareholders are advised to update their e - mail ID's with their DP. All future communication of the Company to shareholders who have registered their e - mail ID with their DP or Company will be sent only by way of e - mail. Shareholders are requested to check their e - mails at regular intervals. Such communication will also be made available in the Company's website [www.sasken.com](http://www.sasken.com).
- (m) Shareholders are also informed that under the Companies Act, 2013 the company's obligation shall be satisfied when it transmits the e - mail and the company shall not be held responsible for a failure in transmission beyond its control. If a member entitled to receive notice fails to provide or update relevant e - mail address to the Company or to the Depository Participant as the case may be, the Company shall not be in default for not delivering notice via e - mail.
- (n) Green Initiative  
It is our endeavor to save the precious natural resources and achieve 100% environment friendly initiative to save trees and preserve environment. Many of the shareholders have supported us in this initiative and we look forward to the continued support and co - operation of all the shareholders in dematerializing their holding as well as updating their e - mail address with the respective depositories if the shares are held in demat or send a mail to [memberemail@sasken.com](mailto:memberemail@sasken.com) if shares are held in physical form.
- (o) We solicit suggestions for improving the investor services.

## Annexure to the Board's Report *(Contd.)*



### CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To

The Members,  
Sasken Communication Technologies Limited,

We have examined all the relevant records of **Sasken Communication Technologies Limited**, for the purpose of certifying compliance of the conditions of Corporate Governance, for the year ended on March 31, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges. We have obtained all information and explanation which to the best of our knowledge and belief were necessary for the purposes of the certification.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

**For J Sundharesan & Associates**  
*Company Secretaries*

**J SUNDHARESAN**  
Practising Company Secretary  
M. No - 5229  
CP. No - 5164

Bengaluru  
April 14, 2015

## FORM NO. AOC - 2

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the Company with the related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto.

A. Details of contracts or arrangements or transactions not at arm's length basis:

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Sl. No.	Name of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of contracts/arrangements/transactions	Salient features of contracts/arrangements/transactions, including value, if any	Justification for entering into such contracts/arrangements/transactions	Date(s) of approval by the Board/Audit Committee	Amount paid as advances, if any	Date on which special resolution was passed in general meeting u/s 188(1)

Nil

B. Details of material contracts or arrangement or transactions at arm's length basis:

1.	Ms. Sakhee R. Moody (Daughter of Mr. Rajiv C. Moody, Chairman & Managing Director)	Appointment of Ms. Sakhee R. Moody as a Graphics Designer in the Company	Subject to the terms of employment	Ms. Sakhee R. Moody was appointed as a Graphics Designer, with effect from September 1, 2014 on a Salary of ₹ 10,00,000 per annum. She is also entitled to other benefits, if any and subject to other terms and conditions of employment as applicable to other employees of the Company.	Ms. Sakhee R. Moody has completed her BA in Graphic designing from London and MFA Visual Communication from USA. She has prior work experience in the relevant field.	August 28, 2014	Nil	Not Applicable
2.	Sasken Network Engineering Ltd. (Wholly owned subsidiary of the Company)	Renting the 7 <sup>th</sup> floor of the premises of the Company	11 months, viz. November 16, 2014 to October 15, 2015	Renting the 7 <sup>th</sup> floor of the premises of the Company, situated at No. 139/25, Ring Road, Domlur, Bengaluru-560 071. <b>Area</b> - Super built up area of 13,356.17 sq. ft. <b>Rent</b> - ₹ 66.25 per sq. ft. plus Service Tax as applicable. <b>Notice Period for termination</b> - 30 days' written notice by either of the parties. <b>Security Deposit</b> - ₹ 80,00,000	Optimum space utilization and for better co-ordination between companies.	November 10, 2014	Nil	Not Applicable
3.	Sasken Inc., USA (Wholly owned subsidiary of the Company)	Renewal of loan agreement dated March 17, 2010*	One year from October 1, 2014	Renewal of loan agreement dated March 17, 2010 <b>Loan Amount</b> - Up to USD 9 million <b>Interest Rate</b> - Shall be as per the applicable Acts/Regulations <b>Repayment</b> - Either as one-time payment at the end of the term or in any other manner as may be mutually agreed between the parties.	Financial assistance	December 25, 2014	Nil	Not Applicable
4.	Sasken Inc., USA (Wholly owned subsidiary of the Company)	Grant of additional loan up to USD 22 million**	One year from December 30, 2014	Grant of an additional loan of up to USD 22 million <b>Loan Amount</b> - Up to USD 22 million <b>Interest Rate</b> - Shall be as per the applicable Acts/Regulations. <b>Repayment</b> - Either as one-time payment at the end of the term or in any other manner as may be mutually agreed between the parties. <b>Duration of the loan</b> - Not exceeding one year from the date of disbursement.	Financial assistance	December 25, 2014	Nil	Not Applicable

## Annexure to the Board's Report (Contd.)

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
5.	Sasken Finland Oy, Finland (Wholly owned subsidiary of the Company)	Rendering of software services	Ongoing, subject to renewal as per contractual terms	Rendering of software services by the Company to Sasken Finland Oy amounting to EUR 49,768.87.	Utilisation of the available resources and skills	March 26, 2015	Nil	Not Applicable
6.	Sasken Inc., USA (Wholly owned subsidiary of the Company)	Rendering of software services	Ongoing, subject to renewal as per contractual terms	Rendering of software services by the Company to Sasken Inc. amounting to USD 1,502,011.02.	Utilisation of the available resources and skills	March 26, 2015	Nil	Not Applicable
7.	Sasken Inc., USA (Wholly owned subsidiary of the Company)	Provision of collection agent	Ongoing, subject to renewal as per contractual terms	Provision of collection agent by the Company on behalf of Sasken Inc. amounting to USD 14,551.88.	Administrative services	March 26, 2015	Nil	Not Applicable
8.	Sasken Network Engineering Ltd. (Wholly owned subsidiary of the Company)	Rendering of services	Ongoing, subject to renewal as per contractual terms	Rendering of services by Sasken Network Engineering Ltd. to the Company amounting to `1,27,54,750.30 and USD 73,048.50	Utilisation of the available resources and skills	March 26, 2015	Nil	Not Applicable
9.	Sasken Network Engineering Ltd. (Wholly owned subsidiary of the Company)	Rendering of IT Infrastructure services	Ongoing, subject to renewal as per contractual terms	Rendering of IT Infrastructure services by Sasken Network Engineering Ltd. to the Company amounting to `14,81,908.35.	Utilisation of the available resources and skills	March 26, 2015	Nil	Not Applicable
10.	Sasken Finland Oy, Finland (Wholly owned subsidiary of the Company)	Reimbursement of expenses incurred	One time transaction	Reimbursement of expenses incurred by the Company amounting to EUR 20,324.70.	Reimbursement of expenses	March 26, 2015	Nil	Not Applicable
11.	Sasken Inc., USA (Wholly owned subsidiary of the Company)	Reimbursement of expenses incurred	One time transaction	Reimbursement of expenses incurred by the Company amounting to USD 27,968.17.	Reimbursement of expenses	March 26, 2015	Nil	Not Applicable
12.	Sasken Network Engineering Ltd. (Wholly owned subsidiary of the Company)	Reimbursement of expenses incurred	One time transaction	Reimbursement of expenses incurred by the Company amounting to `8,35,597.41.	Reimbursement of expenses	March 26, 2015	Nil	Not Applicable

\* The outstanding debt of USD 6.775 million given to Sasken Inc., was converted into equity capital on March 27, 2015 by subscribing to 29,456,521 shares at a price of USD 0.23 per share (Par value per share is USD 0.01).

\*\* Out of the total loan of USD 22 million, USD 10 million was given to Sasken Inc. on December 30, 2014 and the same was returned on January 5, 2015 by them.

For and on behalf of the Board of Directors

**Rajiv C. Mody**  
Chairman & Managing Director

Place : Bengaluru  
Date : April 23, 2015



## Form No. MGT-9

EXTRACT OF ANNUAL RETURN  
as on the financial year ended on March 31, 2015

## I. REGISTRATION AND OTHER DETAILS:

CIN	L72100KA1989PLC014226
Registration Date	February 13, 1989
Name of the Company	Sasken Communication Technologies Limited
Category/Sub - Category of the Company	Information Technology/IT Enabled Services
Address of the Registered office and contact details	139/25, Ring Road, Domlur, Bengaluru – 560 071, India Ph: +91 80 6694 3000; Fax: +91 80 2535 1309
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Pvt. Ltd. Karvy Selenium, Tower B, Plot 31 -32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032. Tel: +91 40 6716 2222 Toll Free No.: 1 -800 -3454 -001 Fax: +91 40 2300 1153 Contact Person: Mr. K.S. Reddy, Asst. Gen Manager E - mail: einward.ris@karvy.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 –

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1.	Software Development	620	95.3%

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

Sl. No.	Name and address of the Company	CIN/GLN	Holding/subsidiary/Associate	% of shares held	Applicable Section under Co. Act, 2013
1.	Sasken Network Engineering Ltd. 7 <sup>th</sup> Floor, 139/25, Ring Road, Domlur, Bengaluru - 560 071, India	U64202KA2004PLC034773	Subsidiary	100%	2(87)
2.	Sasken Communication Technologies (Shanghai) Co. Ltd. 6F, Tower B, Haoli Building, No. 18, Longqing Street, BDA, Beijing, China 100 176	Not Applicable	Subsidiary	100%	2(87)
3.	Sasken Finland Oy. Vissavedentie 1, P.O. Box 29, FI-69601 Kaustinen, Finland	- do -	Subsidiary	100%	2(87)
4.	Sasken Communication Technologies Mexico S.A. de C.V Rio Mississippi 303 Ote N2-3 Col. del Valle San Pedro Garza Garcia, Nuevo Leon - 66220, Mexico	- do -	Subsidiary	100%	2(87)
5.	Sasken Inc. 3601, Algonquin Road, Suite # 815, Rolling Meadows, Illinois 60008, USA	- do -	Subsidiary	100%	2(87)
6.	ConnectM Technology Solutions Pvt. Ltd. # 562/640, Block A, Ground Floor, Janardhana Towers, Bilekahalli, Bannerghatta Road, Bengaluru - 560 076, India	U64202KA2007PTC043080	Associate	46.29%	2(6)



## Annexure to the Board's Report (Contd.)



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

#### i. Category - wise Shareholding

Category of Shareholder	No. of shares held at the beginning of the year i.e. April 1, 2014				No. of shares held at the end of the year i.e. March 31, 2015				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoter And Promoter Group									
(1) Indian									
(A) Individual/HUF	54,14,356	0	54,14,356	25.45	53,93,112	0	53,93,112	25.27	(0.18)
(B) Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(C) Bodies Corporate	18,07,283	0	18,07,283	8.49	18,07,283	0	18,07,283	8.47	(0.03)
(D) Financial Institutions/Banks	0	0	0	0.00	0	0	0	0.00	0.00
(E) Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub- Total A(1):	72,21,639	0	72,21,639	33.94	72,00,395	0	72,00,395	33.73	(0.21)
(2) Foreign									
(A) Individuals (NRIs/Foreign Individuals)	5,47,596	0	5,47,596	2.57	6,63,375	0	6,63,375	3.11	0.53
(B) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(C) Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(D) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(E) Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub- Total A(2):	5,47,596	0	5,47,596	2.57	6,63,375	0	6,63,375	3.11	0.53
Total A=A(1)+A(2)	77,69,235	0	77,69,235	36.51	78,63,770	0	78,63,770	36.84	0.33
(B) Public Shareholding									
(1) Institutions									
(A) Mutual Funds/UTI	0	0	0	0.00	22,11,355	0	22,11,355	10.36	10.36
(B) Financial Institutions Banks	6,255	0	6,255	0.03	7,750	0	7,750	0.04	0.01
(C) Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(D) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(E) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(F) Foreign Institutional Investors & Portfolio Investors	2,59,610	0	2,59,610	1.22	10,32,694	0	10,32,694	4.84	3.62
(G) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(H) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(I) Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub- Total B(1) :	2,65,865	0	2,65,865	1.25	32,51,799	0	32,51,799	15.23	13.99
(2) Non - Institutions									
(A) Bodies Corporate	21,64,111	0	21,64,111	10.17	17,50,337	0	17,50,337	8.20	(1.97)
(B) Individuals									
(i) Individuals Holding Nominal Share Capital upto ` 1 lakh	43,65,698	1,37,791	45,03,489	21.17	47,12,383	1,22,733	48,35,116	22.65	1.49
(ii) Individuals Holding Nominal Share Capital In Excess of ` 1 lakh	42,84,124	1,61,991	44,46,115	20.90	13,02,794	74,624	13,77,418	6.45	(14.44)
(C) Others									
Clearing Members	1,75,316	0	1,75,316	0.82	60,601	0	60,601	0.28	(0.54)
Directors	5,79,602	0	5,79,602	2.72	4,79,951	0	4,79,951	2.25	(0.48)
Relatives of Directors	1,22,752	100	1,22,852	0.58	5,25,653	100	5,25,753	2.46	1.89
Foreign Nationals	21,649	0	21,649	0.10	40,149	0	40,149	0.19	0.09
Non Resident Indians	8,23,410	3,94,929	12,18,339	5.73	10,48,933	1,01,046	11,49,979	5.39	(0.34)
Trusts	11,000	0	11,000	0.05	10,000	0	10,000	0.05	0.00
(D) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
Sub- Total B(2):	1,25,47,662	6,94,811	1,32,42,473	62.24	99,30,801	2,98,503	1,02,29,304	47.92	(14.31)
Total B=B(1)+B(2):	1,28,13,527	6,94,811	1,35,08,338	63.49	1,31,82,600	2,98,503	1,34,81,103	63.16	(0.33)
Total (A+B) :	2,05,82,762	6,94,811	2,12,77,573	100.00	2,10,46,370	2,98,503	2,13,44,873	100.00	0
(C) Shares Held By Custodians for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C) :	2,05,82,762	6,94,811	2,12,77,573	100.00	2,10,46,370	2,98,503	2,13,44,873	100.00	0

## Annexure to the Board's Report (Contd.)

### ii. Shareholding of Promoters & Promoters Group :

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. April 1, 2014			Shareholding at the end of the year i.e. March 31, 2015			% change in share holding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Chandrakant Jamiyatram Mody	14,86,532	6.99	-	15,40,267	7.22	-	0.23
2	Dhirumati Jhaverchand Jhaveri	8,26,292	3.88	-	8,26,292	3.87	-	-
3	Jyotindra B. Mody	7,36,612	3.46	-	7,36,612	3.45	-	-
4	Rajiv C. Mody as Karta of H.U.F.	5,40,079	2.54	-	5,40,079	2.53	-	-
5	Sejal Pranabh Mody	3,72,231	1.75	-	3,72,231	1.74	-	-
6	Pranabh Dinesh Mody	3,18,506	1.50	-	3,18,506	1.49	-	-
7	Bharati S. Mody	2,30,050	1.08	-	2,30,050	1.08	-	-
8	Dhruv Jhaveri	1,97,166	0.93	-	1,97,166	0.92	-	-
9	Abhishek Madhukar Jhaveri	1,05,000	0.49	-	1,05,000	0.49	-	-
10	Vrajraj Madhukar Jhaveri	99,900	0.47	-	99,900	0.47	-	-
11	Madhukar J. Jhaveri	98,625	0.46	-	98,625	0.46	-	-
12	Mahendra J. Jhaveri	87,179	0.41	-	66,179	0.31	-	(0.10)
13	Malti Jhaveri	62,166	0.29	-	62,166	0.29	-	-
14	Purvi Uday Asher	60,077	0.28	-	60,077	0.28	-	-
15	Nayna Chandrakant Mody	53,735	0.25	-	0	0.00	-	(0.25)
16	Jigna M. Jhaveri	16,928	0.08	-	16,928	0.08	-	-
17	Nila M. Jhaveri	15,683	0.07	-	15,683	0.07	-	-
18	Naina M. Jhaveri	14,500	0.07	-	14,500	0.07	-	-
19	Uday M. Asher	11,570	0.05	-	11,570	0.05	-	-
20	Deepali Shirish Mody	10,662	0.05	-	10,662	0.05	-	-
21	Pallavi Bharat Mehta	10,560	0.05	-	10,560	0.05	-	-
22	Dinesh B. Mody	10,254	0.05	-	10,254	0.05	-	-
23	Brinda Madhukar Jhaveri	10,000	0.05	-	10,000	0.05	-	-
24	Hiralaxmi H. Desai	6,958	0.03	-	6,958	0.03	-	-
25	Dipak Harkisan Desai	6,443	0.03	-	6,443	0.03	-	-
26	Jinali Pranabh Mody	6,236	0.03	-	6,236	0.03	-	-
27	Rupa M. Udani	5,744	0.03	-	5,500	0.03	-	(0.00)
28	Dhimant Harkisan Desai	5,143	0.02	-	5,143	0.02	-	-
29	Asha Dipak Desai	2,325	0.01	-	2,325	0.01	-	-
30	Pramila Yashvant Chokshi	2,000	0.01	-	2,000	0.01	-	-
31	Shirish B. Mody	1,500	0.01	-	1,500	0.01	-	-
32	Bharat P Mehta	1,250	0.01	-	1,250	0.01	-	-
33	Niraj Dipak Desai	1,025	0.00	-	1,025	0.00	-	-
34	Niranjana Sanghvi	600	0.00	-	600	0.00	-	-
35	Dr Dilip S Mehta	400	0.00	-	400	0.00	-	-
36	Kantaben Vinaychandra Gosalia	400	0.00	-	400	0.00	-	-
37	Kumud D. Mody	25	0.00	-	25	0.00	-	-
38	Lekar Pharma Limited	7,22,552	3.40	-	7,22,552	3.39	-	-
39	Dinesh Mody Ventures LLP	1,34,284	0.63	-	1,34,284	0.63	-	-
40	Kumud Mody Ventures LLP	1,34,284	0.63	-	1,34,284	0.63	-	-
41	Shirish Mody Enterprises LLP	1,34,284	0.63	-	1,34,284	0.63	-	-
42	J B Mody Enterprises LLP	1,34,268	0.63	-	1,34,268	0.63	-	-
43	Ansuya Mody Enterprises LLP	1,34,029	0.63	-	1,34,029	0.63	-	-
44	Bharati Mody Ventures LLP	1,34,017	0.63	-	1,34,017	0.63	-	-
45	Ifiunik Pharmaceuticals Ltd	1,16,000	0.55	-	1,16,000	0.54	-	-

## Annexure to the Board's Report (Contd.)



Sl. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. April 1, 2014			Shareholding at the end of the year i.e. March 31, 2015			% change in share holding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged/encumbered to total shares	
46	Unique Pharmaceuticals Labs Ltd	1,11,000	0.52	-	1,11,000	0.52	-	-
47	Synit Drugs Pvt Ltd	52,500	0.25	-	52,500	0.25	-	-
48	Namplas Chemicals Pvt Ltd	65	0.00	-	65	0.00	-	-
49	Arti R. Mody	1,59,469	0.75	-	2,49,469	1.17	-	0.42
50	Sakhee R. Mody	1,56,552	0.74	-	1,56,552	0.73	-	-
51	Naman R. Mody	1,37,894	0.65	-	1,37,894	0.65	-	-
52	Nilima Rajesh Doshi	82,671	0.39	-	1,08,450	0.51	-	0.12
53	Rajiv C. Mody	11,010	0.05	-	11,010	0.05	-	-
	<b>Total</b>	<b>77,69,235</b>	<b>36.51</b>	<b>-</b>	<b>78,63,770</b>	<b>36.84</b>	<b>-</b>	<b>0.33</b>

### iii. Change in Promoters' Shareholding

Sl. No.	Shareholder's Name	*Date	Reason	Shareholding at the beginning of the year i.e. April 1, 2014		Cumulative shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Chandrakant Jamiyatram Mody	01 - Apr - 2014	At the beginning of the year	14,86,532	6.99	14,86,532	6.99
		08 - Aug - 2014	The joint holder became the sole holder upon the death of 1 <sup>st</sup> holder			15,40,267	7.22
		31 - Mar - 2015	At the end of the year			15,40,267	7.22
2.	Mahendra J. Jhaveri	01 - Apr - 2014	At the beginning of the year	87,179	0.41	87,179	0.41
		13 - Jun - 2014	Market Sale			82,179	0.39
		23 - Jan - 2015	Market Sale			72,179	0.34
		30 - Jan - 2015	Market Sale			70,179	0.33
		13 - Feb - 2015	Market Sale			66,179	0.31
		31 - Mar - 2015	At the end of the year			66,179	0.31
		01 - Apr - 2014	At the beginning of the year	53,735	0.25	53,735	0.25
3.	Nayna Chandrakant Mody	08 - Aug - 2014	The joint holder became the sole holder upon the death of 1 <sup>st</sup> holder			0	0.00
		31 - Mar - 2015	At the end of the year			0	0.00
		01 - Apr - 2014	At the beginning of the year	5,744	0.03	5,744	0.03
4.	Rupa M. Udani	19 - Sep - 2014	Market Sale			5,500	0.03
		31 - Mar - 2015	At the end of the year			5,500	0.03
		01 - Apr - 2014	At the beginning of the year	1,59,469	0.75	1,59,469	0.75
5.	Arti R. Mody	30 - Jan - 2015	Received as gift			2,49,469	1.17
		31 - Mar - 2015	At the end of the year			2,49,469	1.17
		01 - Apr - 2014	At the beginning of the year	82,671	0.39	82,671	0.39
6.	Nilima Rajesh Doshi	12 - Dec - 2014	Market Purchase			84,336	0.40
		19 - Dec - 2014	Market Purchase			98,071	0.46
		30 - Jan - 2015	Market Purchase			1,08,000	0.51
		13 - Feb - 2015	Market Purchase			1,08,450	0.51
		31 - Mar - 2015	At the end of the year			1,08,450	0.51
		01 - Apr - 2014	At the beginning of the year				

\* Date indicated herein were the week in which the transactions were executed

## Annexure to the Board's Report (Contd.)

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

Sl. No.	Names*	Shareholding at the beginning of the year i.e. April 1, 2014		Cumulative shareholding during the year	
		No. of Shares	% of the total shares of the Company	No. of Shares	% of the total shares of the Company
1	Ashish Dhawan	20,50,344	9.64	0	0
2	Bajaj Allianz Life Insurance Company Ltd.	11,40,294	5.36	10,40,294	4.87
3	Bipin Turakhia	5,20,145	2.44	4,30,145	2.02
4	Nirav Shirish Mody	4,05,015	1.90	4,05,015	1.90
5	Badruddin Agarwala	2,44,092	1.15	2,44,092	1.14
6	Acadian Emerging Markets Portfolio	1,75,093	0.82	1,75,093	0.82
7	Manek Bhanshali	1,44,787	0.68	0	0
8	Mohan Kapoorchand Jain	1,31,259	0.62	50,000	0.23
9	Payal Bhanshali	1,22,500	0.58	0	0
10	Durriyah Khorakiwala	1,15,108	0.54	1,15,108	0.54
	<b>Total</b>	<b>50,48,637</b>	<b>23.73</b>	<b>24,59,747</b>	<b>11.52</b>

\* The shares of the Company are traded on a daily basis and hence the date wise increase/decrease in shareholding is not indicated. Shareholding is consolidated based on permanent account number (PAN) of the shareholder.

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

Sl. No.	Names	Shareholding at the beginning of the year i.e. April 1, 2014		Shareholding at the end of the year i.e. March 31, 2015	
		No. of Shares	% of the total shares of the Company	No. of Shares	% of the total shares of the Company
1	Mr. Rajiv C. Mody	11,010	0.05	11,010	0.05
2	Mr. Anjan Lahiri	10,823	0.05	0	0
3	Dr. Ashok Jhunjhunwala	36,970	0.17	40,070	0.19
4	Mr. Bansi S. Mehta	5,929	0.03	5,929	0.03
5	Mr. Bharat V. Patel	20,000	0.09	20,000	0.09
6	Mr. J.B. Mody	7,36,612	3.46	7,36,612	3.45
7	Prof. J. Ramachandran	7,200	0.03	7,200	0.03
8	Mr. Kiran S. Karnik	0	0	0	0
9	Mr. Pranabh D. Mody	3,18,506	1.50	3,18,506	1.49
10	Mr. Sanjay M. Shah	12,882	0.06	12,882	0.06
11	Dr. G. Venkatesh	3,30,556	1.55	2,63,628	1.24
12	Mr. Krishna J. Jhaveri	0	0	0	0
13	Ms. Neeta S. Revankar	1,55,242	0.73	1,30,242	0.61
14	Mr. S. Prasad	4,729	0.02	4,729	0.02
	<b>Total</b>	<b>16,50,459</b>	<b>7.76</b>	<b>15,50,808</b>	<b>7.27</b>

### vi. Change in Directors and Key Managerial Personnel s' Shareholding

Sl. No.	Shareholder's Name	*Date	Reason	Shareholding at the beginning of the year i.e. April 1, 2014		Cumulative shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Dr. Ashok Jhunjhunwala	01 - Apr - 2014	At the beginning of the year	36,970	0.17	36,970	0.17
		23 - May - 2014	Exercise of ESOP			40,570	0.19
		14 - Nov - 2014	Market Sale			40,070	0.19
		31 - Mar - 2015	At the end of the year			40,070	0.19
2.	Mr. Anjan Lahiri	01 - Apr - 2014	At the beginning of the year	10,823	0.05	10,823	0.05
		30 - Sep - 2014	Market Sale			0	0.00
		31 - Mar - 2015	At the end of the year			0	0.00

## Annexure to the Board's Report (Contd.)



Sl. No.	Shareholder's Name	*Date	Reason	Shareholding at the beginning of the year i.e. April 1, 2014		Cumulative shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3.	Dr. G. Venkatesh	01 - Apr - 2014	At the beginning of the year	3,30,556	1.55	3,30,556	1.55
		01 - Aug - 2014	Market Sale			3,00,845	1.41
		05 - Sep - 2014	Market Sale			2,72,797	1.28
		12 - Sep - 2014	Market Sale			2,63,628	1.24
		31 - Mar - 2015	At the end of the year			2,63,628	1.24
4.	Ms. Neeta S. Revankar	01 - Apr - 2014	At the beginning of the year	1,55,242	0.73	1,55,242	0.73
		05 - Sep - 2014	Market Sale			1,35,242	0.63
		12 - Sep - 2014	Market Sale			1,30,242	0.61
		31 - Mar - 2015	At the end of the year			1,30,242	0.61

\* Date indicated here were the week in which the transactions were executed

### vii. INDEBTEDNESS:

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid			None	
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				
<b>Change in Indebtedness during the financial year</b>				
• Addition				
• Reduction			None	
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid			None	
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				

### viii. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole Time Directors and/or Manager:

(` In lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager					Total Amount
		Rajiv C. Mody	Anjan Lahiri*	Neeta S. Revankar	G. Venkatesh**	Krishna J. Jhaveri	
1.	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income - tax Act, 1961	78.41	45.75	55.81	28.49	25.80	234.26
	(b) Value of perquisites u/s 17(2) of the Income - tax Act, 1961	-	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income - tax Act, 1961	-	-	-	-	-	-
2.	Stock Option	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-
4.	Commission - as % of profit - others	-	-	-	-	-	-
5.	Others	-	-	-	-	-	-
	<b>Total (A)</b>	<b>78.41</b>	<b>45.75</b>	<b>55.81</b>	<b>28.49</b>	<b>25.80</b>	<b>234.26</b>
	Ceiling as per the Act (@10% of profits calculated under Section 198 of the Act)						2,945.69

\* for the period April 1, 2014 to September 23, 2014

\*\* for the period April 1, 2014 to January 19, 2015

## Annexure to the Board's Report (Contd.)

### Remuneration to other directors:

#### 1. Independent Directors

(<sup>^</sup> In lakhs)

Sl. No.	Particulars of Remuneration	Fee for attending Board/Committee Meetings	Commission	Others, please specify	Total Amount
<b>Independent Directors</b>					
1.	Dr. Ashok Jhunjunwala	1.70	25.00	-	26.70
2.	Mr. Bansi S. Mehta	1.00	22.00	-	23.00
3.	Mr. Bharat V. Patel	0.60	12.00	-	12.60
4.	Prof. J. Ramachandran	1.50	25.00	-	26.50
5.	Mr. Kiran S. Karnik	0.40	10.00	-	10.40
6.	Mr. Sanjay M. Shah	0.80	8.00	-	8.80
	<b>Total (1)</b>	<b>6.00</b>	<b>102.00</b>	<b>-</b>	<b>108.00</b>
<b>Non - Executive Directors</b>					
1.	Mr. J.B. Mody	0.20	-	-	0.20
2.	Mr. Pranabh D. Mody	1.30	-	-	1.30
	<b>Total (2)</b>	<b>1.50</b>	<b>-</b>	<b>-</b>	<b>1.50</b>
	<b>Total (B)=(1+2)</b>	<b>7.50</b>	<b>102.00</b>	<b>-</b>	<b>109.50</b>
	Total Managerial Remuneration	7.50	102.00	-	109.50
	Ceiling as per the Act (@ 1% of profits calculated under Section 198 of the Companies Act, 2013)				294.57

#### B. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(<sup>^</sup> In lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		Mr. S. Prasad	Total
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income - tax Act, 1961	19.70	19.70
	(b) Value of perquisites u/s 17(2) of the Income - tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income - tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	- as % of profit	-	-
	- others	-	-
5.	Others	-	-
	<b>Total</b>	<b>19.70</b>	<b>19.70</b>

#### ix. PENALTIES /PUNISHMENT /COMPOUNDING OF OFFENCES:

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

Annexure H1

#### PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

#### I. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Name	Designation	Ratio
Mr. Rajiv C. Mody	Chairman & Managing Director	36.53
Mr. Anjan Lahiri	Chief Executive Officer*	-
Dr. Ashok Jhunjunwala	Independent Director	2.83
Mr. Bansi S. Mehta	Independent Director	2.49
Mr. Bharat V. Patel	Independent Director	1.36

## Annexure to the Board's Report (Contd.)



Name	Designation	Ratio
Mr. J.B. Mody	Non - Executive Director	-
Mr. Kiran S. Karnik	Independent Director	1.13
Mr. Krishna J. Jhaveri	Whole Time Director	3.24
Ms. Neeta S. Revankar	Whole Time Director & CFO	20.29
Mr. Pranabh D. Mody	Non - Executive Director	-
Prof. J. Ramachandran	Independent Director	2.83
Mr. Sanjay M. Shah	Independent Director	0.90
Dr. G. Venkatesh	Non - Executive Director**	6.84
Mr. S. Prasad	Associate Vice President & Company Secretary	2.46

\* Mr. Anjan Lahiri ceased to be director effective September 23, 2014

\*\* Dr. G. Venkatesh ceased to be an executive director effective January 19, 2015

### II. The percentage increase in remuneration of each director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:

Name	Designation	% Increment
Mr. Rajiv C. Mody	Chairman & Managing Director	154.3%
Mr. Anjan Lahiri	Chief Executive Officer*	-
Dr. Ashok Jhunjunwala	Independent Director	92.3%
Mr. Bansi S. Mehta	Independent Director	69.2%
Mr. Bharat V. Patel	Independent Director	71.4%
Mr. J.B. Mody	Non - Executive Director	-
Mr. Kiran S. Karnik	Independent Director	66.7%
Mr. Krishna J. Jhaveri	Whole Time Director	(28.9)%
Ms. Neeta S. Revankar	Whole Time Director & CFO	102.7%
Mr. Pranabh D. Mody	Non - Executive Director	-
Prof. J. Ramachandran	Independent Director	56.3%
Mr. Sanjay M. Shah	Independent Director	166.7%
Dr. G. Venkatesh	Non - Executive Director	36.6%
Mr. S. Prasad	Associate Vice President & Company Secretary	6.7%

\* Mr. Anjan Lahiri was a director for the part of the year and hence not able to determine the increment.

### III. The percentage increase in the median remuneration of employees in the financial year:

The median remuneration of the employees in the financial year was increased by 4.1%. The calculation of % Increase in Median Remuneration is done based on comparable employees.

### IV. The number of permanent employees on the rolls of the Company:

There were 1,776 permanent employees on rolls as on March 31, 2015.

### V. The explanation on the relationship between average increase in remuneration and company performance:

Factors considered while recommending salary increase:

1. External Equity: Sasken benchmarks its median salary for different bands and job family's vis - à - vis our comparator. Each Job family, within each band has a pay range accordingly. The proposed increases for each band are based on how far the company is from the median. The compensation strategy is to peg our median to market median.
2. Internal Parity: Pay ranges are mapped to defined bands and job families. Compensation grid accounting for performance and compensation fit. Restricting new employee offers to on or below median as far as possible.
3. Differentiation: Compensation is connected to Performance ratings. Higher the performance and one would see higher increments.
4. Affordability: This pillar ties all the other pillars based on business reality, visibility and ensures compensation programs are aligned to business expectations.

### VI. Comparison of the remuneration of the Key Managerial Personnel against the performance of the company:

Ratio of total remuneration of all key managerial personnel on the annual profit of FY '15 was 4.18%.

## Annexure to the Board's Report (Contd.)

### VII. Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current FY and previous FY and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer:

The Market capitalization of the Company has increased/decreased from ` 38,980.13 lakhs as of March 31, 2014 to ` 46,489.13 as of March 31, 2015. Over the same period, the price to earnings ratio moved from 6.3x to 2.9x. The Stock price as at March 31, 2015 has decreased by ` 42.10 to ` 217.80 over the last public offering, i.e. IPO in August 2005 at the price of ` 260.00 per share.

### VIII. 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 employees have got an average increase of 6.4%, Key managerial personnel have seen an average increase of 54.3% in remuneration of FY '15 over FY '14, the increase is mainly on account of variable pay which is linked to improvement in profits generated by the Company.

### IX. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company:

Name	Designation	% of annual remuneration on net profit
Mr. Rajiv C. Mody	Chairman & Managing Director	2.0%
Mr. Anjan Lahiri*	Chief Executive Officer	-
Mr. Krishna J. Jhaveri	Whole Time Director	0.2%
Ms. Neeta S. Revankar	Whole Time Director & Chief Financial Officer	1.1%
Dr. G. Venkatesh	Non - Executive Director	0.4%
Mr. S. Prasad	Associate Vice President & Company Secretary	0.1%

\* Anjan Lahiri was a director for the part of the year and hence not determinable

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

The broad factors and guidelines considered for the Performance Bonus are:

1. Annual Performance Review based on the Key Result Areas (KRAs)/measurable Key Performance Indicators (KPIs).
2. Financial outcomes and profitability of the company

Compensation shall be subject to review and approval by the Nomination and Remuneration Committee wherein majority of the directors are independent directors.

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

None

### XII. Affirmation that the remuneration is as per the remuneration policy of the company:

Yes, it is as per the total rewards philosophy of the Company.

### XIII. Other Notes

1. Remuneration means Total salary (fixed + variable pay) at target 100%; excludes gratuity, stock options, insurance premiums but includes company contribution of PF.
2. Salaries denominated other than in Indian rupees are converted to Indian rupee based on exchange rate as on March 31, 2015.



## Annexure to the Board's Report (Contd.)



### Annexure H2

The information required under Rule 5(2) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

Sl. No.	Employee Name	Designation	Educational Qualification	Age (in years)	Experience (in years)	Date of Joining	Total remuneration paid during the year (in `)	Previous employment and designation
1.	Anjan Lahiri*	Whole Time Director & Chief Executive Officer	B.E., MBA	49	25	August 19, 2013	48,05,554	MindTree Ltd., Co-Founder
2.	Gajendra Singh Hiran	Vice President - Communication & Devices	B.E.	40	18	March 17, 2014	1,05,98,746	Pitney Bowes India Pvt. Ltd., Director
3.	Jagadish Iyengar	Vice President - Applications & Data Practice	B.Tech	42	20	March 3, 2014	1,08,08,939	Collabera Solutions Pvt. Ltd., Vice President
4.	Ketan Goswami*	Associate Vice President - HR	MBA	40	12	July 16, 2007	12,17,812	Mafoi Managment Consultants, Training Specialist (Team Lead)
5.	Milind Gandhe*	Business Line Manager	M.Tech., Ph.D.	47	20	September 4, 1995	37,04,247	IIT Bombay, Senior Software Engineer
6.	Nagamani Murthy	Regional Delivery Head	B.E.	54	24	September 5, 2011	67,49,775	Wipro Technologies Ltd., Vice President
7.	Rajiv C. Mody	Chairman & Managing Director	B.E., M.S.	57	34	April 1, 1989	83,25,004	VLSI Technology Inc, Senior Software Engineer
8.	Udathu Venkata Ramana*	Senior Vice President	M.E.	51	29	April 3, 2014	62,61,385	Infosys Ltd., Associate Vice President

\* Employed for part of the year.

#### Notes:

- Total remuneration includes salary, allowances, perquisites (other than perquisites arising on account of exercising of ESOP), incentives and Company's contribution to Provident and other funds.
- The nature of employment is contractual in all the above cases.
- None of the above mentioned employees is a relative of any director of the Company.
- In terms of the proviso to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, particulars of employees posted and working in a country outside, India not being directors or their relatives, drawing more ` 60 lakhs per financial year or ` 5 lakhs per month, as the case may be, have not been included in the above statement.

## Sasken Quality, Information Security and Environment Policy

Sasken Management along with all Sasians is committed to define, implement and continuously improve quality, information security and environment management systems spanning products and services.

### Quality

Sasken's Quality philosophy stems from its Vision:

"To be a global leader in R&D services by being the partner of choice for customers through superior offerings and operational excellence while being the employer of choice".

To uphold the highest levels of Customer Centricity and ensure that customers stay competitive at all times, Sasken has established the following tenets:

- Best-in-class systems and processes enabling faster, superior and cost effective solutions.
- People first approach ensuring we hire, retain and continuously develop our talent pool.
- Lean and agile methodologies to ensure the best response time and throughput.
- Supportive environment to promote a culture of innovation.
- Integrity and respect for individual to foster an environment of trust and collaboration.
- Collaboration with supply chain ensuring adherence to Sasken quality processes.

### Information Security

- Establish, maintain and continuously improve Information Security systems by ensuring confidentiality, integrity and availability of information assets belonging to Company, its customers, partners and suppliers as per the Sasken Risk Assessment Framework.
- Take into account Business and Legal or regulatory requirements and contractual security obligations, as appropriate, periodically.

### Environment

- Continuously strive for pollution prevention and environmental performance improvements.
- Comply with all applicable legal, health, safety and other requirements while demonstrating corporate citizenship on an ongoing basis.

**Rajiv C. Mody**  
Chairman & Managing Director

## The Year at a Glance - Consolidated (Non GAAP)



For the year	March 31, 2015		March 31, 2014	
	₹ lakhs	K US \$	₹ lakhs	K US \$
Exports	28,866.09	46,236.89	35,074.84	58,972.16
Domestic Sales	13,934.90	22,320.53	10,728.09	18,037.39
Other Income and Exchange Gain/(Loss)	2,193.80	3,513.97	3,152.97	5,301.16
Profit Before Interest, Taxes, Depreciation and Amortization (PBIDTA)	3,224.54	5,164.98	5,338.75	8,976.17
PBIDTA as a Percentage of Revenue	8%	8%	12%	12%
Profit Before Exceptional items	4,284.71	6,863.13	7,217.25	12,134.53
Exceptional items	17,333.30	27,763.98	-	-
Profit/(Loss) Before Taxes (PBT)	21,618.01	34,627.11	7,217.25	12,134.53
Profit/(Loss) After Tax (PAT)	11,956.44	19,151.49	5,147.17	8,654.06
Earnings Per Share ... Basic (in ₹ /US \$) <sup>1</sup>	56.11	0.90	24.36	0.41
Earnings Per Share ... Diluted (in ₹ /US \$) <sup>1</sup>	56.05	0.90	24.20	0.41
Equity Dividend Percentage (including Interim & Special Dividends)	270%	270%	320%	320%
Equity Dividend Amount (including Interim & Special Dividends)	5,757.50	9,222.20	6,798.05	11,429.72
Investment in Fixed Assets (Gross)	381.03	609.70	515.59	860.61
PBT as a Percentage of Average Net Worth	51%	51%	17%	17%
PAT as a Percentage of Average Net Worth	28%	28%	12%	12%
Revenue Per Person Year <sup>2</sup>	22.58	36.17	22.37	37.62
<b>At the end of the year</b>				
Total Assets	44,805.38	71,694.34	40,880.85	68,237.11
Fixed Assets (net)	4,266.67	6,827.22	12,686.55	21,176.01
Working Capital	19,747.99	31,599.31	13,725.63	22,910.42
Investment	19,515.07	31,226.61	13,350.96	22,285.03
Other Assets	1,275.65	2,041.20	1,117.71	1,865.65
Total Debt	111.18	177.90	122.68	204.77
Net Worth	44,694.20	71,516.44	40,758.17	68,032.34

<sup>1</sup> Face value of ₹ 10 per share

<sup>2</sup> Quarterly average of all employees including the support staff, numbers are in ₹ lakhs & US \$

Notes : 1) To facilitate comparison figures in US \$ have been arrived at by converting Rupee figures as follows:

- at the average conversion rate for all revenue items
- at the closing rate for all Balance Sheet items

2) Previous year figures have been re-grouped/re-arranged, wherever necessary to conform to the current year's presentation.

## Financial Performance - A Seven Year Snapshot

In Retrospect – Consolidated (Non GAAP)

Amount in ` lakhs

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
<b>(1) Revenue Account</b>							
Sales/Revenue	69,781.33	57,419.31	54,637.97	51,995.83	47,483.08	45,802.93	42,800.99
PBIDTA	16,380.39	10,187.66	9,605.19	7,649.59	4,191.33	5,338.75	3,224.54
Provision for Diminution in Value of Investments	117.71	(85.35)	(45.30)	-	-	-	-
Depreciation & Amortization	3,739.02	3,166.01	3,216.58	2,235.43	1,941.45	1,254.22	1,119.76
PBIT & Exceptional Item	12,523.66	7,107.00	6,433.91	5,414.16	2,249.88	4,084.53	2,104.78
Other Income	(3,539.51)	2,446.58	1,800.22	2,640.99	1,764.33	3,152.97	2,193.80
Interest	381.77	261.35	113.35	60.36	41.34	20.25	13.87
Exceptional Income/(expenses)	(1,519.70)	-	-	-	-	-	17,333.30
Profit/(Loss) Before Tax (PBT)	7,082.68	9,292.23	8,120.78	7,994.79	3,972.87	7,217.25	21,618.01
Income Tax (Including withholding taxes and FBT)	2,852.27	1,740.50	792.59	1,593.99	776.94	2,070.08	9,661.57
Profit/(Loss) After Tax (PAT)	4,230.41	7,551.73	7,328.19	6,400.80	3,195.93	5,147.17	11,956.44
Dividend	1,084.44	1,636.36	1,845.42	1,795.05	1,540.72	6,798.05	5,757.50
<b>(2) Capital Account</b>							
Share Capital	2,711.11	2,711.11	2,618.58	2,601.13	2,095.99	2,127.76	2,134.49
Share Application Money (incl. share warrants)	-	132.00	150.54	13.26	30.16	360.75	-
Reserves and Surplus	45,579.20	49,515.01	39,884.97	43,332.69	39,830.73	38,269.66	42,559.71
Loan Funds	6,372.01	3,405.52	1,249.23	374.83	234.48	122.68	111.18
Gross Block (Incl. Cap Work in Progress & Capital Advances)	49,910.27	48,353.55	48,634.42	49,073.88	49,164.20	53,149.29	43,572.33
Net Block (Incl. Cap Work in Progress & Capital Advances)	31,978.03	28,930.27	13,401.63	13,578.54	12,298.72	12,686.55	4,266.67
Investment	2,019.98	15,906.60	14,872.48	16,669.59	13,914.25	13,350.96	19,515.07
Deferred Tax Asset	216.66	404.51	828.00	1,007.20	1,088.91	1,117.71	1,275.65
Net Current Assets	20,447.65	10,522.26	14,801.21	15,066.58	14,889.48	13,725.63	19,747.99
<b>(3) Other Information</b>							
Total number of Shareholders	45,808	39,034	36,026	35,818	30,977	28,191	28,410



## Financial Performance - A Seven Year Snapshot *(Contd.)*

### In Retrospect - Consolidated (Non GAAP)

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
<b>4) Ratios</b>							
<b>(a) Profitability/Efficiency</b>							
Sales/Total Income (%)	105%	96%	97%	95%	96%	94%	95%
PBIDTA/Total Income (%)	25%	17%	17%	14%	9%	11%	7%
EBITDA/Sales (%)	23%	18%	18%	15%	9%	12%	8%
PBIT & Exceptional Items/Total Income (%)	19%	12%	11%	10%	5%	8%	5%
PBT/Total Income (%)	11%	16%	14%	15%	8%	15%	48%
PAT/Total Income (%)	6%	13%	13%	12%	6%	11%	27%
Return on Average Net Worth (%) (PAT/Average Net Worth) (%)	9%	15%	15%	14%	8%	12%	28%
Return on Average Capital Employed (pre - tax) (PBT+ Interest)/(Average Capital Employed) (%)	16%	19%	17%	18%	10%	17%	51%
Return on Average Capital Employed (post - tax) (PAT + Interest)/(Average Capital Employed) (%)	10%	16%	16%	15%	8%	12%	28%
Sales to Average Net Working Capital	3.5	3.7	4.3	3.5	3.2	3.2	2.6
Total Revenues to Average Total Assets	1.3	1.0	1.1	1.2	1.1	1.1	1.0
Fixed Assets Turnover	2.2	2.0	4.1	3.8	3.9	3.6	10.0
<b>(b) Liquidity</b>							
Net Working Capital to Total Assets	0.4	0.2	0.3	0.3	0.4	0.3	0.4
Average Collection Period (Days)	73	62	65	73	73	72	60
Current Ratio	2.5	1.9	2.4	2.6	2.8	2.6	2.8
<b>(c) Leverage</b>							
Debt - Equity Ratio	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Interest Cover	32.8	27.2	56.8	89.7	54.4	201.7	151.8
Total Assets/Net Worth	1.1	1.1	1.0	1.0	1.0	1.0	1.0
<b>(d) Growth</b>							
Growth in Sales (%)	22%	-18%	-5%	-5%	-9%	-4%	-7%
Growth in PBITDA (%)	107%	-38%	-6%	-20%	-45%	27%	-40%
Net profit Growth (%)	7%	79%	-3%	-13%	-50%	61%	132%

## Independent Auditors' Report

To the Members of Sasken Communication Technologies Limited

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Sasken Communication Technologies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2015, its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 27 to the 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 to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E

per Navin Agrawal  
Partner  
Membership No.: 56102

Place : Bengaluru  
Date : April 23, 2015

## Annexure to the Auditors' Report



The Annexure referred to in our report to the members of Sasken Communication Technologies Limited ('the Company') for the year ended March 31, 2015. We report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) In our opinion and according to the information and explanations given to us, in view of the nature of activities of the Company, the provisions of Clause (ii) relating to inventory is not applicable to the Company and hence not commented upon.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, as represented by the management that some items are of a special nature for which alternative quotations cannot be obtained there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of software products and services. The activities of the Company do not involve purchase of inventory and the sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income - tax, sales - tax, wealth - tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income - tax, wealth - tax, service tax, sales - tax, customs duty, excise duty, value added tax, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income - tax, sales - tax, wealth - tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (` In lakhs)	Period	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	15.91	AY 1999 - 00	Supreme Court
Income Tax Act, 1961	Income Tax	5.81	AY 2000 - 01	Supreme Court
Income Tax Act, 1961	Income Tax	70.57	AY 2001 - 02	Karnataka High Court
Income Tax Act, 1961	Income Tax	185.92	AY 2002 - 03	Income Tax Appellate Tribunal (ITAT)
Income Tax Act, 1961	Income Tax	3.96	AY 2004 - 05	ITAT
Income Tax Act, 1961	Income Tax	41.82	AY 2004 - 05	Karnataka High Court
Income Tax Act, 1961	Income Tax	348.18	AY 2005 - 06	CIT Appeals
Income Tax Act, 1961	Income Tax	70.31	AY 2005 - 06	ITAT
Income Tax Act, 1961	Income Tax	396.94	AY 2006 - 07	Karnataka High Court
Income Tax Act, 1961	Income Tax	35.33	AY 2006 - 07	ITAT
Income Tax Act, 1961	Income Tax	579.13	AY 2008 - 09	Karnataka High Court
Income Tax Act, 1961	Income Tax	700.07	AY 2009 - 10	CIT Appeals
Income Tax Act, 1961	Income Tax	24.35	AY 2009 - 10 & AY 2010 - 11	Karnataka High Court
Income Tax Act, 1961	Income Tax	715.29	AY 2010 - 11	ITAT
KST Act, 1957	KST	275.73	FY 2004 - 05	Karnataka Appellate Tribunal
Finance Act, 1994	Service Tax	2,592.94	FY 2005 - 06 & FY 2006 - 07	Customs Excise and Service Tax Appellate Tribunal (CESTAT)

## Annexure to the Auditors' Report (Contd.)

Name of the Statute	Nature of Dues	Amount (` In lakhs)	Period	Forum where dispute is pending
Finance Act, 1994	Service Tax	123.84	FY 2009 - 10 & FY 2010 - 11	CESTAT
Finance Act, 1994	Service Tax	114.60	FY 2007 - 08 & FY 2008 - 09	CESTAT
Canadian Income Tax Laws	Income Tax for Branches	480.79	FY 2000 - 01 to 2007 - 08	Canadian Revenue Agency
Canadian Income Tax Laws	Income Tax for Branches	122.43	FY 2000 - 01 to 2007 - 08	Ministry of Revenue, Ontario
Canadian Income Tax Laws	Income Tax for Branches	1.29	FY 2010 - 11	Canadian Revenue Agency
Canadian Income Tax Laws	Income Tax for Branches	2.04	FY 2011 - 12	Canadian Revenue Agency
<b>Total</b>		<b>6,907.25</b>		

Of the above, ` 1,144.76 lakhs has been deposited under protest.

- (d) According to the information and explanations given to us, the amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) The Company did not have any term loans outstanding during the year.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E

per Navin Agrawal  
Partner  
Membership No.: 56102

Place : Bengaluru  
Date : April 23, 2015





## Report of the Independent Auditor on the Abridged Financial Statements

To the Members of Sasken Communication Technologies Limited

The accompanying abridged financial statements, which comprise the abridged Balance Sheet as at March 31, 2015, the abridged Statement of Profit and Loss and abridged Cash Flow Statement for the year then ended, and related notes, are derived from the audited standalone financial statements of Sasken Communication Technologies Limited ("the Company") as at and for the year ended March 31, 2015. We expressed an unmodified audit opinion on those financial statements in our report dated April 23, 2015.

The abridged financial statements do not contain all the disclosures required by the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. Reading the abridged financial statements, therefore, is not a substitute for reading the audited standalone financial statements of the Company.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the preparation of a summary of the audited financial statements in accordance with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and accounting principles generally accepted in India.

### Auditor's Responsibility

Our responsibility is to express an opinion on the abridged financial statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, "Engagements to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

### Opinion

In our opinion, the abridged financial statements derived from the audited standalone financial statements of the Company as at and for the year ended March 31, 2015 are a fair summary of those financial statements, in accordance with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and accounting principles generally accepted in India.

For S.R. Battiloi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E

per Navin Agrawal  
Partner  
Membership No.: 56102

Place : Bengaluru  
Date : April 23, 2015

## Abridged Balance Sheet

Amount in ` lakhs

	As at March 31, 2015	As at March 31, 2014
<b>I. EQUITY AND LIABILITIES</b>		
<b>(1) Shareholders' Funds</b>		
(a) Paid up, Equity Share Capital	2,134.49	2,127.76
(b) Reserves and Surplus		
(i) Capital Reserve	132.00	132.00
(ii) Capital Redemption Reserve	888.95	888.95
(iii) Securities Premium Account	6,524.09	6,393.07
(iv) Employee Stock Options Outstanding (Net of deferred compensation cost)	18.61	110.64
(v) General Reserve	4,312.50	2,701.92
(vi) Hedging Reserve	402.09	338.53
(vii) Surplus in Statement of Profit and Loss	30,266.42	22,573.20
(c) Money received against Share Warrants	-	360.75
<b>(2) Non-Current Liabilities</b>		
(a) Long Term Provisions	671.75	712.29
<b>(3) Current Liabilities and Provisions</b>		
(a) Trade Payables	2,241.65	2,616.67
(b) Other Current Liabilities	1,708.63	966.20
(c) Short Term Provisions	5,164.57	3,048.56
<b>Total of (1) to (3)</b>	<b>54,465.75</b>	<b>42,970.54</b>
<b>II. ASSETS</b>		
<b>(4) Non Current Assets</b>		
(a) Fixed Assets		
(i) Tangible Fixed Assets (Original Cost less Depreciation)	4,082.78	4,833.13
(ii) Intangible Fixed Assets (Original Cost less Amortization)	40.14	64.72
(iii) Capital Work - in - Progress (Including Intangible Assets under Development)	1.43	0.17
(b) Non Current Investments		
(i) Unquoted	6,463.91	6,313.98
(ii) Quoted	4,629.08	-
(c) Deferred Tax Asset	1,178.32	980.13
(d) Long Term Loans and Advances		
(i) To Subsidiary Companies	-	4,179.57
(ii) To Others	6,247.50	4,979.35
(e) Other Non Current Assets	250.00	-
<b>(5) Current Assets</b>		
(a) Current Investments		
(i) Unquoted	7,727.23	5,258.04
(ii) Quoted	3,508.45	4,680.00
(b) Inventories	15.68	82.44
(c) Trade Receivables	6,038.29	7,212.48
(d) Cash and Bank Balances		
(i) Cash & Cash Equivalents	1,251.35	1,311.90
(ii) Other Bank Balances	9,749.07	13.24
(e) Short Term Loans and Advances		
(i) To Subsidiary Companies	122.75	125.42
(ii) To Others	1,432.32	1,430.61
(f) Other Current Assets	1,727.45	1,505.36
<b>Total of (4) &amp; (5)</b>	<b>54,465.75</b>	<b>42,970.54</b>

Notes to Abridged Financial Statements form an integral part of Abridged Financial Statements.

As per our report on the Abridged Financial Statements of even date.

For S.R. Batliboi & Co. LLP  
ICAI Firm Registration Number: 301003E  
Chartered Accountants

per Navin Agrawal  
Partner  
Membership No.: 56102

Place : Bengaluru  
Date : April 23, 2015

For and on behalf of the Board of Directors of  
Sasken Communication Technologies Limited

Rajiv C. Mody  
Chairman and Managing Director  
DIN: 00092037

S. Prasad  
Company Secretary

Neeta S. Revankar  
Whole Time Director &  
Chief Financial Officer  
DIN: 00145580

## Abridged Statement of Profit and Loss

Amount in ` lakhs



	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
<b>I. Income</b>		
Revenue from Operations:		
(a) Software Products	332.83	309.71
(b) Software Services	34,343.55	35,083.49
<b>Net revenue from Operations</b>	<b>34,676.38</b>	<b>35,393.20</b>
<b>II. Other Income</b>	<b>2,443.32</b>	<b>6,067.34</b>
<b>III. Total Income (I + II)</b>	<b>37,119.70</b>	<b>41,460.54</b>
<b>IV. Expenditure</b>		
(a) (Increase)/Decrease of Work-in-Progress	66.76	84.70
(b) Employee Benefits Expense	25,860.27	23,928.77
(c) Depreciation and Amortization Expense	1,039.23	953.32
(d) Other Expenses	6,486.80	7,863.40
<b>Total Expenditure (a to d)</b>	<b>33,453.06</b>	<b>32,830.19</b>
<b>V. Profit Before Exceptional Item and Tax (III - IV)</b>	<b>3,666.64</b>	<b>8,630.35</b>
<b>VI. Exceptional Item</b>		
(a) Revenue and interest from litigated items	26,752.99	-
(b) Employee related payments	(1,500.00)	-
(c) Diminution of investment in subsidiaries	(3,536.89)	(1,197.39)
<b>Total (a to c)</b>	<b>21,716.10</b>	<b>(1,197.39)</b>
<b>VII. Profit Before Tax (V - VI)</b>	<b>25,382.74</b>	<b>7,432.96</b>
<b>VIII. Provision for Taxation</b>		
(a) Current Tax	9,683.41	1,754.09
(b) Deferred Tax (credit)	(179.71)	(63.31)
(c) Minimum Alternate Tax Credit entitlement	-	(50.95)
<b>Total (a to c)</b>	<b>9,503.70</b>	<b>1,639.83</b>
<b>IX. Profit After Tax (VII - VIII)</b>	<b>15,879.04</b>	<b>5,793.13</b>
<b>X. Earning Per Share</b>		
Earnings Per Equity Share (EPS) in Rupees (Equity Share par value ` 10 each)		
Before Exceptional Items		
(a) Basic	12.89	33.09
(b) Diluted	12.88	32.87
After Exceptional Items		
(a) Basic	74.52	27.42
(b) Diluted	74.44	27.24
<b>Weighted Average Number of Equity Shares used in computation of</b>		
(a) Basic EPS	2,13,08,543	2,11,25,993
(b) Diluted EPS	2,13,31,249	2,12,67,657

Notes to Abridged Financial Statements form an integral part of Abridged Financial Statements.

As per our report on the Abridged Financial Statements of even date.

For S.R. Batliboi & Co. LLP  
ICAI Firm Registration Number: 301003E  
Chartered Accountants

per Navin Agrawal  
Partner  
Membership No.: 56102

Place : Bengaluru  
Date : April 23, 2015

For and on behalf of the Board of Directors of  
Sasken Communication Technologies Limited

Rajiv C. Mody  
Chairman and Managing Director  
DIN: 00092037

S. Prasad  
Company Secretary

Neeta S. Revankar  
Whole Time Director &  
Chief Financial Officer  
DIN: 00145580

## Abridged Cash Flow Statement

Amount in ` lakhs

	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
1. Cash Flows from Operating Activities	18,224.36	2,239.59
2. Cash Flows from/(used in) Investing Activities	(11,812.13)	4,607.32
3. Cash Flows used in Financing Activities	(6,476.44)	(6,995.61)
4. Net Decrease in Cash and Cash Equivalents	(64.21)	(148.70)
5. Cash and Cash Equivalents at the beginning of the year	1,311.90	1,459.83
6. Effect of translation on closing Cash and Cash equivalents	3.66	0.77
7. Cash and Cash Equivalents at the end of the year	1,251.35	1,311.90

As per our report on the Abridged Financial Statements of even date.

For S.R. Battiboi & Co. LLP  
ICAI Firm Registration Number: 301003E  
Chartered Accountants

per Navin Agrawal  
Partner  
Membership No.: 56102

Place : Bengaluru  
Date : April 23, 2015

For and on behalf of the Board of Directors of  
Sasken Communication Technologies Limited

Rajiv C. Mody  
Chairman and Managing Director  
DIN: 00092037

Neeta S. Revankar  
Whole Time Director &  
Chief Financial Officer  
DIN: 00145580

S. Prasad  
Company Secretary



## Notes to Abridged Financial Statements

### 1. Description of Business

Sasken Communication Technologies Limited ("Sasken" or "the Company") is a leader in providing Engineering R&D and Productized IT services to global Tier - 1 customers in the Communications & Devices, Retail, Insurance and Independent Software space. Sasken's deep domain knowledge and comprehensive suite of services have helped global leaders in verticals such as Semiconductors, Consumer Electronics, Smart Devices, Automotive Electronics, Enterprises and Network Equipment maintain market leadership. In the Retail, Insurance and Independent Software Vendor verticals, Sasken enables customers to rapidly re-architect their suite of IT Application and Infrastructure.

Established in 1989, Sasken has its headquarter in Bengaluru and employs over 2,000 people, operating from state-of-the-art centers in Bengaluru, Pune, Chennai & Hyderabad (India), Kaustinen and Tampere (Finland), Beijing (China), Tokyo (Japan), Greater London (UK), California, Massachusetts, New Jersey and Texas (USA), Bochum (Germany) and Seoul (South Korea). The equity shares of Sasken have been listed on the National Stock Exchange of India Ltd., and BSE Ltd., since its initial public offering in 2005.

### 2. Basis for Preparation

The abridged financial statements have been prepared in accordance with the requirements of sub-Section (1) of Section 136 of the Companies Act, 2013 and Rule 10 of Companies (Accounts) Rules, 2014. These abridged financial statements have been prepared on the basis of the complete set of financial statements for the year ended March 31, 2015. The notes number in the brackets "[ ]" are as they appear in the complete set of financial statements.

The complete set of financial statements have been prepared to comply in all material respects with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014). The financial statements have been prepared under the historical cost convention on an accrual basis, except in case of certain financial instruments which are measured at fair values and in case of assets for which impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company and are consistent with those used during the previous year, other than those disclosed.

Note: - Complete Balance Sheet, Statement of Profit and Loss, other statements and notes thereto prepared as per the requirements of Schedule III to the Companies Act, 2013 are available at the Company's website [www.sasken.com](http://www.sasken.com).

### 3. Investments in Subsidiaries and Joint Ventures

- (a) Sasken has a 46.29% (March 31, 2014, 46.29%) interest in a joint venture company called ConnectM Technology Solutions Pvt. Ltd. ("ConnectM"), incorporated in India, which focuses on end-to-end cycle development & sustenance to the Transportation, Industrial, Utilities and Enterprise markets enabled by Machine-to-Machine (M2M) communications. As at March 31, 2015, the Company has invested ` 1,796.24 lakhs ( March 31, 2014 ` 1,796.24 lakhs) in ConnectM. ConnectM has incurred losses since the date of incorporation. The Company has evaluated its investment in the Joint Venture for the purpose of determination of potential diminution in value, and based on such evaluation and determination, the Company has recognised a provision for diminution in the value of investment in ConnectM as at March 31, 2015 amounting to ` 1,796.24 lakhs (March 31, 2014 ` 1,796.24 lakhs). [Note 25 (a) of main financial statements].
- (b) Sasken has a 50% interest in a joint venture company called TACO Sasken Automotive Electronics Limited (formerly known as TACO Sasken Automotive Electronics Private Limited) ("TSAE") in Pune. The shareholders of TSAE have resolved that the company be wound up voluntarily. Requisite documents have been filed with the Registrar of Companies. Considering the closure of operations of TSAE, the Company has made full provision for diminution in the value of investments in TSAE amounting to ` 767.84 lakhs as on March 31, 2015 (March 31, 2014 ` 767.84 lakhs). [Note 25 (b) of main financial statements].
- (c) The Company has evaluated its investment in Sasken Finland Oy and Sasken Communication Technologies Mexico S. A. de C. V. for the purpose of determination of potential diminution in value of investment and based on such evaluation and determination, the Company has recognized a further provision for diminution in the value of investment for the year ended March 31, 2015 amounting to ` 3,360.14 lakhs (March 31, 2014 Nil) and ` 176.75 lakhs (March 31, 2014 Nil) respectively. [Note 25 (c) of main financial statements].
- (d) The Company has subscribed to 2,94,56,521 shares of Common Stock, USD 0.01 par value of Sasken Inc. at a price of USD 0.23 per share and paid the aggregate amount of USD 67,74,999.83 by the conversion of the existing debt owed by Sasken Inc. [Note 25(d) of main financial statements].

### 4. Capital and other commitments [Note 26 of main financial statements]

- (a) Estimated amount of contracts remaining to be executed on capital account (net of advances) amounted to ` 28.21 lakhs (As at March 31, 2014 ` 15.83 lakhs).
- (b) The Company enters into foreign exchange forward contracts and option contracts to hedge its net foreign currency receivables position including its future receivables. As per the current policy of the Company, the Company takes foreign exchange forward contracts for currencies primarily denominated in the US Dollar and Euro. The Company currently does not have a foreign currency hedge in respect of its investment in subsidiaries outside India.

## Notes to Abridged Financial Statements (Contd.)

The details of outstanding foreign exchange forward contracts entered by the Company and outstanding as on the Balance Sheet date are as under:

Foreign Currency Hedged	Type of Contract	As at March 31, 2015		As at March 31, 2014	
		Amount (In Foreign Currency lakhs)	Avg. Forward Exchange Rate (°)	Amount (In Foreign Currency lakhs)	Avg. Forward Exchange Rate (°)
US Dollar (USD)	Sell	149.49	65.59	125.98	63.91
Euro (EUR)	Sell	24.14	80.08	21.01	88.83

The Company has also taken European style option contracts where by it has option to sell USD Nil (As at March 31, 2014 USD 13.68 lakhs) and EUR 2.00 lakhs at an average strike price ranging between ` 71.00 and ` 81.00, with maturity dates upto Dec 2015 (As at March 31, 2014 EUR Nil).

- (c) The Company has operating leases for office premises that are (a) renewable on a periodic basis and are cancellable by giving a notice period ranging from 1 month to 6 months and (b) renewable on a periodic basis and are non - cancellable for specified periods under arrangements. Rent escalation clauses vary from contract to contract, ranging from 0% to 15%. There are no restrictions imposed by the lease arrangements. There are no sub leases. [Note 42 of main financial statements]

Amount in ` lakhs

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Rent expenses included in Statement of Profit and Loss towards operating leases	587.58	669.38

Future minimum lease obligation under non - cancellable lease contracts amounts to:

Amount in ` lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
Due within one year	54.36	245.78
Due between one to five years	20.00	31.90
Due more than five years	-	-

- (d) **Contingent Liabilities [Note 27 of main financial statements]**

Amount in ` lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
Bank Guarantees	8.96	10.56
Income taxes* (matters pertaining to disputes on tax holiday benefits, transfer pricing and disallowance of certain expenses claimed by the Company)	3,534.60	6,381.29
Indirect taxes* (includes matters pertaining to disputes on VAT /sales tax and service tax)	5,048.23	5,048.23

\* The Company is contesting the demands and based on expert advice, the management believes that its position will likely be upheld in the various appellate authorities/courts. The management believes that the ultimate outcome of this proceeding will not be adverse and such demands have been disclosed as contingent liabilities.

There are certain claims made against the Company by an investee company, which are a subject matter of arbitration proceedings. In the view of the management, such claims are frivolous and are not tenable. No provision has been made for such claims pending completion of legal proceedings as the amount of claims are currently not ascertainable.

### 5. Details of Cash and Bank balances [Note 17 of main financial statements]

Amount in ` lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
Cash on hand	0.81	0.60
Balances with banks - Current accounts	1,169.66	1,240.02
Balances with banks - Unpaid dividend accounts	80.88	71.28
	1,251.35	1,311.90
Other bank balances - bank deposits	9,749.07	13.24
<b>Total</b>	<b>11,000.42</b>	<b>1,325.14</b>

## Notes to Abridged Financial Statements (Contd.)



6. The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006 ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises has been made in the financial statements based on information received and available with the Company. [Note 6 of main financial statements].

### 7. Related Party Disclosures [Note 37 of main financial statements]

#### (a) Following is the list of subsidiary / joint venture companies where control exists:

Particulars	% of holding as at	
	March 31, 2015	March 31, 2014
<b>Subsidiaries</b>		
Sasken Network Engineering Limited ('SNEL')	100.00%	100.00%
Sasken Network Solutions Inc., USA ('SNSI') <sup>1</sup>	-	100.00%
Sasken Communication Technologies Mexico, S.A.de C.V ('Sasken Mexico')	100.00%	100.00%
Sasken Communication Technologies (Shanghai) Co. Ltd. ('Sasken China')	100.00%	100.00%
Sasken Finland Oy ('Sasken Finland') <sup>2</sup>	100.00%	100.00%
Sasken Inc., USA ('Sasken Inc')	100.00%	100.00%
<b>Joint Ventures</b>		
TACO Sasken Automotive Electronics Limited ('TSAE')	50.00%	50.00%
ConnectM Technology Solutions Pvt. Ltd ('ConnectM')	46.29%	46.29%

<sup>1</sup> 100% subsidiary of Sasken Network Engineering Limited which ceases to exist on liquidation during the year ended March 31, 2015.

<sup>2</sup> During the financial year 2012-13, an application was made to Finland Trade Registry for merger of Sasken Communication Technologies Oy (wholly owned subsidiary of the Company) with Sasken Finland Oy (wholly owned subsidiary of Sasken Communication Technologies Oy). The Finland Trade Registry has approved the merger effective April 01, 2013. Pursuant to the merger, 20,197 shares of 1 eur each fully paid up in Sasken Finland Oy have been allotted to the Company in lieu of its holding in Sasken Communication Technologies Oy, Finland.

#### (b) Following is the list of Key Managerial Personnel

Name of the related party	Relationship
Rajiv C. Mody	Chairman, Managing Director and Chief Executive Officer
Krishna J. Jhaveri	Whole Time Director
G. Venkatesh	Non Executive Director*
Neeta S. Revankar	Whole Time Director and Chief Financial Officer
Anjan Lahiri (upto September 23, 2014)	Whole Time Director and Chief Executive Officer

\* Dr. G. Venkatesh, ceased to be a Whole Time Director as on January 19, 2015 and continues in the Board as a Non - Executive Director.

#### (c) Remuneration paid to Key Managerial Personnel

Name of the related party	Amount in ` lakhs	
	Year Ended March 31, 2015	Year Ended March 31, 2014
Rajiv C. Mody	323.25	127.10
Krishna Jhaveri	28.68	40.35
G. Venkatesh	60.55	44.31
Neeta S. Revankar	179.55	88.58
Anjan Lahiri	50.46	61.83
<b>Total</b>	<b>642.49</b>	<b>362.17</b>

The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

## Notes to Abridged Financial Statements (Contd.)

### (d) Balances from subsidiary/joint venture companies:

Amount in ` lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
<b>(i) Investments:</b>		
<b>Equity Share Capital</b>		
- SNEL	305.00	305.00
- Sasken China <sup>1</sup>	706.96	706.96
- Sasken Finland Oy <sup>2</sup>	17,924.67	18,466.13
- Sasken Inc <sup>3</sup>	5,179.43	951.15
- Sasken Mexico <sup>4</sup>	176.75	176.75
- TSAE <sup>5</sup>	520.04	520.04
- ConnectM <sup>6</sup>	1,796.24	1,796.24
<b>Preference Share Capital</b>		
- TSAE <sup>5</sup>	247.80	247.80
<b>(ii) Loans outstanding from</b>		
- Sasken Inc. <sup>7</sup>	-	4,179.57
<b>(iii) Other Receivable for reimbursement of expenses</b>		
- Sasken Finland	-	0.63
- Sasken China	40.56	38.88
- Sasken Inc.	82.19	85.91
<b>(iv) Prepaid Expenses and other recoverables</b>		
- Sasken Inc.	-	3.22
<b>(v) Security deposits</b>		
- SNEL	80.00	-

<sup>1</sup> Provision for diminution in value of investments ` 282.48 lakhs, (As at March 31, 2014 ` 282.48 lakhs).

<sup>2</sup> Provision for diminution in value of investments ` 16,418.52 lakhs, (As at March 31, 2014 ` 13,058.38 lakhs).

<sup>3</sup> Provision for diminution in value of investments ` 951.15 lakhs, (As at March 31, 2014 ` 951.15 lakhs).

<sup>4</sup> Provision for diminution in value of investments ` 176.75 lakhs, (As at March 31, 2014 ` Nil).

<sup>5</sup> Provision for diminution in value of investments ` 767.84 lakhs, (As at March 31, 2014 ` 767.84 lakhs).

<sup>6</sup> Provision for diminution in value of investments ` 1,796.24 lakhs, (As at March 31, 2014 ` 1,796.24 lakhs).

<sup>7</sup> There is no specific repayment schedule for loan granted to subsidiary.

### (e) Trade receivables from, Unbilled Revenue, Trade payables and Deferred revenue for subsidiary companies

Amount in ` lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
<b>(A) Trade receivables outstanding</b>		
- Sasken Finland	-	18.63
- SNSI	-	0.11
- Sasken Inc.	328.04	607.12
<b>(B) Unbilled Revenue</b>		
- Sasken Inc.	2.90	13.23
<b>(C) Trade Payables for goods, expenses and services</b>		
- Sasken Finland	-	68.45
- Sasken Mexico	1.79	1.71
- Sasken China	172.53	165.40
- Sasken Inc.	-	3.51
- SNEL	16.01	270.55
<b>(D) Deferred Revenue</b>		
- Sasken Inc.	137.22	163.77





## Notes to Abridged Financial Statements (Contd.)

- (f) The following table summarizes the transactions of the Company with subsidiary companies/ joint ventures:

Amount in ` lakhs

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
<b>(A) Cross charges for common administrative services, net</b>		
- SNEL	147.60	56.92
- Sasken Finland	16.05	8.68
- Sasken Inc.	15.45	21.74
- SNSI	-	(7.95)
<b>(B) Software Development Services rendered to</b>		
- Sasken Finland	40.01	235.56
- Sasken Inc.	770.04	1,587.04
<b>(C) Selling, Marketing &amp; Administrative expenses recovery</b>		
- Sasken Inc.	-	4.31
<b>(D) Network Support Services (IT Enabled) procured from</b>		
- SNEL	186.62	570.20
<b>(E) Software Development Services procured from</b>		
- Sasken Finland	-	78.14
- Sasken China	-	(35.08)
<b>(F) Interest on Loan charged to</b>		
- Sasken Inc.	148.08	141.71
<b>(G) Dividend Received from</b>		
- Sasken Mexico	-	815.82
- Sasken Finland	1,184.89	2,571.72
- SNEL	-	620.68
<b>(H) Loans given during the year</b>		
- Sasken Inc.	6,307.79	1,117.76
<b>(I) Loans repaid during the year</b>		
- Sasken Inc.	6,462.07	-
<b>(J) Investments in Subsidiaries during the year</b>		
- Sasken Inc.*	4,228.28	-
<b>(K) Assets/Advances acquired</b>		
- SNSI	-	27.68
- Sasken Japan**	-	131.15

\* Loan given in prior years was converted into equity during the year.

\*\* Sasken Japan KK, a wholly owned subsidiary in Japan was liquidated on November 18, 2013.

### 8. Segment Reporting [Note 38 of main financial statements]

The business segmental information is given based on Software Services and Software Products offerings.

#### (a) Business Segment Information

Segmental Balance Sheet

Amount in ` lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Segment Assets</b>		
Software Services	8,142.18	8,872.51
Software Products	30.89	1,022.74
Corporate and Others (Unallocated)	46,292.68	33,075.29
<b>Total</b>	<b>54,465.75</b>	<b>42,970.54</b>

## Notes to Abridged Financial Statements (Contd.)

Amount in ` lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Segment Liabilities</b>		
Software Services	4,003.38	4,309.11
Software Products	59.26	18.65
Liabilities (Unallocated)	5,723.96	3,015.96
<b>Total</b>	<b>9,786.60</b>	<b>7,343.72</b>
<b>Capital Expenditure</b>		
Software Services	124.16	144.52
Software Products	0.70	0.31
Corporate & Others (Unallocated)	242.16	237.25
<b>Total</b>	<b>367.02</b>	<b>382.08</b>

### Segmental Statement of Profit and Loss

Amount in ` lakhs

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
<b>Revenues</b>	<b>34,676.38</b>	<b>35,393.20</b>
Software Services	34,343.55	35,083.49
Software Products	332.83	309.71
<b>Segment Profits</b>	<b>7,978.02</b>	<b>9,611.22</b>
Software Services	7,794.97	9,478.85
Software Products	183.05	132.37
Less :		
Corporate Expenses	6,754.70	7,048.21
<b>Profit from Operations</b>	<b>1,223.32</b>	<b>2,563.01</b>
Add : Other Income, including exchange gain/(loss), net	2,443.32	6,067.34
Profit before exceptional item	3,666.64	8,630.35
Add : Exceptional item	21,716.10	(1,197.39)
<b>Profit Before Taxes</b>	<b>25,382.74</b>	<b>7,432.96</b>
Income taxes including deferred tax	9,503.70	1,639.83
<b>Profit After Tax</b>	<b>15,879.04</b>	<b>5,793.13</b>
<b>Other information :</b>		
<b>Depreciation / Amortization</b>		
Software Services	772.63	734.44
Software Products	27.26	25.85
Corporate and Others	239.34	193.03
<b>Total</b>	<b>1,039.23</b>	<b>953.32</b>

Note: Unallocated corporate assets and liabilities comprise of assets and liabilities not identifiable with reportable segments, as these assets and liabilities are used interchangeably between the segments. However, depreciation on such assets has been allocated to the segments to the extent of the related utilization by the respective segments, as used by management for its internal reporting purposes.

### (b) Geographic Segment Information:

Revenues:

Amount in ` lakhs

Region	Year Ended March 31, 2015	Year Ended March 31, 2014
North America (including Canada)	14,741.91	15,155.20
Europe (including Middle East)	10,006.50	9,535.49
Asia Pacific (other than India)	1,810.85	1,625.73
India	8,117.12	9,076.78
<b>Total</b>	<b>34,676.38</b>	<b>35,393.20</b>

## Notes to Abridged Financial Statements (Contd.)



Assets:

Trade receivables & Unbilled Revenue

Amount in ` lakhs

Region	As at March 31, 2015	As at March 31, 2014
North America (including Canada)	2,493.07	3,745.28
Europe (including Middle East)	2,610.75	2,261.08
Asia Pacific (other than India)	612.60	1,270.10
India	1,811.65	1,441.38
<b>Total</b>	<b>7,528.07</b>	<b>8,717.84</b>

Note: Other than above, rest of the assets are primarily located in India.

### 9. Earnings Per Share (EPS) [Note 39 of main financial statements]

Reconciliation of the net income and number of shares considered in the computation of basic and diluted EPS is given below:

Amount in ` lakhs (except share data)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Profit for computation of basic and diluted EPS	15,879.04	5,793.13
Weighted average number of shares considered for basic EPS	2,13,08,543	2,11,25,993
Add: Effect of stock options/warrants	22,706	1,41,664
Weighted average number of shares considered for diluted EPS	2,13,31,249	2,12,67,657

10. Based on the Special Resolution passed by the Company on November 8, 2013, the Company allotted on preferential basis 12,00,000 convertible warrants, on November 18, 2013, to Ms. Ira Bhaduri in her capacity as Trustee of Lahiri Family Trust, of which Mr. Anjan Lahiri, former Whole Time Director and CEO of the Company, is the Managing Trustee. The allottee was entitled to one equity share of ` 10 each of the Company for each such warrant at a price of ` 120.25 each and 25% of the price amounting to ` 360.75 lakhs was received as application money. The allottee exercised 10,40,000 options and paid ` 937.95 lakhs towards the balance 75% of the application money and as the proposed allotment/conversion was not to be proceeded with, this amount of ` 937.95 lakhs has been refunded and the stock exchanges have been informed about the non - conversion/allotment.

The Company had sought informal guidance from Securities and Exchange Board of India ("SEBI") on whether the 25% should be forfeited or can be refunded and if so, the procedural formalities in connection with that. SEBI vide its letter dated February 23, 2015 expressed its inability to issue any guidance in the matter. The Company was advised that since SEBI has not expressed any opinion despite having placed all the relevant facts and materials, the Company could proceed to effect the refund in its entirety. Accordingly the Board at its meeting held on April 13, 2015 approved refund of the application amount and the interest accrued and the whole amount was paid on April 14, 2015. [Note 33 of main financial statements].

11. During the earlier years, the Company had recognized royalty income of USD 1.67 million (` 880.52 lakhs) in respect of Software Product License granted to a non - Indian licensee, who had purportedly claimed non - usage of the licensed IPR after initial acceptance, which was being contested by the Company. On June 27, 2014, an award was passed in the Company's favour, as per which the non - India licensee was directed to pay USD 31.70 million within 30 days, towards royalties and interest on unpaid royalties and the non - India licensee was also directed to continue to provide royalty reports and pay the contracted royalties on an ongoing basis.

During the year, the Company received a sum of USD 45.31 million towards royalties upto December 2014 and interest on royalties. Of the above, USD 1.67 million was adjusted towards outstanding trade receivables and the balance amount of USD 43.64 million (equivalent to ` 26,752.99 lakhs) was recognized as exceptional revenue. Further, in relation to the above, a provision towards employee payments amounting to ` 1,500.00 lakhs was recorded as an exceptional item. During the year ended March 31, 2015, another arbitration proceeding has been initiated between the Party and the Company and both the parties have preferred certain claims, the amount of which is unascertainable, at present. [Note 41 of main financial statements].

12. During the year, the Company has reassessed the useful life of computers. Accordingly, the written down value of computers as at April 01, 2014, is depreciated on a prospective basis over the remaining estimated useful life. This change in accounting estimate has resulted in increase in depreciation expense for the year ended March 31, 2015 by ` 68.29 lakhs. Further, in case of computers whose useful life on such reassessment had expired as of April 01, 2014, net book value of assets of ` 35.89 lakhs (net of deferred tax of ` 18.48 lakhs) is adjusted against the surplus in the Statement of Profit and Loss as of April 01, 2014. [Note 40 of main financial statements].

## Notes to Abridged Financial Statements *(Contd.)*

### 13. Market value of Quoted Investments

As at March 31, 2015 the aggregate market values of quoted investments is `8,916.88 lakhs (March 31, 2014 `4,966.26 lakhs).

### 14. Comparatives [Note 43 of main financial statements]

Previous year figures have been re-grouped/re-arranged, wherever necessary to conform to the current year's presentation.

As per our report on the Abridged Financial Statements of even date.

For S.R. Batliboi & Co. LLP  
ICAI Firm Registration Number: 301003E  
Chartered Accountants

per Navin Agrawal  
Partner  
Membership No.: 56102

Place : Bengaluru  
Date : April 23, 2015

For and on behalf of the Board of Directors of  
Sasken Communication Technologies Limited

Rajiv C. Mody  
Chairman and Managing Director  
DIN: 00092037

Neeta S. Revankar  
Whole Time Director &  
Chief Financial Officer  
DIN: 00145580

S. Prasad  
Company Secretary



## Independent Auditors' Report

To the Members  
Sasken Communication Technologies Limited

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Sasken Communication Technologies Limited (the "Company") and its subsidiaries and joint venture (together, the "Group") as referred to in Section 129 (3) of the Companies Act, 2013 ("the Act"), which comprise of the consolidated Balance Sheet as at March 31, 2015, the consolidated Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Sasken Group's management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2015, its consolidated profit, and its consolidated cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

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 purpose of our audit;
- (b) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

### Other Matter

We did not audit the consolidated financial statements of a subsidiary and financial statements of two subsidiaries and a joint venture included in the accompanying consolidated financial statements, whose financial statements reflect total assets of ₹ 4,331.24 lakhs as at March 31, 2015, the total revenue (including other income) of ₹ 6,315.06 lakhs for the year ended March 31, 2015 and net cash outflow of ₹ 522.32 lakhs for the year then ended, whose financial statements and other financial information have been audited by other auditors and whose reports have been furnished to us.

Our opinion thus, insofar it relates to amounts included in respect of these subsidiaries and the joint venture is based solely on the reports of the other auditors under the accounting policies generally accepted in respective country and our review of the conversion process followed by management where applicable. Our opinion is not qualified in respect of this matter.

For S.R. Batilboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E

per Navin Agrawal  
Partner  
Membership No.: 56102

Place : Bengaluru  
Date : April 23, 2015

## Consolidated Balance Sheet

Amount in ` lakhs

	Notes	As at March 31, 2015	As at March 31, 2014
<b>EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) Share Capital	3	2,134.49	2,127.76
(b) Reserves and Surplus	4	42,559.71	38,269.66
(c) Money received against Share Warrants		-	360.75
		44,694.20	40,758.17
<b>2. Non Current Liabilities</b>			
(a) Long Term Provisions	5	690.91	770.97
<b>3. Current Liabilities</b>			
(a) Trade Payables	6	2,470.86	2,632.58
(b) Other Current Liabilities	7	2,099.40	1,695.39
(c) Short Term Provisions	8	5,939.51	3,925.16
		<b>10,509.77</b>	<b>8,253.13</b>
<b>Total</b>		<b>55,894.88</b>	<b>49,782.27</b>
<b>ASSETS</b>			
<b>1. Non Current Assets</b>			
(a) Fixed Assets (net)	9		
(i) Tangible Fixed Assets	9a	4,193.82	5,019.40
(ii) Intangible Assets	9b	50.98	7,666.53
(iii) Capital Work - in - Progress		1.43	0.17
		<b>4,246.23</b>	<b>12,686.10</b>
(b) Non Current Investments	10	7,231.32	2,995.50
(c) Deferred Tax Assets	11	1,275.65	1,117.71
(d) Long Term Loans and Advances	12	6,771.42	5,707.26
(e) Other Non Current Assets	13	259.39	93.46
		<b>19,784.01</b>	<b>22,600.03</b>
<b>2. Current Assets</b>			
(a) Current Investments	14	12,283.75	10,355.46
(b) Inventories	15	44.95	209.39
(c) Trade Receivables	16	6,992.91	9,276.07
(d) Cash and Bank Balances	17	12,589.69	3,406.30
(e) Short Term Loans and Advances	18	1,650.02	1,795.44
(f) Other Current Assets	19	2,549.55	2,139.58
		<b>36,110.87</b>	<b>27,182.24</b>
<b>Total</b>		<b>55,894.88</b>	<b>49,782.27</b>

Significant Accounting policies and Notes attached herein form an integral part of the Consolidated financial statements.

As per our report of even date.

For S.R. Batliboi & Co. LLP  
ICAI Firm Registration Number: 301003E  
Chartered Accountants

per Navin Agrawal  
Partner  
Membership No.: 56102

Place : Bengaluru  
Date : April 23, 2015

For and on behalf of the Board of Directors of  
Sasken Communication Technologies Limited

Rajiv C. Mody  
Chairman and Managing Director  
DIN: 00092037

Neeta S. Revankar  
Whole Time Director &  
Chief Financial Officer  
DIN: 00145580

S. Prasad  
Company Secretary

## Consolidated Statement of Profit and Loss



Amount in ` lakhs

	Notes	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
I. Revenue from Operations	20	42,800.99	45,802.93
II. Other Income	21	2,193.80	3,152.97
III. <b>Total Revenue (I+II)</b>		<b>44,994.79</b>	<b>48,955.90</b>
IV. Expenses:			
(Increase)/Decrease in Work-in-Progress	22	131.80	137.88
Purchase of Traded Goods		-	67.51
Consumption of Raw Materials	23	45.96	49.86
Employee Benefit Expense	24	31,500.34	30,604.38
Depreciation and Amortization Expense	9	1,119.76	1,254.22
Other Expenses	25	7,898.35	9,604.55
Finance Cost	26	13.87	20.25
Total Expenses		40,710.08	41,738.65
V. <b>Profit Before Exceptional Items and Tax (III - IV)</b>		<b>4,284.71</b>	<b>7,217.25</b>
VI. <b>Exceptional Items [refer note 27(f), 35 and 36]</b>			
Revenue and Interest from Litigated Items		26,752.99	-
Employee Related Payments		(1,500.00)	-
Impairment of Investment/Goodwill and Other Receivables		(7,919.69)	-
<b>Total</b>		<b>17,333.30</b>	<b>-</b>
VII. <b>Profit Before Tax (V + VI)</b>		<b>21,618.01</b>	<b>7,217.25</b>
VIII. <b>Tax Expense</b>			
Current Tax		9,810.59	2,149.60
Deferred Tax Charge/(credit)		(139.46)	(28.57)
Minimum Alternate Tax Credit entitlement		(9.56)	(50.95)
<b>Total Tax Expense</b>		<b>9,661.57</b>	<b>2,070.08</b>
IX. <b>Profit for the year (VII - VIII)</b>		<b>11,956.44</b>	<b>5,147.17</b>
X. Earnings Per Equity Share (EPS) in Rupees (Equity Share par value ` 10 each)			
Before Exceptional Items :			
Basic		15.05	24.36
Diluted		15.03	24.20
After Exceptional Items :			
Basic		56.11	24.36
Diluted		56.05	24.20
Weighted average number of Equity Shares used in computation of			
Basic EPS		2,13,08,543	2,11,25,993
Diluted EPS		2,13,31,249	2,12,67,657

Significant Accounting policies and Notes attached herein form an integral part of the Consolidated financial statements.

As per our report of even date.

For S.R. Batliboi & Co. LLP  
ICAI Firm Registration Number: 301003E  
Chartered Accountants

per Navin Agrawal  
Partner  
Membership No.: 56102

Place : Bengaluru  
Date : April 23, 2015

For and on behalf of the Board of Directors of  
Sasken Communication Technologies Limited

Rajiv C. Mody  
Chairman and Managing Director  
DIN: 00092037

S. Prasad  
Company Secretary

Neeta S. Revankar  
Whole Time Director &  
Chief Financial Officer  
DIN: 00145580

## Consolidated Cash Flow Statement

Amount in ` lakhs

	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
<b>A. Cash flows from Operating Activities:</b>		
<b>Profit Before Tax</b>	<b>21,618.01</b>	<b>7,217.25</b>
Adjustments for:		
Depreciation and Amortization Expense	1,119.76	1,254.22
Provision for Diminution in value of Investment	409.17	-
Other non - cash (writeback)/Charges	7,231.28	(323.51)
Unrealised Exchange (gain)/loss, net	16.60	(142.39)
Interest Expense	13.87	20.25
Other Income	(3,553.92)	(1,148.66)
Operating Profit before Working Capital Changes	26,854.77	6,877.16
Adjustments for:		
(Increase)/Decrease in Trade Receivables	1,722.79	277.76
(Increase)/Decrease in Inventories	164.44	136.03
(Increase)/Decrease in Other Assets	(1,130.63)	759.88
(Increase)/Decrease in Loans & Advances	34.92	67.30
Increase/(Decrease) in Liabilities	411.53	8.34
Increase/(Decrease) in Provisions	66.26	273.12
Cash generated from Operations	28,124.08	8,399.59
Taxes Paid, net	(8,991.47)	(1,987.64)
<b>Net Cash from Operating Activities</b>	<b>19,132.61</b>	<b>6,411.95</b>
<b>B. Cash flows from Investing Activities:</b>		
Purchase of Fixed Assets	(406.36)	(464.88)
Sale of Fixed Assets	39.93	90.38
Interest Received	2,340.82	16.03
Sale of Investments (Long Term and Short Term)	2,445.04	-
Purchase of Investments (Long Term and Short Term)	(9,943.29)	(4,764.36)
Sale/(Purchase) of Mutual Funds, net	1,995.46	6,635.84
Investment in Bank Deposits	(9,495.55)	(23.33)
Redemption of Bank Deposits	6.32	9.05
<b>Net cash from/(used in) Investing Activities</b>	<b>(13,017.63)</b>	<b>1,498.73</b>



## Consolidated Cash Flow Statement (Contd.)

Amount in ₹ lakhs

	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
<b>C. Cash Flows from Financing Activities:</b>		
Buyback of Shares	-	(195.65)
Proceeds from issuance of share capital on exercise of stock options and share warrants	98.92	596.11
Repayment of Long Term Borrowings	(11.46)	(109.35)
Payment of Dividend Tax	(830.05)	(729.77)
Dividend paid during the year	(5,745.31)	(6,771.78)
Interest paid	(13.91)	(22.70)
<b>Net cash used in financing activities</b>	<b>(6,501.81)</b>	<b>(7,233.14)</b>
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)	(386.83)	677.54
Effect of translation on closing Cash and Cash equivalents	(669.01)	(577.25)
<b>Cash and Cash equivalents at the beginning of the year</b>	<b>3,326.46</b>	<b>3,226.17</b>
<b>Cash and Cash equivalents at the end of the year</b>	<b>2,270.62</b>	<b>3,326.46</b>
<b>Components of cash and cash equivalents:</b>		
Cash on hand	1.49	1.92
Balances with banks - Current accounts	2,188.25	3,253.26
Balances with banks - unpaid dividend accounts*	80.88	71.28
<b>Total Cash and Cash Equivalents as per Note 17</b>	<b>2,270.62</b>	<b>3,326.46</b>
* The Company can utilize these balances only towards settlement of the respective unpaid dividend.		
<b>Supplementary non cashflow information</b>		
Dividends received and re-invested in units of mutual funds	692.81	374.72

As per our report of even date.

For S.R. Batliboi & Co. LLP  
ICAI Firm Registration Number: 301003E  
Chartered Accountants

per Navin Agrawal  
Partner  
Membership No.: 56102

Place : Bengaluru  
Date : April 23, 2015

For and on behalf of the Board of Directors of  
Sasken Communication Technologies Limited

Rajiv C. Mody  
Chairman and Managing Director  
DIN: 00092037

Neeta S. Revankar  
Whole Time Director &  
Chief Financial Officer  
DIN: 00145580

S. Prasad  
Company Secretary

## Notes to Consolidated Financial Statements

### 1. Description of Business

Sasken Communication Technologies Limited (“Sasken” or “the Company”) and its subsidiaries and joint venture (hereinafter collectively referred to as “the Group”) is a leader in providing Engineering R&D and Productized IT services to global Tier-1 customers in the Communications & Devices, Retail, Insurance and Independent Software space. Sasken’s deep domain knowledge and comprehensive suite of services have helped global leaders in verticals such as Semiconductors, Consumer Electronics, Smart Devices, Automotive Electronics, Enterprises and Network Equipment maintain market leadership. In the Retail, Insurance and Independent Software Vendor verticals, Sasken enables customers to rapidly re-architect their suite of IT Application and Infrastructure.

Established in 1989, Sasken has its headquarter in Bengaluru and employs over 2,000 people, operating from state-of-the-art centers in Bengaluru, Pune, Chennai & Hyderabad (India), Kaustinen and Tampere (Finland), Beijing (China), Tokyo (Japan), Greater London (UK), California, Massachusetts, New Jersey and Texas (USA), Bochum (Germany) and Seoul (South Korea). The equity shares of Sasken have been listed on the National Stock Exchange of India Ltd., and BSE Ltd., since its initial public offering in 2005.

### 2. Significant Accounting Policies

#### (a) Basis for preparation of consolidated financial statements

The accompanying consolidated financial statements include the accounts of Sasken and its subsidiaries and joint venture as follows:-

Name of Subsidiary	Country of Incorporation	% Holding	
		March 31, 2015	March 31, 2014
Sasken Network Engineering Limited (SNEL)	India	100.00%	100.00%
Sasken Network Solutions Inc. (SNSI)*	USA	-	100.00%
Sasken Communication Technologies, S.A. de C.V (Sasken Mexico)	Mexico	100.00%	100.00%
Sasken Communication Technologies (Shanghai) Co. Ltd. (Sasken China)	China	100.00%	100.00%
Sasken Finland Oy (Sasken Finland)**	Finland	100.00%	100.00%
Sasken Inc. (Sasken USA)	USA	100.00	100.00

\* Fully held by SNEL. Also refer note 27(e)

\*\* Refer note 27(d)

Name of Joint Venture	Country of Incorporation	% Holding	
		March 31, 2015	March 31, 2014
ConnectM Technology Solutions Pvt. Ltd. (ConnectM)	India	46.29%	46.29%

The consolidated financial statements have been prepared in accordance with accepted accounting principles in India (Indian GAAP) and complies in all material respects with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared under the historical cost convention on an accrual basis, except in case of certain financial instruments which are measured at fair values and in case of assets for which impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Group and are consistent with those used during the previous year, other than those disclosed.

The consolidated financial statements have been prepared based on a line-by-line consolidation of the financial statements of Sasken and its subsidiary companies and proportionate consolidation of the assets, liabilities, income and expenses of the joint venture, in accordance with Accounting Standard (AS) 21 ‘Consolidated Financial Statements’ and AS 27, Financial Reporting of Interests in Joint Ventures. All material inter-company transactions and balances between the entities included in the consolidated financial statements have been eliminated. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The excess of the cost to the Group of its investments in subsidiaries and joint venture, over its proportionate share in equity of the investee company as at the date of acquisition, is recognized in the financial statements as Goodwill. In case the cost of investment in subsidiary companies and joint venture is less than the proportionate share in equity of the investee company as on the date of investment, the difference is treated as capital reserve and shown under Reserves and Surplus.

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management’s best knowledge of current events and actions the Group may undertake in future, actual outcomes ultimately may differ from the estimates.



## Notes to Consolidated Financial Statements (Contd.)

### (b) Change in accounting policy

#### Employee Stock Option Plan

In view of the amendment to SEBI (Share Based Employee Benefits) Regulations, 2014, effective from October 1, 2014, the compensation expense in respect of options lapsed/forfeited is now credited to General Reserve. Such compensation expense was earlier credited to the Statement of Profit and Loss as per the erstwhile SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. Had the Company continued to follow the earlier accounting policy of crediting to the Statement of Profit and Loss, then the profit and loss after tax for the current year would have been higher by ₹ 22.68 lakhs and general reserve would have been lower by the same amount.

### (c) Fixed Assets (including intangible assets)

Fixed assets including intangible assets are stated at cost, less accumulated depreciation/amortization less impairment, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets, which necessarily take substantial period of time to get ready for intended use, are also included to the extent they relate to the period till such assets are ready to be put to use. Cost of fixed assets not ready for their intended use before balance sheet date are disclosed under capital work in progress.

### (d) Depreciation/Amortization

Based on an independent assessment, the management has estimated the useful lives of the following classes of assets, which are lower than or equal to those indicated in Schedule II. Depreciation is provided on Straight Line Method (SLM), over the estimated useful life of the asset, as follows:

Type of asset	In years	
	Estimated life (SLM)	Schedule II Estimated life (SLM)
Building	20	60
Computers	3	3
Electrical Fittings	5	10
Furniture & Fixtures	10	10
Plant & Equipment	5	15
Office Equipment	5	5
Vehicles	5	5

Leasehold improvements at leased premises are depreciated on SLM, over the estimated useful life (not exceeding 10 years) or the lease period, whichever is lower.

Assets with unit value of ₹ 5,000 or less are depreciated entirely in the period of acquisition, except in case of Sasken Finland and its subsidiaries where the assets with unit value of Euro 5,000 or less are depreciated entirely in the period of acquisition.

Intangible assets comprise of the following and except otherwise mentioned, are amortized over the estimated useful life, on a straight line basis, as given below:

1. Goodwill arising on consolidation is not amortized but is tested for impairment in accordance with Accounting Standard 21 on Consolidated Financial Statements.
2. Goodwill on acquisition represents the excess of the purchase price over the value of the net assets of the acquired business, and is not amortized but is tested for impairment on a periodic basis.
3. Computer Software -
  - (a) Computer Software used for development of software/rendering software services - over the life of the project/product - 1 year to 5 years.
  - (b) Generic Computer Software - over 1 year.
  - (c) Product Software for administration purposes - 3 years.
4. Contract Rights - over a period of 1 year.
5. Technical know-how - over a period of 3 years.

### (e) Research and Development

Research costs are expensed as incurred. Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Equipment or facilities that are acquired or constructed for research and development activities, which have alternative future uses are capitalized as tangible assets. Depreciation on such assets, during research phase is charged to expense as research and development costs.

## Notes to Consolidated Financial Statements (Contd.)

### (f) Capitalization and Amortization of Software Products

Costs incurred during the research phase are expensed off as period costs. Costs incurred towards development of computer software products meant for sale, lease or otherwise marketed, are capitalized subsequent to establishing the technological feasibility provided future economic benefit is probable and the Company has an intention and ability to complete and use or sell software and costs can be measured reliably. The costs are expensed as period costs, if the technological feasibility is not established. Capitalization ceases when the product is ready for general release to customers. Capitalized software product costs are amortized on a straight line method over the remaining estimated economic life of the product. The unamortized cost of capitalized software products is carried at cost, less accumulated amortization less impairment, if any.

### (g) Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating lease. Operating leases payments are recognized as expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

### (h) Impairment of assets

- (i) The carrying amounts of assets are reviewed at each balance sheet date to assess if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.
- (ii) After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.
- (iii) A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

### (i) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and net realizable value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

### (j) Inventories

- (i) Work-in-Progress  
Costs related to milestones that have not been completed until the balance sheet date are reported as work-in-progress. Work-in-progress is carried at cost or net realizable value whichever is lower. Cost includes all expenses directly identifiable to a project and other costs directly attributable to the project. Net Realizable value is the estimated revenue expected in the ordinary course of business on completion of the milestone less expected costs and margin on completion of milestone.
- (ii) Raw materials and Components  
Raw materials and Components are valued at lower of cost or net realizable value. Cost is determined on FIFO basis. Cost includes the purchase price and other associated costs directly incurred in bringing the inventory to its present location.

### (k) Revenue Recognition

The Group derives its revenues from product and technology licensing, software services and installation and commissioning services.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company, the revenue can be reliably measured and the collection is probable. In all cases revenue is recognized only when no further vendor obligations remain, up to the stage of revenue recognized and collection is probable. The following specific recognition criteria must also be met before revenue is recognized.

Licensing revenue is recognized when the product or technology is delivered and accepted.

Revenue from time and material service contracts is recognized as the services are provided. Revenue from fixed price service contracts and customized products or technology developments is recognized based on the proportionate completion method, determined based on the achievement and acceptance of the milestone, provided collection is probable. Revenue from maintenance contracts is recognized rateably over the term of the maintenance arrangement.

Revenue from royalty is recognized on an accrual basis based on customer confirmation of shipment volumes, provided collection is probable.



Revenue related to post contract customer support is recognized ratably over the support period.

Dividend income is recognized when the right to receive dividend is established as at the reporting date.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Sales are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

The Company recognizes legal award revenue when the litigation reaches finality, and the Company has assurance of collecting those awards or the Company has collected litigation awards from the other litigating party or parties.

The Group collects service tax, business tax and value added taxes (VAT) on behalf of the government and, therefore, it is not an economic benefit flowing to the Group. Hence, it is excluded from revenue.

### (l) Foreign Currency Translations

#### *Initial Recognition*

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

#### *Conversion*

Foreign currency monetary items are reported using the exchange rate prevailing at the Balance Sheet date. Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

#### *Exchange Differences*

Exchange differences arising on the settlement of monetary items or on reporting such monetary items of Group at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

#### *Forward exchange contracts not intended for trading or speculation purposes covered by notified AS 11.*

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

#### *Options and Forward exchange contracts not intended for trading or speculation purposes, classified as derivative instruments (Cash flow hedge).*

The Group has adopted the principles of Accounting Standard ('AS') 30, Financial Instruments: Recognition and Measurement to the extent that the adoption does not conflict with notified accounting standards and other applicable pronouncements. Accordingly, such derivative instruments, which qualify for hedge accounting are fair valued at Balance Sheet date and the effective portion of the resultant loss/(gain) is debited/credited to the hedging reserve and the ineffective portion is recognized in the Statement of Profit and Loss.

Changes in the fair value of derivative instruments that do not qualify for hedge accounting are recognized in the Statement of Profit and Loss as they arise.

Hedge Accounting is discontinued when the hedging instrument expires or is sold, or terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss on the hedging instrument recognized in hedging reserve is transferred to the Statement of Profit and Loss when the forecasted transaction occurs or when a hedged transaction is no longer expected to occur.

#### *Translation of Integral and Non-integral foreign operation :*

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

In translating the financial statements of a non-integral foreign operation for incorporation in financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the rate prevailing at the Balance Sheet date; income and expense items of the non-integral foreign operation are translated at exchange rates at the dates of the transactions; and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

Where there is a change in the classification of a foreign operation the translation procedures applicable to the revised classification are applied from the date of change in the classification.

## Notes to Consolidated Financial Statements (Contd.)

On disposal of a non-integral foreign operation, the cumulative amount of the exchange difference which have been deferred and which relate to that operation are recognized as income or expense in the same period in which the gain or loss on disposal is recognized. Where there is a change in the classification of a foreign operation, the translation procedure applicable to the revised classification are applied from the date of the change in the classification.

### (m) Retirement and other Employee Benefits

#### (i) Gratuity

The Group provides for gratuity, a defined benefit plan covering all eligible employees. The plan provides a lump sum payment to eligible employees at retirement or on termination of employment based on the salary of the respective employee and the years of employment with the Company.

The Group contributes to a gratuity fund maintained by an insurance company. The amount of contribution is determined based upon actuarial valuations as at the period end. Such contributions are charged off to the Statement of Profit and Loss. Provision is made for the shortfall between the actuarial valuation carried out as at Balance Sheet date as per Projected Unit Credit Method and the funded balance with the insurance company.

#### (ii) Provident Fund

Employees other than the employees at foreign branches and subsidiaries are eligible to receive Provident Fund benefits through a defined benefit plan in which both employee and employer make monthly contributions to the plan. The Company has established a Provident Fund Trust to which contributions towards provident fund are made each month. The Provident Fund Trust guarantees a specified rate of return on such contributions on a periodical basis. The Company will meet the shortfall in the return, if any, which is provided for based on actuarial valuation carried out, as at the date of Balance Sheet. Contributions towards Provident Fund are charged to the Statement of Profit & Loss on an accrual basis.

#### (iii) Pension

In case of Germany branch, pension contributions are made as per the local laws and regulations. The Company provides for pension benefits, a defined benefit plan, covering all eligible employees. The plan provides for various pension benefits to eligible employees at retirement or on termination of employment based on earnings of the respective employee and the year of employment with the Company. The Company contributes to a reinsured support fund maintained by an external agency. The contributions made by the employer are charged to the Statement of Profit and Loss on accrual basis. Provision is made for the shortfall between the actuarial valuation as per the Projected Unit Credit Method and funded balance as at the Balance Sheet date.

For other overseas branches and foreign subsidiary companies, social security contributions are made as per the respective country laws and regulations. The same is charged to the Statement of Profit and Loss on an accrual basis. There are no obligations beyond the respective entity's contributions.

#### (iv) Compensated absences

Short-term compensated absences are provided based on estimates. Long-term compensated absences are provided for based on actuarial valuation, done as per Projected Unit Credit Method, as at Balance Sheet date. The Group presents the compensated absences as a current liability in the Balance Sheet wherever it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date.

#### (v) Other employee benefits

The Group operates other long term benefit plan covering all eligible employees. The plan provide for lump sum payments at the end of agreed tenure. The cost of providing benefit under this plan is determined by the actuarial valuation, done as per Projected Unit Credit Method as at each Balance Sheet date.

#### (vi) Superannuation

The Company contributes to a superannuation scheme, a defined contribution plan maintained by an insurance company. Such contributions are charged to the Statement of Profit and Loss on an accrual basis. The Company has no other obligations beyond its monthly contributions.

#### (vii) Actuarial gains/losses

The actuarial gains/losses on the employee benefits are immediately recognized in the Statement of Profit and Loss and are not deferred.

### (n) Income Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with tax laws applicable to the respective jurisdictions. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.



Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities across various countries of operation are not set off against each other as the Group does not have a legal right to do so. Deferred tax liabilities are recognized for all taxable timing differences. In the situations where the company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the Group has carry forward of unabsorbed depreciation and tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Group writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain or virtually certain, as the case may be that future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India on Accounting for Credit Available in respect of MAT under the Income-tax Act, 1961, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Group reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal Income Tax during the specified period.

### (o) Stock Compensation Expense

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Group accounts for stock compensation expense based on the fair value of the options granted, determined on the date of grant. Compensation expense is amortized over the vesting period of the option on a straight-line basis. The accounting value of the options outstanding net of the Deferred Compensation Expense is reflected as Employee Stock Options Outstanding.

### (p) Segment Reporting

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

Identification of segments:

The Group is focused in the embedded communication space. The risks and returns of the Group are predominantly determined by the nature of the solutions offered to its customers, which may be in the form of products or services. The primary reporting segments are Software Services, Software Products, Network Engineering Services and Automotive, Utilities & Industrial.

The geographical segment information is disclosed based on the location of the customers.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items:

The unallocated items includes general corporate income and expense items, which are not allocated to any business segment.

### (q) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

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

## Notes to Consolidated Financial Statements (Contd.)

### (r) Provisions and contingencies

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

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a best estimate of such obligation.

Where no reliable estimate can be made a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. A contingent asset is neither recognized nor disclosed in the financial statement.

### (s) Warranty

Provision for warranty related costs are recognized when the license or service is provided. Provision are based on historical experience. The estimate of such warranty related costs is revised periodically.

### (t) Government Subsidy

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognized over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

Where the grant or subsidy relates to an asset, its value is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset.

### (u) Cash and cash equivalents

Cash and cash equivalents in the Cash Flow Statement comprise of cash at bank and in hand and short term investments with an original maturity value of three months or less.

The Cash Flow Statement has been prepared under the indirect method.

## 3. Share Capital

Amount in ` lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
Authorized Capital		
5,00,00,000 (As at March 31, 2014 : 5,00,00,000) Equity Shares of ` 10 each	5,000.00	5,000.00
Issued, Subscribed and Paid up Capital		
2,13,44,873 (As at March 31, 2014 : 2,12,77,573 ) Equity Shares of ` 10 each fully paid up	2,134.49	2,127.76

For details of shares reserved for issue under Employee Stock Option Plan (ESOP) of the Company (Refer Note 30).

The Company has only one class of share referred to as equity shares having par value of ` 10 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. For the year ended March 31, 2015, the Board of Directors have recommended a final dividend of ` 4.50 per equity share of ` 10 each (March 31, 2014 ` 1.50 per equity share). This is subject to approval of shareholders and if so approved, the total dividend for the year will amount to ` 27.00 per equity share including interim dividend of ` 2.50 per equity share and special dividend of ` 20.00 per equity share (March 31, 2014 ` 32.00 per equity share).

### Shareholders holding more than 5 percent shares in the Company:

Name of the shareholder*	As at March 31, 2015	
	No. of shares	% holding
Ashish Dhawan	-	-
Estate of Chandrakant Jamiyatram Mody	15,40,267	7.22%
Bajaj Allianz Life Insurance Company Ltd.	-	-



## Notes to Consolidated Financial Statements (Contd.)



Name of the shareholder*	As at March 31, 2014	
	No of shares	% holding
Ashish Dhawan	20,50,344	9.64%
Chandrakant Jamiyatram Mody	14,86,532	6.99%
Bajaj Allianz Life Insurance Company Ltd.	11,40,294	5.36%

\*The shareholding information is based on legal ownership of shares and has been extracted from the records of the Company including register of shareholders/members.

### Reconciliation of the number of shares outstanding at the beginning and end of the reporting year:

Particulars	As at March 31, 2015	
	No. of Shares	Amount in ` lakhs
Outstanding at the beginning of the year	2,12,77,573	2,127.76
Add: Issued during the year - ESOP	67,300	6.73
Outstanding at the end of the year	2,13,44,873	2,134.49

Particulars	As at March 31, 2014	
	No. of Shares	Amount in ` lakhs
Outstanding at the beginning of the year	2,09,59,876	2,095.99
Add: Issued during the year - ESOP	453,600	45.36
Less: Bought back during the year	(135,903)	(13.59)
Outstanding at the end of the year	2,12,77,573	2,127.76

The Company has issued 16,73,700 shares (As at March 31, 2014: 16,06,400) during the period of five years immediately preceding the reporting date on exercise of options granted under the Employee Stock Option Plan (ESOP), wherein part consideration was received in form of employee services.

### Buy - back of Equity Shares

Particulars	As at March 31, 2015	As at March 31, 2014
Aggregate number of equity shares bought back by the Company during the period of five years immediately preceding the Balance sheet date.	74,39,878	74,39,878

During the previous year the Company has bought back 1,35,903 shares at an average price of ` 143.96 utilizing a sum of ` 195.65 lakhs (excluding brokerage and other applicable taxes). The buy-back scheme got closed by efflux of time on April 22, 2013. In terms of the provisions of Section 77A of the Companies Act, 1956 and SEBI (Buy Back of Securities) Regulations, 1998 (as amended), the Company has extinguished all shares bought back under the Scheme.

## 4. Reserves and Surplus

Amount in ` lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Capital Reserve</b>		
Opening Balance	132.00	132.00
<b>Total</b>	<b>132.00</b>	<b>132.00</b>
<b>Capital Redemption Reserve</b>		
Opening Balance	888.95	875.36
Add: Transferred during the year	-	13.59
<b>Total</b>	<b>888.95</b>	<b>888.95</b>
<b>Securities Premium</b>		
Opening Balance	6,393.07	6,202.40
Add: Receipts on exercise of employee stock options	131.02	372.73
Less: Premium on equity shares bought back	-	(182.06)
<b>Total</b>	<b>6,524.09</b>	<b>6,393.07</b>
<b>Employee Stock Options Outstanding (Refer Note 30)</b>		
Employee Stock Options Outstanding	21.95	125.60
Less : Deferred Employee Compensation Cost Outstanding	(3.34)	(14.96)
<b>Total</b>	<b>18.61</b>	<b>110.64</b>

## Notes to Consolidated Financial Statements (Contd.)

Amount in ` lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
<b>General Reserve</b>		
Opening Balance	2,790.14	2,190.35
Add: Transferred from Statement of Profit and Loss	1,587.90	613.38
Add: Transferred from Employee Stock Option Outstanding	22.68	-
Less: Transferred to Capital Redemption Reserve	-	(13.59)
<b>Total</b>	<b>4,400.72</b>	<b>2,790.14</b>
<b>Hedging Reserve</b>		
Opening Balance	338.53	216.75
Changes during the year:		
Less: Gain transferred to Statement of Profit and Loss on occurrence of forecasted hedge transaction	(334.44)	(220.76)
Add: Net changes in the fair value of effective portion of outstanding cash flow derivatives	398.00	342.54
<b>Total</b>	<b>402.09</b>	<b>338.53</b>
<b>Foreign Exchange Translation Reserve</b>		
Opening Balance	1,645.84	753.98
Movements during the year	(1,056.53)	891.86
<b>Total</b>	<b>589.31</b>	<b>1,645.84</b>
<b>Surplus in the Statement of Profit and Loss</b>		
Opening Balance	25,970.49	28,977.32
Add: Profit for the year	11,956.44	5,147.17
Less: Retained earnings adjustment account (Refer Note 34)	(36.46)	-
Less: Transferred to General Reserve	(1,587.90)	(613.38)
Less: Proposed Dividend	(960.52)	(319.16)
Less: Interim Dividend	(4,796.98)	(6,478.89)
Less: Dividend Tax	(940.69)	(731.15)
Less: Excess dividend provision adjustment	(0.44)	(9.76)
Less: Excess dividend tax provision reversed	-	(1.66)
<b>Total</b>	<b>29,603.94</b>	<b>25,970.49</b>
<b>Total</b>	<b>42,559.71</b>	<b>38,269.66</b>

### 5. Long Term Provisions

Amount in ` lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
Gratuity	15.87	38.28
Pension	393.56	395.82
Warranty <sup>1</sup>	-	17.46
Other employee benefits	185.80	223.79
Employee compensated absences	95.68	95.62
<b>Total</b>	<b>690.91</b>	<b>770.97</b>

## Notes to Consolidated Financial Statements (Contd.)



### 6. Trade Payables

Amount in ` lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
For Goods, Services and Expenses		
- Dues to Micro and Small Enterprises*	-	-
- Dues to other Creditors	2,470.86	2,632.58
<b>Total</b>	<b>2,470.86</b>	<b>2,632.58</b>

\* The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises has been made in the financial statements based on information received and available with the Group.

### 7. Other Current Liabilities

Amount in ` lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
Current Maturities of Long Term Borrowings	110.64	122.10
Interest Accrued but not due on Borrowings	0.54	0.58
Deferred Revenues	554.90	384.81
Advance Received from Customers	17.08	73.04
Unpaid Dividend	80.88	71.28
Capital Creditors	23.89	20.39
Money received against share warrants [Refer Note 27(d)]	360.75	-
Statutory Liabilities	950.72	1,023.19
<b>Total</b>	<b>2,099.40</b>	<b>1,695.39</b>

### 8. Short Term Provisions

Amount in ` lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
Employee compensated absences	1,379.67	1,537.42
Gratuity	122.03	34.12
Warranty <sup>1</sup>	19.73	139.38
Onerous contract <sup>1</sup>	12.36	-
Other employee benefits	718.06	525.49
Dividend	960.52	957.49
Dividend Tax	273.37	162.73
Income Tax (net of advance tax)	2,453.77	568.53
<b>Total</b>	<b>5,939.51</b>	<b>3,925.16</b>

<sup>1</sup> Movement in provisions in accordance with Accounting Standard 29 on "Provisions, Contingent Liabilities and Contingent Assets".

Amount in ` lakhs

Particulars	Provision for Warranty	
	As at March 31, 2015	As at March 31, 2014
Opening Balance	156.84	45.81
Additions during the year	0.04	194.97
Less: Amounts utilized/reversed during the year	(137.15)	(83.94)
<b>Closing Balance</b>	<b>19.73</b>	<b>156.84</b>

It is expected that most of the cost will be incurred in the next financial year.

Amount in ` lakhs

Particulars	Provision for Onerous Contract	
	As at March 31, 2015	As at March 31, 2014
Opening Balance	-	39.81
Additions during the year	12.36	-
Less: Amounts utilized/reversed during the year	-	(39.81)
<b>Closing Balance</b>	<b>12.36</b>	<b>-</b>

## 9. Fixed Assets

## (a) Tangible Assets

Amount in ` lakhs

	Freehold Land	Buildings	Leasehold Improvements	Computers	Electrical Fittings	Furniture & Fixtures	Office Equipment	Plant & Equipment	Vehicles	Total
<b>Gross Block</b>										
As at April 1, 2013	2,287.67	3,310.98	732.80	5,596.50	551.89	2,280.11	2,327.36	4,077.13	0.01	21,164.45
Additions during the year	-	3.90	65.43	127.88	51.45	26.74	37.30	115.04	-	427.74
Deletions during the year	-	-	102.49	1,054.80	182.78	283.23	22.71	363.34	-	2,009.35
Foreign currency translation adjustments	-	-	0.69	45.58	22.87	104.65	0.98	343.10	-	517.87
<b>As at March 31, 2014</b>	<b>2,287.67</b>	<b>3,314.88</b>	<b>696.43</b>	<b>4,715.16</b>	<b>443.43</b>	<b>2,128.27</b>	<b>2,342.93</b>	<b>4,171.93</b>	<b>0.01</b>	<b>20,100.71</b>
Additions during the year	-	-	-	228.36	9.97	4.63	40.14	20.06	-	303.16
Deletions during the year	-	-	334.48	466.49	78.12	167.16	340.25	257.86	-	1,644.36
Foreign currency translation adjustments	-	-	0.32	(28.94)	-	(114.37)	0.09	(362.61)	-	(505.51)
<b>As at March 31, 2015</b>	<b>2,287.67</b>	<b>3,314.88</b>	<b>362.27</b>	<b>4,448.09</b>	<b>375.28</b>	<b>1,851.37</b>	<b>2,042.91</b>	<b>3,571.52</b>	<b>0.01</b>	<b>18,254.00</b>
<b>Depreciation</b>										
As at April 1, 2013	-	1,966.17	439.00	4,833.09	396.65	1,907.50	2,121.30	3,814.51	0.01	15,478.23
Charge for the year	-	167.84	76.98	377.57	76.18	105.01	105.17	175.54	-	1,084.29
Deletions during the year	-	-	102.49	1,049.96	181.68	271.30	13.75	350.71	-	1,969.89
Foreign currency translation adjustments	-	-	0.69	44.91	20.27	92.57	0.58	329.66	-	488.68
<b>As at March 31, 2014</b>	<b>-</b>	<b>2,134.01</b>	<b>414.18</b>	<b>4,205.61</b>	<b>311.42</b>	<b>1,833.78</b>	<b>2,213.30</b>	<b>3,969.00</b>	<b>0.01</b>	<b>15,081.31</b>
Charge for the year	-	168.00	152.61	392.53	56.66	112.17	71.63	74.12	-	1,027.72
Deletions during the year	-	-	324.11	461.00	76.53	160.34	335.03	257.12	-	1,614.13
Foreign currency translation adjustments	-	-	0.12	(29.30)	-	(108.32)	0.06	(351.62)	-	(489.06)
Other adjustments	-	-	-	54.34	-	-	-	-	-	54.34
<b>As at March 31, 2015</b>	<b>-</b>	<b>2,302.01</b>	<b>242.80</b>	<b>4,162.18</b>	<b>291.55</b>	<b>1,677.29</b>	<b>1,949.96</b>	<b>3,434.38</b>	<b>0.01</b>	<b>14,060.18</b>
<b>Net Block</b>										
As at March 31, 2014	2,287.67	1,180.87	282.25	509.55	132.01	294.49	129.63	202.93	-	5,019.40
As at March 31, 2015	2,287.67	1,012.87	119.47	285.91	83.73	174.08	92.95	137.14	-	4,193.82

## Notes to Consolidated Financial Statements (Contd.)



### 9. Fixed Assets

#### (b) Intangible Assets

Amount in ` lakhs

	Computer Software	Goodwill on Consolidation	Acquired Goodwill	Technical Knowhow	Contract Rights	Total
<b>Gross Block</b>						
As at April 1, 2013	4,467.79	22,247.11	442.43	43.65	798.77	27,999.75
Additions during the year	87.85	-	-	-	-	87.85
Deletions during the year	10.63	-	-	-	-	10.63
Foreign currency translation adjustments	15.42	4,956.19	-	-	-	4,971.61
<b>As at March 31, 2014</b>	<b>4,560.43</b>	<b>27,203.30</b>	<b>442.43</b>	<b>43.65</b>	<b>798.77</b>	<b>33,048.58</b>
Additions during the year	77.87	-	-	-	-	77.87
Deletions during the year	2,021.55	-	-	43.65	-	2,065.20
Foreign currency translation adjustments	(19.39)	(5,723.53)	-	-	-	(5,742.92)
<b>As at March 31, 2015</b>	<b>2,597.36</b>	<b>21,479.77</b>	<b>442.43</b>	<b>-</b>	<b>798.77</b>	<b>25,318.33</b>
<b>Amortization</b>						
As at April 1, 2013	4,316.61	-	-	43.65	798.77	5,159.03
Charge for the year	169.93	-	-	-	-	169.93
Deletions during the year	6.49	-	-	-	-	6.49
Foreign currency translation adjustments	15.20	-	-	-	-	15.20
<b>As at March 31, 2014</b>	<b>4,495.25</b>	<b>-</b>	<b>-</b>	<b>43.65</b>	<b>798.77</b>	<b>5,337.67</b>
Charge for the year	92.04	-	-	-	-	92.04
Deletions during the year	2,021.16	-	-	43.65	-	2,064.81
Foreign currency translation adjustments	(19.75)	-	-	-	-	(19.75)
<b>As at March 31, 2015</b>	<b>2,546.38</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>798.77</b>	<b>3,345.15</b>
<b>Impairment loss</b>						
As at April 1, 2013	-	15,819.13	442.43	-	-	16,261.56
Charge for the year	-	-	-	-	-	-
Deletions during the year	-	-	-	-	-	-
Foreign currency translation adjustments	-	3,782.82	-	-	-	3,782.82
<b>As at March 31, 2014</b>	<b>-</b>	<b>19,601.95</b>	<b>442.43</b>	<b>-</b>	<b>-</b>	<b>20,044.38</b>
Charge for the year	-	7,256.82	-	-	-	7,256.82
Deletions during the year	-	-	-	-	-	-
Foreign currency translation adjustments	-	(5,379.00)	-	-	-	(5,379.00)
<b>As at March 31, 2015</b>	<b>-</b>	<b>21,479.77</b>	<b>442.43</b>	<b>-</b>	<b>-</b>	<b>21,922.20</b>
<b>Net Block</b>						
<b>As at March 31, 2014</b>	<b>65.18</b>	<b>7,601.35</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,666.53</b>
<b>As at March 31, 2015</b>	<b>50.98</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50.98</b>

## Notes to Consolidated Financial Statements (Contd.)

### 10. Non Current Investments

Amount in ` lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
<b>A. Investment in Equity Instruments (Trade, unquoted, at cost less provision for diminution)</b>		
<b>i. Investment in Joint Ventures</b>		
TACO Sasken Automotive Electronics Ltd.		
52,00,403 (As at March 31, 2014: 52,00,403) equity shares of ` 10 each, fully paid up	520.04	520.04
Less: Provision for diminution in value of investment	(520.04)	(520.04)
	-	-
<b>ii. Other Investments</b>		
3,92,285 (As at March 31, 2014: 3,92,285) fully paid equity shares of ` 10/- each of Prime Telesystems Ltd.	240.00	240.00
Less: Provision for diminution in value of investment	(240.00)	(240.00)
	-	-
<b>B. Investment in Preference Shares (Trade, unquoted at cost less provision for diminution)</b>		
<b>Investment in Joint Ventures</b>		
TACO Sasken Automotive Electronics Ltd.		
24,78,000 (As at March 31, 2014: 24,78,000) Redeemable Preference shares of ` 10 each fully paid up	247.80	247.80
Less: Provision for diminution in value of investment	(247.80)	(247.80)
	-	-
<b>C. Investment in Limited Liability Partnerships</b>		
Omni Capital LLP, USA	3,011.41	2,995.50
Less: Provision for diminution in value of investment	(409.17)	-
	2,602.24	2,995.50
<b>D. Investment in Mutual Funds (Non - Trade, quoted, at cost less provision for diminution)</b>		
50,00,000 (As at March 31, 2014: Nil) units of ` 10 each of Tata Fixed Maturity Plan Series 44 - Scheme B - Direct Plan - Growth	500.00	-
45,00,000 (As at March 31, 2014: Nil) units of ` 10 each of Tata Fixed Maturity Plan Series 43 - Scheme A - Direct Plan - Growth	450.00	-
43,50,000 (As at March 31, 2014: Nil) units of ` 10 each of Tata Fixed Maturity Plan Series 43 - Scheme D - Direct Plan - Growth	435.00	-
26,00,000 (As at March 31, 2014: Nil) units of ` 10 each of HDFC FMP 370D - Sept 2013 - 14 - Direct Growth	260.00	-
52,00,000 (As at March 31, 2014: Nil) units of ` 10 each of HDFC FMP 1128D - Mar 2015 (1) - Direct Growth - Series 33	520.00	-
66,49,813 (As at March 31, 2014: Nil) units of ` 10 each of HDFC FMP - 370D October 2013(5) Series 28 - Direct Plan - Growth	664.98	-
1,39,90,980 (As at March 31, 2014: Nil) units of ` 10 each of ICICI Prudential FMP - Series 75 - 1103 days Plan P Direct Plan - Cumulative	1,399.10	-
40,00,000 (As at March 31, 2014: Nil) units of ` 10 each of Kotak FMP Sept 114 Direct - Growth	400.00	-
Aggregate amount of quoted investments	4,629.08	-
Aggregate amount of unquoted investments	2,602.24	2,995.50
Aggregate amount of investments	7,231.32	2,995.50
Aggregate market value of quoted investments	5,114.76	-
Aggregate provision for diminution in value of investments	(1,417.01)	(1,007.84)

## Notes to Consolidated Financial Statements (Contd.)



### 11. Deferred Tax Assets

The following are the components of the Deferred Tax Asset (DTA) and Deferred Tax Liability (DTL):

Amount in ` lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Deferred Tax Asset</b>		
Depreciation		
- Sasken	662.52	552.02
- SNEL	82.35	87.06
On expenditure allowed for tax purposes on payment basis		
- Sasken	515.80	428.11
- SNEL	14.98	50.52
<b>Total</b>	<b>1,275.65</b>	<b>1,117.71</b>

### 12. Long Term Loans and Advances

Amount in ` lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Unsecured, considered good</b>		
Capital Advances	20.44	0.45
Security Deposits	288.17	370.03
Advances recoverable in cash or in kind or for value to be received		
- Balances with government authorities*	1,144.76	1,086.90
- Advances to employees	4.67	10.01
- Prepaid expenses/Other recoverables	1.92	4.09
Advance Income Tax	5,301.90	3,761.57
MAT Credit Entitlement	9.56	474.21
<b>Unsecured considered doubtful</b>		
Security Deposits	-	13.55
Less: Provision for doubtful security deposits	-	(13.55)
<b>Total</b>	<b>6,771.42</b>	<b>5,707.26</b>

\* Includes Disputed taxes paid under protest ` 1,144.76 lakhs (March 31, 2014 - ` 1,086.90 lakhs).

### 13. Other Non Current Assets

Amount in ` lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Unsecured, considered good</b>		
Long term trade receivables	9.39	93.46
<b>Unsecured considered doubtful</b>		
Long term trade receivables	9.26	0.80
Less: Provision for doubtful debts	(9.26)	(0.80)
Non-current bank balances (Refer Note 17)	250.00	-
<b>Total</b>	<b>259.39</b>	<b>93.46</b>

### 14. Current Investments

Amount in ` lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
i. Unquoted, at lower of cost or net realizable value, Investment in Mutual Funds		
66,89,888 (As at March 31, 2014: Nil) units of ` 12.72 each of IDFC Arbitrage Fund - Dividend Payout - Direct Plan	850.71	-
57,33,752 (As at March 31, 2014: Nil) units of ` 10.92 each of Kotak Equity Arbitrage Fund - Dividend Payout - Direct Plan	626.15	-
28,01,656 (As at March 31, 2014: Nil) units of ` 10.67 each of JP Morgan India Equity Fund - Direct - Growth	299.06	-
Nil (As at March 31, 2014: 75,733) units of ` 100.20 each of Birla Sun Life Floating Rate Fund - Long term growth - Direct Plan	-	75.88
Nil (As at March 31, 2014: 54,220) units of ` 1,000.10 each of Axis Liquid Fund - Daily Dividend Reinvestment	-	542.25

## Notes to Consolidated Financial Statements (Contd.)

Amount in ` lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
Nil (As at March 31, 2014: 10,69,777) units of ` 100.20 each of Birla Sun Life Cash Plus - Daily Dividend - Direct Plan - Reinvestment	-	1,071.86
Nil (As at March 31, 2014: 72,342) units of ` 1,528.74 each of Reliance Liquid Fund - Treasury Plan - Direct - Daily Dividend - Reinvestment	-	1,105.92
Nil (As at March 31, 2014: 99,663) units of ` 1,000.26 each of Taurus Liquid Fund - Direct Plan - Super Institutional - DDR	-	996.89
Nil (As at March 31, 2014: 61,005) units of ` 1,000.63 each of Baroda Pioneer Liquid Fund Direct - DDR	-	610.43
Nil (As at March 31, 2014: 6,40,004) units of ` 100.05 each of ICICI Prudential Liquid - Direct Plan - DDR	-	640.35
Nil (As at March 31, 2014: 2,900,468) units of ` 10.01 each of JP Morgan India Liquid Fund - DDR	-	290.34
2,60,222.03 (As at March 31, 2014: Nil) units of ` 10.1025 each of Sundaram Money Fund Direct Plan Daily Dividend	26.29	-
70,787.66 (As at March 31, 2014: Nil) units of ` 10.1982 each of HDFC Liquid Fund - Direct Plan DDR	7.22	-
17,559.875 (As at March 31, 2014: Nil) units of ` 1,528.74 each of Reliance Liquid Fund TP - Direct Daily Dividend Reinvestment	268.44	-
31,124.281 (As at March 31, 2014: Nil) units of ` 1,000.5365 each of IDFC Cash Fund DDR - Direct	311.41	-
8,571.20 (As at March 31, 2014: Nil) units of ` 1,001.5187 each of Tata Money Market Fund Direct Plan - DDR	85.84	-
9,953.90 (As at March 31, 2014: Nil) units of ` 1,011.62 each of Kotak Floater ST - Direct - DDR	100.70	-
3,721.197 (As at March 31, 2014: Nil) units of ` 1,098.0000 each of LIC Nomura MF Liquid Fund - Direct - DDR	40.86	-
30,259.354 (As at March 31, 2014: Nil) units of ` 100.02 each of Birla Sun Life Floating Rate Fund Short Term Plan - DDR	30.27	-
3,693.396 (As at March 31, 2014: Nil) units of ` 1,000.3161 each of DSP BlackRock Liquidity Fund - Direct Plan - Daily Dividend	36.95	-
97,284.29 (As at March 31, 2014: Nil) units of ` 10.4302 each of JM High Liquidity Fund - Direct - DDR	10.15	-
10,040,425 (As at March 31, 2014: Nil) units of ` 10.02 each of DWS Ultra Short Term Fund - Direct - DDR	1,005.84	-
12,012,463 (As at March 31, 2014: Nil) units of ` 10.07 each of JP Morgan India Treasury Fund - Direct - DDR	1,210.08	-
129,147 (As at March 31, 2014: Nil) units of ` 1,007.22 each of Baroda Pioneer Treasury Advantage Fund Direct - DDR	1,300.80	-
17,263,595 (As at March 31, 2014: Nil) units of ` 10.04 each of Sundaram Ultra Short Term Fund - Direct - DDR	1,733.94	-
48,459 (As at March 31, 2014: Nil) units of ` 1,002.01 each of Taurus Ultra Short Term Bond Fund - Direct - Super IP - DDR	485.57	-
4624.246 (As at March, 2014: Nil) units of ` 1,005.50 each of Canara Robeco Liquid Direct - DDR	46.50	-
149,489.3710 (As at March, 2014: Nil) units of ` 10.0551 each of IDFC Ultra Short Term Fund - DDR - Direct	15.03	-
16,924.461 (As at March 31, 2014: 5,463.149 ) units of ` 1,675.03 each of SBI Magnum Insta Cash Fund - Direct Plan - Daily Dividend	283.49	91.51
	8,775.30	5,425.43
ii. Quoted at lower of cost or net realizable value, Investment in Mutual Funds		
Nil (As at March 31, 2014: 6,150,000) units of ` 10 each of L&T FMP - VII (February 419DA) Direct Plan Growth	-	615.00
Nil (As at March 31, 2014: 1,000,000) units of ` 10.00 each of Kotak FMP Series 110 - 370 Days	-	100.00



## Notes to Consolidated Financial Statements (Contd.)

Amount in ` lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
Nil (As at March 31, 2014: 5,000,000) units of ` 10 each of Tata Fixed Maturity Plan Series 44 - Scheme B - Direct Plan - Growth	-	500.00
Nil (As at March 31, 2014: 4,500,000) units of ` 10 each of Tata Fixed Maturity Plan Series 43 - Scheme A - Direct Plan - Growth	-	450.00
Nil (As at March 31, 2014: 4,350,000) units of ` 10 each of Tata Fixed Maturity Plan Series 43 - Scheme D - Direct Plan - Growth	-	435.00
Nil (As at March 31, 2014: 2,600,000) units of ` 10 each of HDFC FMP 370D - Sept 2013 - 14 - Direct Growth	-	260.00
Nil (As at March 31, 2014: 4,000,000) units of ` 10 each of Kotak FMP Sept 114 Direct - Growth	-	400.00
Nil (As at March 31, 2014: 7,000,000) units of ` 10 each of Baroda Pioneer FMP Series G Plan B (Direct) (369 days) - Growth	-	700.00
Nil (As at March 31, 2014: 2,000,000) units of ` 10 each of IDBI FMP - Series III - 370 days (Aug 2013) - I Plan B Direct Plan - Growth	-	200.00
Nil (As at March 31, 2014: 2,500,000) units of ` 10 each of ICICI FMP - Series 68 - 369 Days Plan K Direct Plan Cumulative	-	250.00
Nil (As at March 31, 2014: 7,50,000) units of ` 10 each of Tata Fixed Maturity Plan Series 43 Scheme D (370 days maturity)	-	75.00
Nil (As at March 31, 2014: 7,200,000) units of ` 10 each of HDFC FMP - 370D October 2013(5) Series 28 - Direct Plan - Growth	-	720.00
Nil (As at March 31, 2014: 1,500,000) units of ` 10 each of Reliance Fixed Horizon Fund - XXIV - Series 23 - Direct Plan - Growth	-	150.00
6,250,000 (As at March 31, 2014: Nil) units of ` 10 each of Kotak FMP Series 156 370 Days - Direct - Growth	625.00	-
3,100,000 (As at March 31, 2014: Nil) units of ` 10 each of IDFC FTFS - 91 370 - Direct - Growth	310.00	-
6,810,000 (As at March 31, 2014: Nil) units of ` 10 each of LIC Nomura MF FMP - 81 - Direct - Growth	681.00	-
7,920,000 (As at March 31, 2014: Nil) units of ` 10 each of L&T FMP Series XI - Plan A - Direct - Growth	792.00	-
4,860,000 (As at March 31, 2014: Nil) units of ` 10 each of LIC Nomura FMP Series 82 - Direct - Growth	486.00	-
3,603,163 (As at March 31, 2014: Nil) units of ` 10 each of ICICI Prudential FMP - Series 74 - 370 days (Aug 2013) - I Plan V Direct Plan - Cumulative	360.32	-
2,541,337 (As at March 31, 2014: Nil) units of ` 10 each of SBI Debt Fund Series - A 32 - 367 Days - Direct - Growth	254.13	-
Nil (As at March 31, 2014: 750,279) units of ` 10 each of UTI Fixed Term Income Fund Series	-	75.03
	3,508.45	4,930.03
<b>Aggregate amount of Current investments</b>	<b>12,283.75</b>	<b>10,355.46</b>
<b>Aggregate market value of quoted investments</b>	<b>3,802.12</b>	<b>5,230.33</b>

### 15. Inventories (at lower of cost or net realizable value)

Amount in ` lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
Raw materials and components	29.27	61.91
Work-in-Progress (Also Refer Note 22)	15.68	147.48
<b>Total</b>	<b>44.95</b>	<b>209.39</b>

## Notes to Consolidated Financial Statements (Contd.)

### 16. Trade Receivables

Amount in ` lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Unsecured considered good</b>		
Outstanding for more than six months from due date	478.54	1,064.47
Outstanding for less than six months from due date	6,514.37	8,211.60
<b>Unsecured considered doubtful</b>		
Outstanding for more than six months from due date	87.90	131.20
Outstanding for less than six months from due date	-	21.88
Less: Provision for doubtful debts	(87.90)	(153.08)
<b>Total</b>	<b>6,992.91</b>	<b>9,276.07</b>

### 17. Cash and Bank Balances

Amount in ` lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Cash and Cash Equivalents</b>		
Cash on Hand	1.49	1.92
Balances with banks - Current Accounts	2,188.25	3,253.26
Balances with banks - Unpaid dividend accounts*	80.88	71.28
	2,270.62	3,326.46
<b>Other Bank Balances</b>		
Bank deposits with original maturity more than 3 months but less than or equal to 12 months	9,518.88	23.33
Bank deposits with original maturity more than 12 months	1,000.00	-
Bank balances held as margin money/security against guarantees	50.19	56.51
	10,569.07	3,406.30
Less: Bank deposits with original maturity more than 12 months disclosed under non-current assets (Refer Note 13)	(250.00)	-
<b>Total</b>	<b>12,589.69</b>	<b>3,406.30</b>

\* The Company can utilize these balances only towards settlement of the respective unpaid dividend.

### 18. Short Term Loans and Advances

Amount in ` lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Unsecured, considered good</b>		
Security Deposits	217.03	218.18
Advances recoverable in cash or in kind or for value to be received:		
- Advance to Suppliers	283.53	229.43
- Advances to Employees	145.64	196.95
- Balances with Government Authorities	140.67	159.06
- Prepaid expenses/Other recoverables	863.15	991.82
<b>Total</b>	<b>1,650.02</b>	<b>1,795.44</b>

### 19. Other Current Assets

Amount in ` lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
Interest accrued on fixed deposits	262.55	-
Unbilled revenues	2,287.00	2,139.58
<b>Total</b>	<b>2,549.55</b>	<b>2,139.58</b>

## Notes to Consolidated Financial Statements (Contd.)



### 20. Revenue from Operations

Amount in ` lakhs

Particulars	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Revenue from Software Products	1,172.52	1,922.91
Revenue from Software Services	40,318.69	41,207.62
Revenue from Network Engineering Services	1,090.42	2,380.07
Revenue from Automotive, Utilities and Industrial Services	219.36	215.10
Revenue from sale of Traded Goods	-	77.23
<b>Total</b>	<b>42,800.99</b>	<b>45,802.93</b>

### 21. Other Income

Amount in ` lakhs

Particulars	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Dividend on current investments	718.56	374.72
Net gain on sale of current investments	222.68	695.05
Interest Income:		
- on Bank Deposits	312.91	16.03
- on Income Tax refund	-	14.82
- on Others	8.85	9.52
Write back of unclaimed balances/provisions	131.27	97.72
Profit on Sale of Fixed Assets	9.31	62.86
Write back of Provision for doubtful debts, deposits and other loans and advances	-	76.10
Exchange gain (net)	744.75	1,733.23
Miscellaneous Income	45.47	72.92
<b>Total</b>	<b>2,193.80</b>	<b>3,152.97</b>

### 22. (Increase)/Decrease in Work - in - Progress

Amount in ` lakhs

Particulars	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Opening balance of Work - in - Progress	147.48	285.36
Closing balance of Work - in - Progress	15.68	147.48
<b>Total</b>	<b>131.80</b>	<b>137.88</b>

Amount in ` lakhs

Details of Work - in - Progress	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Software Services	15.68	82.44
Network Engineering Services	-	65.04
<b>Total</b>	<b>15.68</b>	<b>147.48</b>

### 23. Consumption of Raw Materials & Components

Amount in ` lakhs

Particulars	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Opening balance of Raw Materials & Components	61.91	60.06
Add: Purchases	13.32	51.71
	<b>75.23</b>	<b>111.77</b>
Closing balance of Raw Materials & Components	29.27	61.91
<b>Total</b>	<b>45.96</b>	<b>49.86</b>

## Notes to Consolidated Financial Statements (Contd.)

### 24. Employee Benefit Expense

Amount in ` lakhs

Particulars	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Salaries & Bonus	27,888.34	27,502.00
Contribution to Provident and Other Funds	2,443.56	2,299.42
Staff Welfare	840.31	697.01
Recruitment and Relocation	358.66	325.31
Employee Stock Option Compensation cost (net)	(30.53)	(219.36)
<b>Total</b>	<b>31,500.34</b>	<b>30,604.38</b>

### 25. Other Expenses

Amount in ` lakhs

Particulars	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Rent	890.28	1,101.32
Repairs and Maintenance		
- Plant and Machinery	530.51	481.87
- Building	381.67	446.10
- Others	77.64	105.51
Communication Expense	368.87	403.48
Travel Expense	1,642.28	1,774.77
Electricity and Water Charges	454.86	522.78
Professional, Legal and Consultancy Charges	1,334.41	2,393.33
Insurance	160.82	166.93
Contract Staff Cost	1,114.76	1,013.54
Software Expense	67.14	238.81
Training and Conference Expense	99.75	208.47
Warranty Expense	0.04	145.31
Installation and Commissioning Charges	12.97	5.94
Selling expenses - others	53.29	49.74
Provision/(reversal) for doubtful debts	(29.46)	36.40
Bad Debts	165.71	33.26
Auditor's Remuneration		
- Audit Fees (including fees for consolidated financials)	28.00	28.00
- Other Services	4.25	3.75
- Reimbursement of expenses	2.44	2.31
Rates and Taxes	96.89	114.48
Directors' Sitting Fees and Commission	107.50	66.60
Donations	9.67	41.31
Corporate Social Responsibility (CSR) expenses	69.86	-
Printing & Stationery	63.64	71.32
Miscellaneous Expense	190.56	149.22
<b>Total</b>	<b>7,898.35</b>	<b>9,604.55</b>

### 26. Finance Cost

Amount in ` lakhs

Particulars	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Interest Expense	13.87	20.25
<b>Total</b>	<b>13.87</b>	<b>20.25</b>

## Notes to Consolidated Financial Statements (Contd.)



### 27. Joint Ventures and Subsidiaries

#### (a) ConnectM Technology Solutions Pvt. Ltd. ("ConnectM")

In June 2007, Sasken and IDG Ventures formed a joint venture company called ConnectM Technology Solutions Pvt. Ltd. ("ConnectM") in Bengaluru. ConnectM intends to explore and focus on end-to-end cycle development & sustenance to the Transportation, Industrial, Utilities and Enterprise markets enabled by Machine-to-Machine (M2M) communications. As at March 31, 2015, the Company and IDG Ventures each hold 46.29% (As at March 31, 2014-46.29%) of the equity in ConnectM. In accordance with Accounting Standard 27 on "Financial Reporting of Interest in Joint Venture", the group has consolidated the results of ConnectM in proportion to its interest in the Joint Venture.

#### (b) The proportionate share of assets and liabilities and income and expenditure for the year, in respect of the jointly controlled entity:

Amount in ` lakhs

Particulars	ConnectM	
	As at March 31, 2015	As at March 31, 2014
Deficit in Statement of Profit & Loss	(1,925.44)	(1,770.74)
Fixed Assets, net	2.36	3.18
Inventories	29.27	61.91
Trade Receivables	58.38	177.19
Cash and Bank	43.83	29.08
Other Current Assets	16.10	20.81
Other Non Current Assets	9.39	93.46
Loans and Advances	44.51	31.40
Liabilities and Provisions	246.90	305.39

Amount in ` lakhs

Particulars	Year Ended	
	March 31, 2015	March 31, 2014
Revenue	219.35	215.10
Expenses	401.55	290.38
Other Income including Exchange Gain/(Loss)	41.39	83.19
Interest	13.87	20.25
Profit/ (Loss) before Tax	(154.69)	(12.34)
Provision for Tax	-	-
Profit/ (loss) After Tax	(154.69)	(12.34)

#### (c) TACO Sasken Automotive Electronics Limited ("TSAE") (Formerly known as TACO Sasken Automotive Electronics Private Limited)

Sasken has a 50% interest in a joint venture company called TACO Sasken Automotive Electronics Limited (formerly known as TACO Sasken Automotive Electronics Private Limited) ("TSAE") in Pune. The shareholders of TSAE have resolved that the company be wound up voluntarily. Requisite documents have been filed with the Registrar of Companies.

Considering the closure of operations of TSAE, the financial statements of TSAE have not been consolidated.

- (d) During the financial year 2012-13, an application was made to Finland Trade Registry for merger of Sasken Communication Technologies Oy (wholly owned subsidiary of the Company) with Sasken Finland Oy (wholly owned subsidiary of Sasken Communication Technologies Oy). The Finland Trade Registry has approved the merger effective April 01, 2013. Pursuant to the merger, 20,197 shares of 1 euro each fully paid up in Sasken Finland Oy have been allotted to the Company in lieu of its holding in Sasken Communication Technologies Oy, Finland.
- (e) The Board of Directors and Shareholders of Sasken Network Solutions Inc, USA (SNSI) at the joint special meeting held on March 12, 2014 approved the plan for liquidation of the company, for which necessary steps were being taken by the Company. Subsequently on receipt of necessary approvals and repatriation of proceeds to SNEL, the process of liquidation has been completed during the quarter ended December 31, 2014 and SNSI ceases to exist.
- (f) During the year ended March 31, 2015, the Company has evaluated its investment in Sasken Finland Oy (Sasken Finland) for the purpose of determination of potential diminution in value of investment and based on such evaluation and determination, the Company has recognized a provision for diminution in the value of goodwill related to investment in Sasken Finland amounting to `7,256.82 lakhs (March 31, 2014 Nil) and the same is included under exceptional items.

## Notes to Consolidated Financial Statements (Contd.)

(g) Additional information, as required under Schedule III to the Act, of enterprises consolidated and subsidiaries/ Joint Venture

Net assets i.e. total assets minus total liabilities	As at March 31, 2015		As at March 31, 2014	
	Particulars	As % of consolidated net assets	Amount in ` lakhs	As % of consolidated net assets
<b>Parent</b>				
Sasken Communication Technologies Limited	88.52%	44,679.15	90.27%	35,626.82
<b>Indian Subsidiary</b>				
Sasken Network Engineering Limited (SNEL)	2.97%	1,498.08	5.36%	2,116.19
<b>Foreign Subsidiary</b>				
Sasken Communication Technologies, S.A. de C.V. (Sasken Mexico)	(0.05)%	(27.26)	0.63%	249.63
Sasken Communication Technologies (Shanghai) Co. Ltd. (Sasken China)	1.51%	763.64	1.02%	402.51
Sasken Finland Oy (Sasken Finland)	2.34%	1,181.14	6.48%	2,557.68
Sasken Inc. (Sasken USA)	4.79%	2,419.58	(4.04)%	(1,595.77)
<b>Joint Venture</b>				
ConnectM Technology Solutions Pvt. Ltd. (ConnectM)	(0.09)%	(43.05)	0.28%	111.65
<b>Total</b>	100.00%	50,471.28	100.00%	39,468.71
<b>Adjustments arising out of consolidation</b>		(5,777.08)		1,289.46
<b>Total</b>		44,694.20		40,758.17
<b>Share in Profit and Loss</b>				
Particulars	As at March 31, 2015		As at March 31, 2014	
	As % of consolidated profit or loss	Amount in ` lakhs	As % of consolidated profit or loss	Amount in ` lakhs
<b>Parent</b>				
Sasken Communication Technologies Limited	99.01%	15,879.04	81.54%	5,793.13
<b>Indian Subsidiary</b>				
Sasken Network Engineering Limited (SNEL)	1.29%	206.39	4.50%	319.93
<b>Foreign Subsidiary</b>				
Sasken Communication Technologies, S.A. de C.V. (Sasken Mexico)	(1.76)%	(282.36)	0.38%	27.28
Sasken Communication Technologies (Shanghai) Co. Ltd. (Sasken China)	2.09%	334.39	(2.96)%	(210.00)
Sasken Finland Oy (Sasken Finland)	1.30%	207.92	15.22%	1,080.93
Sasken Inc. (Sasken USA)	(0.96)%	(153.38)	1.55%	110.06
Sasken Japan KK (Sasken Japan)	-	-	(0.07)%	(4.64)
<b>Joint Venture</b>				
ConnectM Technology Solutions Pvt. Ltd (ConnectM)	(0.96)%	(154.69)	(0.17)%	(12.34)
<b>Total</b>	100.00%	16,037.31	100.00%	7,104.35
<b>Adjustments arising out of consolidation</b>		(4,080.87)		(1,957.18)
<b>Total</b>		11,956.44		5,147.17

### 28. Other Notes

#### (a) Capital and other Commitments

- (i) Estimated amount of contracts remaining to be executed on capital account (net of advances) amounted to ` 28.21 lakhs. (As at March 31, 2014 ` 15.83 lakhs).
- (ii) SNEL has commitment towards hire of laptops amounting to Nil (As at March 31, 2014 ` 10.70 lakhs).
- (iii) The Group enters into foreign exchange forward contracts and option contracts to hedge its net foreign currency receivables position including its future receivables. As per the current policy of the Group, the Group takes foreign exchange forward contracts for currencies primarily denominated in the US Dollar and Euro.

## Notes to Consolidated Financial Statements (Contd.)



The details of outstanding foreign exchange forward contracts entered by the Group are as under:

Foreign Currency Hedged	Type of Contract	As at March 31, 2015		As at March 31, 2014	
		Amount (In Foreign Currency lakhs)	Avg Forward Exchange Rate (°)	Amount (In Foreign Currency lakhs)	Avg Forward Exchange Rate (°)
US Dollar (USD)	Sell	149.49	65.59	125.98	63.91
Euro (EUR)	Sell	24.14	80.08	21.01	88.83

The Company has also taken European style option contracts whereby it has option to sell USD Nil (As at March 31, 2014 USD 13.68 lakhs) and EUR 2.00 lakhs at an average strike price ranging between ` 71.00 and ` 81.00, with maturity dates upto December 2015 (As at March 31, 2014 EUR Nil).

iv) For commitments relating to lease arrangements, Refer Note 37.

### (b) Contingent Liabilities

Amount in ` lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
Bank Guarantees	40.90	53.72
Income taxes* (matters pertaining to disputes on tax holiday benefits, transfer pricing and disallowance of certain expenses claimed by the Group)	3,799.78	6,390.34
Indirect taxes* (includes matters pertaining to disputes on VAT/sales tax and service tax)	5,048.23	5,052.42

\* The Group is contesting the demands and based on expert advice, the management believes that its position will likely be upheld in the various appellate authorities/courts. The management believes that the ultimate outcome of these proceedings will not be adverse and such demands have been disclosed as contingent liabilities.

There are certain claims made against the Company by an investee company, which are a subject matter of arbitration proceedings. In the view of the management, such claims are frivolous and are not tenable. No provision has been made for such claims pending completion of legal proceedings as the amount of claims are currently not ascertainable.

### (c) Unhedged exposure

The Group has following foreign currency exposures which are not hedged.

As at March 31, 2015

Currency	Amount in Foreign Currency lakhs			Amount in Rupees lakhs		
	Loans & Advances	Current Liabilities	Net Receivable / (Payable)	Loans & Advances	Current Liabilities	Net Receivable / (Payable)
Australian Dollar (AUD)	-	0.09	(0.09)	-	4.27	(4.27)
Euro (EUR)	0.44	1.96	(1.52)	29.55	131.65	(102.10)
Hongkong Dollar (HKD)	-	0.34	(0.34)	-	2.74	(2.74)
Great Britain Pound (GBP)	0.01	-	0.01	0.92	-	0.92
Japanese Yen (JPY)	-	6.07	(6.07)	-	3.16	(3.16)
US Dollar (USD)	7.38	6.56	0.82	460.90	409.85	51.05
Singapore Dollar (SGD)	-	0.12	(0.12)	-	5.46	(5.46)
Arab Emirates Dirham (AED)	5.80	0.15	5.65	98.75	2.54	96.21

As at March 31, 2014

Currency	Amount in Foreign Currency lakhs			Amount in Rupees lakhs		
	Loans & Advances	Current Liabilities	Net Receivable / (Payable)	Loans & Advances	Current Liabilities	Net Receivable / (Payable)
Australian Dollar (AUD)	-	0.16	(0.16)	-	8.87	(8.87)
Canadian Dollar (CAD)	-	0.12	(0.12)	-	6.52	(6.52)
Euro (EUR)	0.35	2.25	(1.90)	28.79	185.10	(156.31)
Hongkong Dollar (HKD)	-	0.34	(0.34)	-	2.63	(2.63)
Great Britain Pound (GBP)	0.48	0.14	0.34	47.81	13.94	33.86
Japanese Yen (JPY)	-	3.11	(3.11)	-	1.82	(1.82)
US Dollar (USD)	8.41	4.49	3.91	503.62	269.27	234.35
Singapore Dollar (SGD)	-	0.17	(0.17)	-	8.08	(8.08)
Arab Emirates Dirham (AED)	5.41	0.75	4.66	88.30	12.22	76.08

## Notes to Consolidated Financial Statements (Contd.)

- (d) Based on the Special Resolution passed by the Company on November 8, 2013, the Company allotted on preferential basis 12,00,000 convertible warrants, on November 18, 2013, to Ms. Ira Bhaduri in her capacity as Trustee of Lahiri Family Trust, of which Mr. Anjan Lahiri, former Whole Time Director and CEO of the Company, is the Managing Trustee. The allottee was entitled to one equity share of ₹ 10 each of the Company for each such warrant at a price of ₹ 120.25 each and 25% of the price amounting to ₹ 360.75 lakhs was received as application money. The allottee exercised 10,40,000 options and paid ₹ 937.95 lakhs towards the balance 75% of the application money and as the proposed allotment/conversion was not to be proceeded with, this amount of ₹ 937.95 lakhs has been refunded and the stock exchanges have been informed about the non-conversion/allotment.

The Company had sought informal guidance from Securities and Exchange Board of India ("SEBI") on whether the 25% should be forfeited or can be refunded and if so, the procedural formalities in connection with that. SEBI vide its letter dated February 23, 2015 expressed its inability to issue any guidance in the matter. The Company was advised that since SEBI has not expressed any opinion despite having placed all the relevant facts and materials, the Company could proceed to effect the refund in its entirety. Accordingly the Board at its meeting on April 13, 2015 approved refund of the application amount and the interest accrued and the whole amount was paid on April 14, 2015.

### (e) Employee Benefits:

- (i) The Group contributed the following amounts to defined contribution plans:

Particulars	Amount in ₹ lakhs	
	Year Ended March 31, 2015	Year Ended March 31, 2014
Superannuation Fund	28.89	27.17
Other Social Security Contributions	1,603.44	1,545.84

- (ii) Defined Benefit Plans:

#### (a) Gratuity

Net employee benefit expense (in the Statement of Profit and Loss under the head Salaries and Bonus):

Particulars	Amount in ₹ lakhs	
	Year Ended March 31, 2015	Year Ended March 31, 2014
Current Service Cost	84.14	111.95
Interest Cost	77.04	95.84
Expected return on Plan Assets	(89.07)	(84.22)
Actuarial (Gain)/Loss	87.97	(65.27)
<b>Total</b>	<b>160.08</b>	<b>58.30</b>

Liability/(Asset) recognized in the Balance Sheet:

Particulars	Amount in ₹ lakhs	
	As at March 31, 2015	As at March 31, 2014
Present value of the Defined Benefit Obligation	1,246.10	1,129.37
Plan Assets at the end of the year, at fair value	1,108.20	1,118.51
Liability/(Asset) recognized in the Balance Sheet	137.90	10.86

Changes in the present value of Defined Benefit obligation are as follows:

Particulars	Amount in ₹ lakhs	
	As at March 31, 2015	As at March 31, 2014
Defined Benefit Obligations at beginning of the year	1,129.37	1,157.75
Current Service Cost	84.14	111.95
Interest Cost	77.04	95.84
Benefits Paid	(264.86)	(175.37)
Actuarial (gain)/loss	220.41	(60.80)
Defined Benefit Obligations at the end of the year	1,246.10	1,129.37



## Notes to Consolidated Financial Statements (Contd.)



Changes in the fair value of Plan Assets are as follows:

Amount in ` lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
Plan Assets at the beginning of the year at fair value	1,118.51	986.92
Contributions	33.04	218.27
Expected return on Plan Assets	89.07	84.22
Actuarial Gain/(Loss)	132.44	4.47
Benefits Paid	(264.86)	(175.37)
Plan Assets at the end of the year at fair value	1,108.20	1,118.51
Actual Return on Plan Assets	221.51	88.69

The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:

Particulars	As at March 31, 2015	As at March 31, 2014
Interest Rate for discount (p.a.)	7.90%	8.97%
Salary increase (p.a.)	5.00%	5.00%
Estimated Rate of Return on Plan Assets (p.a.)	8.00%	8.00%

Experience adjustments are as follows:

Amount in ` lakhs

Particulars	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Defined Benefit Obligation	1,246.10	1,129.37	1,157.75	1,104.34	982.22
Plan Assets	1,108.20	1,118.51	986.92	945.61	844.88
(Surplus)/Deficit	137.90	10.86	170.83	158.73	137.34
Experience (Gain)/Loss adjustments on Plan Liabilities	131.82	16.10	(16.20)	(179.66)	(8.92)
Experience Gain/(Loss) adjustments on Plan Assets	132.44	4.47	12.41	31.79	(28.42)

The major categories of Plan Assets as a percentage of the Total Plan Assets are as follows:

Particulars	As at March 31, 2015	As at March 31, 2014
Investment with insurers managed funds	100.00%	100.00%

### (b) Pension

Net Employee Benefit Expense (in Statement of Profit and Loss under the head Contribution to Provident and other funds):

Amount in ` lakhs

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Current Service Cost	-	-
Interest Cost	29.49	35.75
Expected return on Plan Assets	(18.59)	(24.52)
Actuarial (Gain)/Loss	68.51	101.52
<b>Total</b>	<b>79.41</b>	<b>112.75</b>

Liability/(Asset) recognized in the Balance Sheet:

Amount in ` lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
Present value of the Defined Benefit Obligation	972.14	1,070.42
Plan Assets at the end of the year, at fair value	578.58	674.60
Liability/(Asset) recognized in the Balance Sheet	393.56	395.82

## Notes to Consolidated Financial Statements (Contd.)

Changes in the present value of Defined Benefit Obligation are as follows:

Amount in ` lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
Defined Benefit Obligations at beginning of the year	1,070.42	797.25
Current Service Cost	-	-
Interest Cost	29.49	35.75
Benefits Paid	-	-
Actuarial (Gain)/Loss	69.40	95.08
Exchange (Gain)/Loss	(197.17)	142.34
Defined Benefit Obligations at the end of the year	972.14	1,070.42

Changes in the fair value of Plan Assets are as follows:

Amount in ` lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
Plan Assets at the beginning of the year at fair value	674.60	546.82
Contributions	8.51	10.59
Expected return on Plan Assets	18.59	24.52
Benefits Paid	-	-
Actuarial Gain/(Loss)	0.89	(6.44)
Exchange (Gain)/Loss	(124.01)	99.11
Plan Assets at the end of the year at fair value	578.58	674.60
Actual return on Plan Assets	19.48	18.08

The principal assumptions used in determining pension for the Company's plan are shown below:

Particulars	As at March 31, 2015	As at March 31, 2014
Interest rate for discount (p.a.)	2.85%	3.35%
Estimated Rate of Return on Plan Assets (p.a.)	2.85%	3.35%

Experience adjustments are as follows:

Amount in ` lakhs

Particulars	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Defined Benefit Obligation	972.14	1,070.42	797.25	611.51	571.99
Plan Assets	578.58	674.60	546.82	511.52	454.21
(Surplus)/Deficit	393.56	395.82	250.43	99.99	117.78
Experience (Gain)/Loss adjustments on Plan Liabilities	59.67	237.42	258.58	-	(132.47)
Experience Gain/(Loss) adjustments on Plan Assets	68.50	92.68	4.06	-	(68.00)

The major categories of Plan Assets as a percentage of the total Plan Assets are as follows:

Particulars	As at March 31, 2015	As at March 31, 2014
Investment with insurers managed funds	100.00%	100.00%

### (c) Provident Fund

The Guidance note on Implementing AS15, Employee Benefits (revised 2005) issued by Accounting Standards Board (ASB) states that benefits involving employer established provident funds, which require interest shortfalls to be recompensed are to be considered as defined benefit plans. The actuary has provided a valuation by applying the deterministic approach to compute the present value of interest rate guarantee and based on the below provided assumptions, there is no shortfall as at March 31, 2015.

## Notes to Consolidated Financial Statements (Contd.)



Net employee benefit expense (in the Statement of Profit and Loss under the head Contribution to Provident and other funds):

Amount in ` lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
Current Service Cost	571.73	512.14
Interest Cost	654.14	601.00
Expected Return on Plan Assets	(686.63)	(675.43)
Actuarial (Gain)/Loss	(48.64)	74.43
<b>Total</b>	<b>490.60</b>	<b>512.14</b>

Liability/(Asset) recognized in the Balance Sheet:

Amount in ` lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
Present value of the Defined Benefit Obligation	9,029.08	8,324.41
Plan Assets at the end of the year, at fair value	9,029.08	8,324.41
Liability/(Asset) recognized in the Balance Sheet	-	-

Changes in the present value of Defined Benefit Obligation are as follows:

Amount in ` lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
Defined Benefit Obligations at beginning of the year	8,324.41	8,021.50
Current Service Cost	571.73	512.14
Contribution by Plan Participants	1,086.79	809.00
Interest Cost	654.14	601.00
Benefits Paid	(1,608.02)	(1,713.97)
Actuarial (Gain)/Loss	0.03	94.74
Defined Benefit Obligations at the end of the year	9,029.08	8,324.41

Changes in the fair value of Plan Assets are as follows:

Amount in ` lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
Plan Assets at the beginning of the year, at fair value	8,324.41	8,021.50
Contributions	1,577.39	1,321.14
Expected return on Plan Assets	686.63	675.43
Actuarial Gain/(Loss)	48.67	20.31
Benefits Paid	(1,608.02)	(1,713.97)
Plan Assets at the end of the year, at fair value	9,029.08	8,324.41
Actual return on Plan Assets	735.30	695.74

The principal assumptions used in determining provident fund obligations for the Company's plan are shown below:

Particulars	As at March 31, 2015	As at March 31, 2014
Interest rate for discount (p.a.)	7.90%	8.96%
Estimated Rate of Return on Plan Assets (p.a.)	8.25%	8.25%

Experience adjustments are as follows:

Amount in ` lakhs

Particulars	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Defined Benefit Obligation	9,029.08	8,324.41	8,021.50
Plan Assets	9,029.08	8,324.41	8,021.50
(Surplus)/Deficit	-	-	-
Experience (Gain)/Loss adjustments on Plan Liabilities	2.27	8.29	59.24
Experience Gain/(Loss) adjustments on Plan Assets	-	-	-

## Notes to Consolidated Financial Statements (Contd.)

The major categories of Plan Assets as a percentage of the fair value of total Plan Assets are as follows:

Particulars	As at March 31, 2015	As at March 31, 2014
Government of India Securities	28.33%	26.96%
State Government Securities	21.56%	18.74%
PSU Securities	48.38%	48.78%
Others (including Bank Balances)	1.73%	5.52%

Notes:

- Assumptions relating to future salary increases, attrition, etc. have been considered based on relevant economic factors such as inflation, market growth, etc.
- The Group expects to contribute ₹ 150.00 lakhs (March 31, 2014 ₹ Nil lakhs) to gratuity, ₹ 9.00 lakhs (March 31, 2014 ₹ 9.00 lakhs) to pension and ₹ 750 lakhs (March 31, 2014 ₹ 750.00 lakhs) to provident fund in the subsequent year.
- The overall return on assets is determined based on prevailing market price.

### 29. Provision for tax expenses

The provision for taxation includes tax liabilities in India on the Company's global income as reduced by exempt incomes and any tax liabilities arising overseas on income sourced from those countries. Sasken's operations are conducted through Software Technology Parks ('STPs') and Special Economic Zones ('SEZs'). Income from SEZs is fully tax exempt for the first 5 years, 50% exempt for the next 5 years and 50% exempt for another 5 years subject to fulfilling certain conditions.

### 30. Employee Stock Option Plans (Equity Settled)

#### Sasken ESOP 2006

On February 25, 2006, the shareholders of the Company approved Stock Option Plan [ESOP - 2006] in accordance with the Guidelines issued by the Securities and Exchange Board of India (SEBI) for Employees Stock Option Plans. The Plan covers all employees of the Company including foreign branches, employees of the subsidiaries and Directors other than the promoter directors/employees. The Plan provides for the issue of 35,75,000 shares of ₹ 10 each duly adjusted for any bonus, splits, etc. Compensation Committee of the Board administers the scheme. The terms of each issuance would be determined by the Compensation Committee. The Options vest subject to continuation of employment.

The Company issues options convertible into equity shares of ₹ 10 each. The options issued till March 31, 2008 carry a vesting period of one to four years, options issued thereafter carry a vesting period one to three years except options issued on April 21, 2008 which carries a vesting period of one year. All the options granted have an exercise period of two years from the date of vesting except options issued on April 21, 2008 which have an exercise period of three months from the date of vesting.

#### Details of Option Plans

Date of issue	No. of options issued	Exercise Price (₹)
17 - Jun - 2006	1,38,750	234 - 394
18 - Oct - 2006	1,50,000	234 - 394
1 - Jan - 2007	5,000	367 - 559
1 - Apr - 2007	2,35,000	475 - 667
1 - Jul - 2007	90,000	554 - 746
1 - Oct - 2007	10,000	410 - 602
21 - Apr - 2008	87,000	120
6 - Apr - 2009	18,60,000	52
15 - Jun - 2009	10,000	76
17 - Jul - 2009	80,000	52
19 - Sep - 2009	80,000	108
1 - Oct - 2009	60,000	155
21 - Jan - 2010	60,000	52
21 - Jan - 2010	30,000	155
30 - Apr - 2010	20,000	188
30 - Apr - 2010	70,000	190
26 - May - 2010	70,000	195
1 - Jul - 2010	3,90,000	200

## Notes to Consolidated Financial Statements (Contd.)



Date of issue	No. of options issued	Exercise Price (₹)
30-Jul-2010	70,000	201
1-Jan-2011	50,000	207
1-Oct-2011	50,000	138
1-Jul-2012	50,000	123
1-Nov-2013	50,000	119

Employee Stock Options outstanding (Net of deferred compensation cost) is as follows:

Amount in ₹ lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
Total accounting value of options outstanding (A)	21.95	125.60
Deferred Compensation Cost	21.95	125.60
Less: Amortized	18.61	110.64
Net Deferred Compensation Cost (B)	3.34	14.96
<b>(A) - (B)</b>	<b>18.61</b>	<b>110.64</b>

The following table summarizes the Company's stock options activity for Sasken ESOP 2006:

Particulars	March 31, 2015			March 31, 2014		
	No. of Options	Amount in ₹ lakhs	Weighted average-Exercise Price (₹)	No. of Options	Amount in ₹ lakhs	Weighted average Exercise Price (₹)
Outstanding at the beginning of the year	1,88,800	125.60	156.13	8,30,800	495.40	110.65
Granted during the year	-	-	-	50,000	20.99	119.00
Forfeited during the year	67,500	64.82	188.61	2,91,600	238.22	153.86
Exercised during the year	67,300	38.83	146.98	4,00,400	152.57	58.78
Outstanding at the end of the year	54,000	21.95	126.92	1,88,800	125.60	156.13
Exercisable at the end of the year	27,000	-	134.83	1,29,800	-	171.68
Weighted average remaining contractual life (in years)	1.77	-	-	1.42	-	-

The weighted average market price of the Company's shares during the year ended March 31, 2015 was ₹ 245.63 per share (March 31, 2014 : ₹ 143.62 per share).

The fair value of the options granted during the year was calculated by applying the Black-Scholes-Merton formula. The following are assumptions and result:

Particulars	2014-15	2013-14
Average risk free interest rate	-	8.49%
Weighted average expected life of options granted (in years)	-	2.63
Expected dividend yield	-	5.37%
Volatility (annualized) *	-	49.87%
Weighted average market price (₹)	-	130.30
Exercise Price (₹)	-	119.00
Weighted average fair value of the options (₹)	-	41.98

\* Based on historical market price of the Company's shares for the period since listing.

## Notes to Consolidated Financial Statements (Contd.)

The details of exercise price of outstanding options are as follows:

Range of exercise price (₹)	As at March 31, 2015			As at March 31, 2014		
	Number of options outstanding	Weighted average remaining life of options (in years)	Weighted average exercise price (₹)	Number of options outstanding	Weighted average remaining life of options (in years)	Weighted average exercise price (₹)
50 - 119	31,500	2.50	119.00	57,200	2.81	110.57
120 - 225	22,500	0.75	138.00	131,600	0.81	175.93

### 31. Related Party Disclosures

#### (a) Following is the list of Key Managerial Personnel

Name of the related party	Relationship
Rajiv C. Mody	Chairman, Managing Director and Chief Executive Officer
Krishna J. Jhaveri	Whole Time Director
G. Venkatesh	Non Executive Director*
Neeta S. Revankar	Whole Time Director and Chief Financial Officer
Anjan Lahiri (upto September 23, 2014)	Whole Time Director and Chief Executive Officer

\* Dr. G. Venkatesh, ceased to be a Whole Time Director as on January 19, 2015 and continues in the Board as a Non-Executive Director.

#### (b) Remuneration paid to Key Managerial Personnel

Amount in ` lakhs

Name of the related party	Year Ended March 31, 2015	Year Ended March 31, 2014
Rajiv C. Mody	323.25	127.10
Krishna J. Jhaveri	28.68	40.35
G. Venkatesh	60.55	44.31
Neeta S. Revankar	179.55	88.58
Anjan Lahiri	50.46	61.83
<b>Total</b>	<b>642.49</b>	<b>362.17</b>

The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

### 32. Segment Reporting

The business segmental information is given based on the following segments-Software Services, Software Products, Network Engineering Services and Automotive, Utilities & Industrial. Software Services that are related with Intellectual Property based product offerings are considered part of the Software Products segment. Network Engineering Services segment provides network planning, deployment, commissioning, integration and network operations support to network equipment vendors and operators. Automotive, Utilities & Industrial segment provides services to customers in the area of telematics and infotainment.

#### (a) Business Segment Information

##### Segment Balance Sheet

Amount in ` lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Segment Assets</b>		
Software Services	10,654.65	19,997.23
Software Products	187.74	1,257.92
Network Engineering Services	989.02	1,398.06
Automotive, Utilities & Industrial	169.98	392.56
Corporate Assets (Unallocated)	43,893.49	26,736.50

## Notes to Consolidated Financial Statements (Contd.)

Amount in ` lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Total</b>	<b>55,894.88</b>	<b>49,782.27</b>
<b>Segment Liabilities</b>		
Software Services	4,697.72	4,834.59
Software Products	101.50	243.00
Network Engineering Services	364.72	475.95
Automotive, Utilities & Industrial	134.23	181.22
Corporate Liabilities (Unallocated)	5,902.51	3,289.34
<b>Total</b>	<b>11,200.68</b>	<b>9,024.10</b>
<b>Capital Expenditure</b>		
Software Services	156.30	241.22
Software Products	0.70	0.31
Network Engineering Services	2.50	3.27
Automotive, Utilities & Industrial	0.49	0.82
Corporate and others (Unallocated)	242.17	237.25
<b>Total</b>	<b>402.16</b>	<b>482.87</b>

### Segment Results

Amount in ` lakhs

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
<b>Revenues</b>		
Software Services	40,724.20	42,327.65
Software Products	1,187.47	1,922.91
Network Engineering Services	1,090.42	2,465.15
Automotive, Utilities & Industrial	219.36	215.10
<b>Gross Revenues</b>	<b>43,221.45</b>	<b>46,930.81</b>
Less: Inter Segmental Revenue	(420.46)	(1,127.88)
<b>Net Revenues</b>	<b>42,800.99</b>	<b>45,802.93</b>
<b>Segmental Profit</b>		
Software Services	9,351.76	10,984.10
Software Products	393.74	1,179.11
Network Engineering Services	258.33	550.08
Automotive, Utilities & Industrial	17.64	2.15
<b>Total</b>	<b>10,021.47</b>	<b>12,715.44</b>
<b>Less:</b>		
Corporate Expenses (Unallocated)	7,916.69	8,630.91
<b>Profit from Operations</b>	<b>2,104.78</b>	<b>4,084.53</b>
Less: Finance Costs	13.87	20.25
Add: Other Income including Exchange Gain/(Loss), net	2,193.80	3,152.97
Add: Exceptional item	17,333.30	-
<b>Profit Before Taxes</b>	<b>21,618.01</b>	<b>7,217.25</b>
Income Taxes	9,661.57	2,070.08
<b>Profit After Taxes</b>	<b>11,956.44</b>	<b>5,147.17</b>
<b>Other Information:</b>		
<b>Depreciation/Amortization</b>		
Software Services	821.20	935.48
Software Products	27.26	25.96
Network Engineering Services	30.52	95.13
Automotive, Utilities & Industrial	1.43	4.63
Unallocated Depreciation	239.35	193.02
<b>Total</b>	<b>1,119.76</b>	<b>1,254.22</b>

Note: Unallocated corporate assets and liabilities comprise of assets and liabilities not identifiable with reportable segments, as these assets and liabilities are used interchangeably between the segments. However, depreciation on such assets has been allocated to the segments to the extent of the related utilization by the respective segments, as used by management for its internal reporting purposes.

## Notes to Consolidated Financial Statements (Contd.)

### (b) Geographic Segment Information:

#### Revenues:

Amount in ` lakhs

Region	Year Ended March 31, 2015	Year Ended March 31, 2014
North America (including Canada)	14,904.88	15,041.88
Europe (including Middle East)	15,082.54	16,822.63
Asia Pacific (other than India)	4,125.26	3,996.24
India	8,688.30	9,942.18
<b>Total</b>	<b>42,800.99</b>	<b>45,802.93</b>

#### Assets:

Amount in ` lakhs

Region	As at March 31, 2015	As at March 31, 2014
North America (including Canada)	5,179.02	6,943.20
Europe (including Middle East)	4,271.06	5,486.75
Asia Pacific (other than India)	1,836.82	2,217.42
India	44,607.98	35,134.90
<b>Total</b>	<b>55,894.88</b>	<b>49,782.27</b>

#### Capital Expenditure:

Amount in ` lakhs

Region	As at March 31, 2015	As at March 31, 2014
North America (including Canada)	6.20	13.72
Europe (including Middle East)	32.14	96.09
Asia Pacific (other than India)	0.51	18.47
India	363.31	354.59
<b>Total</b>	<b>402.16</b>	<b>482.87</b>

### 33. Earnings Per Share (EPS)

Reconciliation of the net income and number of shares considered in the computation of basic and diluted EPS is given below:

Amount in ` lakhs

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Profit for computation of basic and diluted EPS	11,956.44	5,147.17
Weighted average number of shares considered for basic EPS	2,13,08,543	2,11,25,993
Add: Effect of stock options	22,706	1,41,664
Weighted average number of shares considered for diluted EPS	2,13,31,249	2,12,67,657

34. During the year, the Group has reassessed the useful life of computers. Accordingly, the written down value of computers as at April 01, 2014, is depreciated on a prospective basis over the remaining estimated useful life. This change in accounting estimate has resulted in increase in depreciation expense for the year ended March 31, 2015 by ` 71.62 lakhs. Further, in case of computers whose useful life on such reassessment had expired as of April 01, 2014, net book value of assets of ` 36.46 lakhs (net of deferred tax of ` 18.48 lakhs) is adjusted against the surplus in the Statement of Profit and Loss as of April 01, 2014.
35. Certain dues receivable from statutory authorities in an overseas jurisdiction, amounting to ` 253.82 lakhs have been considered impaired and provided for and disclosed as an exceptional item. Also investment made in Omni Capital LLP, USA has been impaired amounting to ` 409.05 lakhs and disclosed as an exceptional item.
36. During the earlier years, the Company had recognized royalty income of USD 1.67 million (` 880.52 lakhs) in respect of Software Product License granted to a non-Indian licensee, who had purportedly claimed non-usage of the licensed IPR after initial acceptance, which was being contested by the Company. On June 27, 2014, an award was passed in the Company's favour, as per which the non-India licensee was directed to pay USD 31.70 million within 30 days, towards royalties and interest on unpaid royalties and the non-India licensee was also directed to continue to provide royalty reports and pay the contracted royalties on an ongoing basis.





## Notes to Consolidated Financial Statements (Contd.)

During the year, the Company received a sum of USD 45.31 million towards royalties upto December 2014 and interest on royalties. Of the above, USD 1.67 million was adjusted towards outstanding trade receivables and the balance amount of USD 43.64 million (equivalent to ` 26,752.99 lakhs) was recognized as exceptional revenue. Further, in relation to the above, a provision towards employee payments amounting to ` 1,500.00 lakhs was recorded as an exceptional item. During the year ended March 31, 2015, another arbitration proceeding has been initiated between the Party and the Company and both the parties have preferred certain claims, the amount of which is unascertainable, at present.

### 37. Operating Lease

The Group has operating leases for office premises that are (a) renewable on a periodic basis and are cancellable by giving a notice period ranging from 1 month to 6 months and (b) renewable on a periodic basis and are non-cancellable for specified periods under arrangements. Rent escalation clauses vary from contract to contract ranging from 0% to 15%. There are no restrictions imposed by the lease arrangements. There are no sub leases.

Particulars	Amount in ` lakhs	
	Year Ended March 31, 2015	Year Ended March 31, 2014
Rent expenses included in Statement of Profit and Loss towards Operating Leases	890.28	1,101.32

Minimum lease obligation under non-cancellable lease contracts amounts to:

Particulars	Amount in ` lakhs	
	As at March 31, 2015	As at March 31, 2014
Due within one year	98.88	321.22
Due between one to five years	55.01	65.25
Due more than five years	-	-

### 38. Comparatives

Previous year figures have been re-grouped/re-arranged, wherever necessary to conform to the current year's presentation.

As per our report of even date.

For S.R. Batliboi & Co. LLP  
ICAI Firm Registration Number: 301003E  
Chartered Accountants

per Navin Agrawal  
Partner  
Membership No.: 56102

Place : Bengaluru  
Date : April 23, 2015

For and on behalf of the Board of Directors of  
Sasken Communication Technologies Limited

Rajiv C. Mody  
Chairman and Managing Director  
DIN: 00092037

Neeta S. Revankar  
Whole Time Director &  
Chief Financial Officer  
DIN: 00145580

S. Prasad  
Company Secretary

Statement pursuant to Section 129(3) of the Companies Act, 2013, relating to Subsidiary Companies

Part "A" : Subsidiaries

Name of the Subsidiary	Amount in ` lakhs				
	Sasken Network Engineering Limited	Sasken Communication Technologies Mexico S.A de C.V	Sasken Communication Technologies (Shanghai) Co. Ltd.	Sasken Finland Oy	Sasken Inc.
Financial year / period of the Subsidiary ended on	March 31, 2015	March 31, 2015	March 31, 2015	March 31, 2015	March 31, 2015
1. Reporting currency	INR	MXN	CNY	EUR	USD
2. Exchange rate as at March 31, 2015 to INR	1.000	4.100	10.175	67.170	62.495
3. Share Capital	305.00	176.75	706.96	12.09	193.35
4. Reserves & Surplus	1,193.08	(204.01)	56.68	1,169.05	2,226.23
5. Total Assets	2,617.93	6.12	1,424.78	2,044.38	3,012.10
6. Total Liabilities	1,119.85	33.38	661.14	863.24	592.52
7. Investments (except Investment in Subsidiary)	1,048.06	-	-	-	2,602.24
8. Turnover	1,276.92	-	1,544.26	4,735.07	1,354.39
9. Profit before Taxation	275.07	(282.30)	438.75	228.23	(148.23)
10. Provision for Taxation	61.17	0.06	104.36	20.31	5.15
11. Profit after Taxation	213.90	(282.36)	334.39	207.92	(153.38)
12. Proposed dividend	683.20	-	-	902.36	-
13. % of shareholding	100%	100%	100%	100%	100%

Note:- Sasken Network Solutions Inc., USA (SNS) 100% subsidiary of Sasken Network Engineering Limited (SNEL) has ceased to exist on liquidation during the year ended March 31, 2015.

Rajiv C. Mody  
Chairman and Managing Director  
DIN: 00092037

Neeta S. Revankar  
Whole Time Director and  
Chief Financial Officer  
DIN: 00145580

S. Prasad  
Company Secretary

Place : Bengaluru  
Date : April 23, 2015

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

Amount in ` lakhs

**Name of the Joint Venture**      **ConnectM Technology Solutions Pvt. Ltd.**      **TACO Sasken Automotive Electronics Ltd.(TSAE)**

1	Latest audited Balance Sheet Date	March 31, 2015	NA
2	Share of Joint Venture held by the Company on the year end		
	No.	1,44,73,846 equity shares of ` 10 each fully paid up	52,00,403 equity shares of ` 10 each fully paid up and 24,78,000 redeemable preference shares of ` 10 each fully paid up
	Amount of Investment in Joint Venture	1,796.24	767.84
	Extent of holding %	46.29%	50.00%
3	Description of how there is significant influence	By virtue of shareholding	NA
4	Reason why the Joint Venture is not consolidated	NA	The shareholders of TSAE have resolved that the company be wound up voluntarily. Requisite documents have been filed with the Registrar of Companies. Considering the closure of operations of TSAE, the financial statements of TSAE have not been consolidated.
5	Networth attributable to Shareholding as per latest audited Balance Sheet	(43.05)	NA
6	Profit/(Loss) for the year		
	i. Considered in Consolidation	(154.69)	NA
	ii. Not Considered in Consolidation	(179.49)	NA

Rajiv C. Mody  
Chairman and Managing Director  
DIN: 00092037

Neeta S. Revankar  
Whole Time Director and  
Chief Financial Officer  
DIN: 00145580

S. Prasad  
Company Secretary

Place : Bengaluru  
Date : April 23, 2015



## Management Discussion and Analysis Report

IN ADDITION TO HISTORICAL INFORMATION, THIS ANNUAL REPORT CONTAINS CERTAIN FORWARD-LOOKING STATEMENTS (FLS). THE FLS CONTAINED HEREIN ARE SUBJECT TO CERTAIN RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE REFLECTED IN THE FLS. FACTORS THAT MIGHT CAUSE SUCH A DIFFERENCE INCLUDE, BUT ARE NOT LIMITED TO, THOSE DISCUSSED IN THE MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL PERFORMANCE AND ELSEWHERE IN THIS REPORT. READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FLS, WHICH REFLECT MANAGEMENT'S ANALYSIS ONLY AS OF THE DATE HEREOF.

### Company brief

With Product Development DNA at its core, Sasken has helped global leaders impel product development, commercialization, customization and maintenance. We are deeply entrenched in verticals like semiconductors, consumer electronics, smart devices, automotive electronics, enterprises and network equipment.

Recent trends like mobility, social media, cloud, analytics and other technologies have spurred Sasken to make segue into independent software vendors, insurance and retail industries. Today, our portfolio of offerings includes embedded R&D services, comprehensive testing services, IT infrastructure services and application development & data services.

### Outlook

The growth prospects of the global economy for FY 2015 - 16 are expected to be marginally better than that of the preceding year, according to the International Monetary Fund (IMF). The pleasant surprise on the growth front is that in addition to the advanced economies, the high growth demonstrated by emerging markets and developing economies is pushing the boundaries for consumerism, thus driving technology adoption. This recovery is largely due to the smart adoption of technology on a large scale. Industry leaders have concurred that the focus of innovation is to bring about inclusive growth at a fast evolving pace. Social media is seen as a great equalizer in bridging the gap between the traditionally advantaged and disadvantaged sections of the society. The explosion of data and the resultant democratization caused by technology adoption has resulted in a shift of power from provider to consumer. However, these changes will also bring in their wake the issue of security that will require careful consideration in both the personal and enterprise space. The nexus of these forces will be the prime mover of economic development and progress as technology adoption and its concomitant benefits are expected to reach hitherto unprecedented levels.

NASSCOM - Strategy & estimates of growth of Engineering Research and Development (ER&D) space further corroborates the impact of technology across multiple industry verticals. As seen in the previous fiscal year, much of this growth is fueled by a combination of competitive dynamics and technology adoption in the automotive and consumer electronic segments. Larger enterprises, typically market leaders, are expected to be the largest investors in ER&D in their quest to retain their competitive edge and be relevant to their customer segments. Cost pressures, paucity of engineering talent, and the need for warp speed development will continue to drive decentralized and globally distributed product development initiatives. It is estimated that core development services for ER&D will move to the Asia-Pacific region, in part due to market access and in equal measure for availability of talent and attractiveness of value delivered.

The proliferation of software as a defining ingredient of almost any product - consumer or industrial - has resulted in a paradigm shift in the product development process. This is increasingly pressurizing developers to adopt innovative models for new product introduction including the use of rapid prototyping and fail-fast approaches. It has resulted in fundamental changes to product engineering practices including the adoption of agile methods for both hardware and software design. A platform approach to design is being seen as a means to stretch R&D investments and as a key enabler in delivering continuously upgraded products to an ever-demanding market.

NASSCOM has revised upwards the growth rate of global sourcing of ER&D services to USD 68 billion in 2014 from USD 63 billion in 2013. Further, NASSCOM estimates that India's share of this will be in the range of 22 - 25 percent.

### Business environment

In the midst of relentless change, there have been many constants. The adoption social, mobile, analytics and cloud (SMAC), as a core element of the business strategy, constitutes the new normal for enterprises. The only difference has been the rate of adoption of these vectors by different industries and traditional players. Platformization of business has created a fundamental shift in the way buyers and sellers engage. Traditional markets in many industries including travel, hospitality, music, retail, insurance, etc. have been subject to the disruptive forces of platforms. On the one hand, platforms have catalyzed the entrenchment of upstarts who have built tremendous equity with both their customers and financial investors. On the other hand, they have driven traditional businesses to accelerate the pace of investment into digital enterprise transformation.

The smart revolution has pervaded beyond the phone and now embraces the entire gamut of consumer electronic products including televisions, set top boxes, industrial and safety devices among others. Wearables have moved from the realm of prototypes and become real products that enable significant lifestyle benefits such as monitoring well-being, improving productivity and efficiency at work and play. In similar light, Internet of Things (IoT) has begun to see early adoption mainly in manufacturing, retail, utilities and consumer electronics segments. Development of, what is dubbed as, smart cities is another growth area for IoT as it attempts to create more livable spaces that harness the power of technology to ameliorate the challenges of ageing infrastructure in mega cities.

IoT, by itself, is in a state of evolution as key enablers including computing, communication, sensors, cloud and data are themselves in a state of constant change. Wireless connectivity spanning short range to wide area, sensor technology and computing has been continuing to evolve at a tremendous pace. Peripheral technologies such as displays and battery have also improved considerably although at a notch-lower velocity. However, the upshot is that computing and communication are increasingly available at affordable price points with reduced power consumption and host of prebuilt sensor and connectivity options. Leading semiconductor vendors have announced purpose-built platforms to abet the development of IoT. This has catalyzed the introduction of an enormous range of product service bundles that have captured the mind space of early adopters. The chasm that has to be bridged by IoT remains one of moving from an overt focus on technology disruption to that of enabling better economic returns for all stakeholders.

## Management Discussion and Analysis Report (Contd.)



Industry pundits have opined that the transformation of information technology from being a 'digital exoskeleton' to a 'digital nerve center' has resulted in a paradigm shift in the mindsets of CXOs across enterprises. This has resulted in rebalancing of power within an enterprise from the Chief Information Officers (CIOs) to their peers. Companies that are embarking on a path of revamping their approach to adoption of information technology as a business enabler are increasingly finding the need to embrace a product mindset. The CIO is looking to collaborate within the organization and with new age partners. This approach holds better promise for the seamless integration of new technologies with existing infrastructure. What needs to be done is to maintain backward compatibility on the one hand and enable opportunities for the rapid creation of 'built-for-mobility' solutions on the other hand.

### Growth opportunities for Sasken

As a pioneer in providing product engineering services with a DNA honed by two and a half decades of serving marquee customers across the globe, your Company has carved a distinctive position for itself. While there are pockets of excellence—in semiconductors, devices, networks, and IT—enterprises with the ability to bring a holistic approach to the table are few and far between. Your Company has been charting a course through the turbulence caused by the disruption of technology with agility and embracing a productized approach to managing the software development lifecycle.

This is evidenced by our track record in being a strategic partner to several leading vendors for whom we have successfully developed over hundred unique products. We have leveraged our expertise across diverse areas for the development of semiconductors, satellite phones, smart devices, in-vehicle Infotainment systems, set-top boxes, rugged & industrial devices, and wireless network elements. We estimate that the work carried out by our engineers have been incorporated in over 500 million products that have been shipped globally.

We have also begun the process of expanding our portfolio of offerings to address new areas like:

- Application and data services

We embarked a path to build our capabilities to serve digital enterprises in their quest to profit from the data explosion and burgeoning application ecosystem. While we are still in a nascent stage of this endeavor, we take pride in the inroads we have made to help organizations channelize the benefits of Big Data and Analytics. We have combined our knowledge in telecom & IT to deliver a predictive analytics-based model to help mobile virtual network operators understand consumer consumption patterns. This allows the optimal management of bandwidth provisioning and enables competitive service bundles. The net result is a win-win situation for both service providers and their customers.

In the retail industry, we are extending support to a platform vendor providing logistic solutions for omni-channel commerce. This is a significant beachhead with potential upside due to the increased adoption of wireless technologies by retail industries. We have also built, among others, a number of proof-of-concepts that can accelerate the adoption of mobile commerce for retail industries. We are also building solutions that insurance carriers can take advantage to launch usage-based insurance that harness sensor-based inputs to help characterize driver behavior.

- IT infrastructure services

Your Company has realized its plan set forth last year to bolster the ability to serve the growing need to offer IT infrastructure services that help businesses collaborate and compete better. Our market entry into offering infrastructure services is well timed as traditional ways of managing infrastructure are increasingly coming under pressure. This is due to the need for managing heterogeneous and multi-generational infrastructure, while balancing the need to optimize operating expenditure and investments. We have established a Center of Excellence (CoE) that will deliver Sasken's automation solutions based on our tools platform and prudent combination of third party solutions. In this practice, we have helped telecom players in the process of deploying nationwide networks in areas such as LTE, etc. We have extended this support in both the core and access side of the networks. Additionally, we have helped service providers carry out extensive network audits to assess, both, the quality of service (QoS) and quality of experience (QoE) they provide.

While we have outlined Sasken's diversification into the IT via our Application and Data Services and IT Infrastructure Services practice, we will now delve into our entrenched practice areas, that is, Testing and ER&D services. We continue to single out testing as a practice area as it occupies a pivotal role in product development. Today, distributed product development is an industry norm, which bodes well for our ER&D service capability.

- Testing and ER&D Services

We have supported productization, commercialization and maintenance of multiple smart devices that are built on the Android platform. More recently, we have helped global OEMs upgrade and introduce new products that are built on the latest release of Android, that is, Lollipop. Our services have helped OEMs customize products to meet the requirements of key service providers as well as comply with the homologation and certification needs of the geographies in which they are deployed. We have executed numerous projects that capitalize on our undisputed leadership in integrating connectivity, multimedia, and sensors. Similarly, we have worked on the network side helping in the development of a range of products including Pico/Femto cells, base transceiver systems and the evolved packet core.

Sasken's well-established TCoE (Testing Center of Excellence) provides a comprehensive suite of testing services for embedded, communications, and IT systems. We have forged partnerships with leading ecosystem players across the value chain. This makes your Company a trusted partner in providing specialized and independent testing services.

In summary, we are not limited by market opportunities. Our focus will continue to be in entrenching our position with existing customers and the simultaneous pursuit of acquiring new business. We have revectoring our internal go-to-market and delivery capabilities to better service our growth prospects. On the people front, we will continue to invest in building the domain competencies and engineering capabilities of our talent pool. Our quality management systems and the management's commitment to harness our abilities should hold us in good stead in the pursuit of profitable growth while achieving scale and scope.

For a more detailed summary of the business segments we operate in, please refer to the Technology and Markets section.

## Management Discussion and Analysis Report (Contd.)

### Financial Performance

#### Financial results for the Year Ended March 31, 2015

Particulars	Year Ended March 31, 2015		Year Ended March 31, 2014		Increase / Decrease (%)
	(In ` lakhs)	(%)	(In ` lakhs)	(%)	
<b>Revenue from Operations</b>	<b>42,800.99</b>	<b>100.0</b>	<b>45,802.93</b>	<b>100.0</b>	<b>-6.6</b>
Employee Benefits Expense	31,500.34	73.6	30,604.38	66.8	2.9
Inventory Related Expenses	177.76	0.4	255.25	0.6	-30.4
Other Expenses	7,898.35	18.5	9,604.55	21.0	-17.8
Total Expenditure	39,576.45	92.5	40,464.18	88.3	-2.2
<b>Profit before Interest, Taxes, Depreciation and Amortization</b>	<b>3,224.54</b>	<b>7.5</b>	<b>5,338.75</b>	<b>11.7</b>	<b>-39.6</b>
Interest & Borrowing Expenses	13.87	0.0	20.25	0.0	-31.5
Depreciation and Amortization Expense	1,119.76	2.6	1,254.22	2.7	-10.7
Other Income	2,193.80	5.1	3,152.97	6.9	-30.4
Exceptional items	17,333.30	40.5	-	0.0	-
<b>Profit before Taxes</b>	<b>21,618.01</b>	<b>50.5</b>	<b>7,217.25</b>	<b>15.8</b>	<b>199.5</b>
Income Tax Expense (Including deferred tax benefit and MAT credit entitlement)	9,661.57	22.6	2,070.08	4.5	366.7
<b>Net profit for the year</b>	<b>11,956.44</b>	<b>27.9</b>	<b>5,147.17</b>	<b>11.2</b>	<b>132.3</b>

#### Revenue from Operations

Consolidated revenues for FY 2015 were ` 42,800.99 lakhs, a decrease of 6.6%, from ` 45,802.93 lakhs in FY 2014.

Software Services revenues, Network Engineering Services revenues, Software Product revenues and Automotive, Utilities and Industrial revenues net off inter segmental revenues were ` 40,303.75 lakhs, ` 1,090.43 lakhs, ` 1,187.47 lakhs and ` 219.35 lakhs respectively, for FY 2015.

In FY 2015, in INR terms, Services revenue contributed 96.7% of the overall revenues. It was at ` 41,394.18 lakhs as against ` 43,664.90 lakhs in FY 2014, lower by 5.2%. The services revenue by project type is as follows:

Particulars	In %	
	FY 2015	FY 2014
Time and Material	88.8	80.2
Fixed Price	11.2	19.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

Composition of time and material projects has increased as compared to previous year, as some of the product development fixed price contracts which existed as of the previous year have got completed and delivered.

Services revenue (including Network Engineering segment) derived from services performed in development centers and customer locations in India are categorized as offshore revenues and revenues from other locations are categorized as onsite revenues. During the year, the proportion of onsite work has been increased with a view to improve collaborative efforts with the customer. The offshore-onsite mix of revenues was as follows:

Particulars	In %	
	FY 2015	FY 2014
Onsite	45.3	41.8
Offshore	54.7	58.2
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

In FY 2015, in INR terms, software product revenue contributed 2.8% of the overall revenues. It was at ` 1,187.47 lakhs as against ` 1,922.91 lakhs in FY 2014, lower by 38.2%

Details of software product revenue were as follows:

Particulars	In %	
	FY 2015	FY 2014
License fees	2.6	10.4
Royalties	52.1	33.3
Customization	45.3	56.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

Product revenues are generally not predictable and significantly dependent on shipment volumes of devices of our customers.

## Management Discussion and Analysis Report (Contd.)



### Employee benefits expenses

Employee benefits expenses include salaries which have fixed and variable components, contribution to social security funds such as provident fund, superannuation fund, gratuity fund and other statutory schemes. It also includes expenses incurred on Employee stock compensation costs, staff welfare, recruitment and relocation.

The total employee costs for FY 2015 were `31,500.34 lakhs compared to `30,604.38 lakhs in FY 2014 - higher by `895.96 lakhs. In percentage terms, the cost in FY 2015 is 73.6% of revenues, as against 66.8% in the earlier year.

The employee benefits cost has been higher in the current year as compared to previous year on account of higher headcount in overseas location, annual wage increases and investments in sales and leadership team during the financial year. The employee strength at the end of FY 2015 was at 1,919 as compared to 1,906 in FY 2014. With a view to better manage utilization, organization continuously monitors the demand and appropriately initiates hiring in time to ensure fulfilment of a business requirements.

### Inventory related expenses

Inventory related expenses include increase or decrease of work in progress, consumption of components and raw materials and purchase of traded goods.

In FY 2015, inventory related expenses are higher as compared to FY 2014 on account of consumption of inventory towards completion of some of the large fixed price ownership projects.

### Other expenses

Other expenses for FY 2015 were `7,898.35 lakhs as against `9,604.55 lakhs for FY 2014 - an decrease of `1,706.20 lakhs.

Break up of other expenses into major head is as follows:

Particulars	Amount in ` lakhs	
	FY 2015	FY 2014
Facility costs	2,431.85	2,772.06
Outsourcing & Consulting costs	2,525.86	3,440.93
Travel Costs	1,642.28	1,774.77
Other Costs	698.96	694.71
Communication & IT costs	499.65	713.61
Training Costs	99.75	208.47
<b>Total</b>	<b>7,898.35</b>	<b>9,604.55</b>

During the year, we had consolidated some of the facilities to improve the space utilization resulting in overall reduction in facility cost and communication costs as compared to last year. During the previous year, we had incurred substantial legal expenses towards litigation which resulted in a favorable outcome. This litigation relates to one of our non-Indian licensees having breached its obligations in the prior year, inter alia, to report shipment and royalty numbers and to pay for the same. For more details, refer to the section on exceptional items.

### Interest & Borrowing expenses

ConnectM, which is a Joint Venture of Sasken, has borrowed from SVB Finance India Pvt Limited, which is a Non-Banking Finance Company (NBFC). The interest expense relates to interest on secured long term borrowing from this NBFC.

### Depreciation and amortization expense

Depreciation and amortization charge has decreased to `1,119.76 lakhs in FY 2015 from `1,245.22 lakhs in FY 2014. The depreciation has been lower as certain assets including intangible assets have reached the end of useful life.

### Other Income

Other Income comprises of Interest earned on Fixed Deposits, Dividend on Mutual Funds including FMPS, Gain on sale of Investments, profit on sale of fixed assets, write back of unclaimed balances and provisions, exchange gains and other miscellaneous receipts.

Other income was `2,193.80 lakhs in FY 2015, a decrease of `959.17 lakhs over the other income in FY 2014 amounting to `3,152.97 lakhs. In the previous year, on account of the volatile exchange rates in FY 2014, net exchange gains, were higher by `988.48 lakhs as compared to FY 2015. This increase in previous year was mainly on account of realization of dividend declared by subsidiaries from accumulated profits, at an exchange rate higher than at which they were earned and occurs when there is significant difference in the exchange rate at which the profit is earned and repatriated from overseas subsidiaries.

We use a combination of foreign exchange forward contracts and foreign exchange options to hedge our exposure to movements in foreign exchange rates. We manage our foreign exchange exposures in line with our hedging policy which aims to ensure that foreign exchange exposures on revenue and balance sheet accounts are properly monitored and are limited to acceptable levels.

Returns from our treasury investments in FY 2015 have been `1,254.15 lakhs, higher by `168.35 lakhs compared to FY 2014.

### Exceptional items

During the earlier years, the Company had recognized royalty income of USD 1.67 million (`880.52 lakhs) in respect of Software Product License granted to a non-Indian licensee, who had purportedly claimed non-usage of the licensed IPR after initial acceptance, which was being contested by the Company.

## Management Discussion and Analysis Report (Contd.)

On June 27, 2014, an award was passed in the Company's favour, as per which the non-Indian licensee was directed to pay USD 31.70 million within 30 days, towards royalties and interest on unpaid royalties and the non-Indian licensee was also directed to continue to provide royalty reports and pay the contracted royalties on an ongoing basis.

During the year, the Company received a cumulative sum of USD 45.31 million towards royalties upto December 2014 and interest on royalties. Of the above, USD 1.67 million was adjusted towards outstanding trade receivables and the balance amount of USD 43.64 million (equivalent to `26,752.99 lakhs) was recognized as exceptional revenue. Further, in relation to the above, a provision towards employee payments amounting to `1,500.00 lakhs was recorded as an exceptional item.

During the year, the Company has, as prudent measure after due evaluation, provided for

- diminution in the value of goodwill related to investment in Sasken Finland amounting to `7,256.82 lakhs.
- impairment of certain dues receivable from statutory authorities in an overseas jurisdiction, amounting to `253.82 lakhs.
- diminution in the value of investment made in Omni Capital LLP, USA amounting to `409.05 lakhs.

### Income tax expense

The tax charges vary depending on the nature of the transaction, mix of onsite-offshore revenues, country of operations, and revenues generated from units which enjoy a tax holiday.

The income tax expense was `9,661.57 lakhs in FY 2015, an increase of `7,591.49 lakhs as compared to the tax expense of `2,070.08 lakhs in FY 2014. The tax charges are higher in the current year, on account of receipt of royalties amount.

### Profit after taxation

Consolidated Profit After Tax (PAT) has increased by 132.2%, to `11,956.44 lakhs in FY 2015 from `5,147.17 lakhs in FY 2014. In absolute terms, the PAT increased by `6,809.27 lakhs in FY 2015. The PAT margins for FY 2015 were 27.9% as against 11.2% in FY 2014.

### Segment Results

	Year ended March 31, 2015 (in ` lakhs)	Year ended March 31, 2014 (in ` lakhs)	Increase/ Decrease (%)
<b>Segment Revenues</b>			
Software Services	40,724.20	42,327.65	-3.8
Network Engineering Services	1,090.42	2,465.15	-87.2
Software Products	1,187.47	1,922.91	-38.2
Automotive, Utilities and Industrial	219.36	215.10	362.0
Less : Intersegment Revenue	(420.46)	(1,127.88)	-62.7
Total Revenue	42,800.99	45,802.93	-6.6
<b>Segmental EBITDA</b>			
Software Services	3,510.52	6,040.89	-41.9
Network Engineering Services	-1.01	-111.44	-99.1
Software Products	-104.14	-520.07	-80.0
Automotive, Utilities and Industrial	-180.83	-70.63	156.0
<b>Segment EBITDA %</b>			
Software Services	8.5	13.6	-37.6
Network Engineering Services	0.0	0.0	0.0
Software Products	-8.8	-27.0	-67.6
Automotive, Utilities and Industrial	-82.4	-32.8	151.1

EBITDA margins from Services business, in the current year, were 8.5% as against 13.6% in FY 2014. The decrease in margins in FY 2015 was due to reduction in revenue volumes.

EBITDA margins from Software products, in the current year, decreased to -8.8% from -27.0% in FY 2014. The investments in to newer products has been minimal and the royalty from existing software products have gradually declined over time.

### Financial Position

Particulars	As at March 31, 2015		As at March 31, 2014	
	(In ` lakhs)	(%)	(In ` lakhs)	(%)
<b>EQUITY AND LIABILITIES</b>				
1. Shareholders' Funds				
(i) Share Capital	2,134.49	3.8	2,127.76	4.3
(ii) Reserves and Surplus	42,559.71	76.1	38,269.66	76.9
(iii) Money received against share warrants	-	0.0	360.75	0.7



## Management Discussion and Analysis Report (Contd.)



Particulars	As at March 31, 2015		As at March 31, 2014	
	(In ` lakhs)	(%)	(In ` lakhs)	(%)
2. Non-Current Liabilities				
(i) Long Term Borrowings	-	0.0	-	0.0
(ii) Long Term Provisions	690.91	1.2	770.97	1.5
3. Current Liabilities and Provisions				
(i) Trade Payables	2,470.86	4.4	2,632.58	5.3
(ii) Other Current Liabilities	2,099.40	3.8	1,695.39	3.4
(iii) Short Term Provisions	5,939.51	10.6	3,925.16	7.9
<b>Total</b>	<b>55,894.88</b>	<b>100.0</b>	<b>49,782.27</b>	<b>100.0</b>
<b>ASSETS</b>				
1. Non-Current Assets				
(i) Net Fixed Assets including Capital Work-in-Progress	4,246.23	7.6	12,686.10	25.5
(ii) Non Current Investments	7,231.32	12.9	2,995.50	6.0
(iii) Deferred Tax Assets (net)	1,275.65	2.3	1,117.71	2.2
(iv) Long Term Loans and Advances	6,771.42	12.1	5,707.26	11.5
(v) Other Non-Current Assets	259.39	0.5	93.46	0.2
2. Current Assets				
(i) Current Investments	12,283.75	22.0	10,355.46	20.8
(ii) Inventories	44.95	0.1	209.39	0.4
(iii) Trade Receivables	6,992.91	12.5	9,276.07	18.6
(iv) Cash and Bank Balances	12,589.69	22.5	3,406.30	6.8
(v) Short Term Loans and Advances	1,650.02	3.0	1,795.44	3.6
(vi) Other Current Assets	2,549.55	4.6	2,139.58	4.3
<b>Total</b>	<b>55,894.88</b>	<b>100.0</b>	<b>49,782.27</b>	<b>100.0</b>

### Equity and Liabilities

#### Share Capital

The authorized share capital is `5,000.00 lakhs comprising of 500 lakh equity shares of face value of `10 each. The number of shares outstanding, as on March 31, 2015 were 2,13,44,873 and these are fully paid up. The issued, subscribed and paid up capital as on March 31, 2015 stood at `2,134.49 lakhs, higher by `6.73 lakhs as compared to March 31, 2014.

#### Reserves and Surplus

Reserves and Surplus as at March 31, 2015 was `42,559.71 as against `38,269.66 lakhs as at March 31, 2014, increase of `4,290.05 lakhs. This increase over the last year is due to the following movements:

1. During FY 2015, securities premium increased by `131.02 lakhs on issue of shares on exercise of options by employees.
2. The employee stock option outstanding (net of deferred compensation cost) stood at `18.61 lakhs as at March 31, 2015.
3. Increase in General Reserve of `1,610.58 lakhs at the end of FY 2015, is due to transfer from Profit and Loss account.
4. Closing balance of hedging reserve as at March 31, 2015 showed a gain of `402.09 lakhs as against a gain of `338.53 lakhs as at March 31, 2014. This is in conformity with the principles laid down in Accounting Standard 30 (AS 30) 'Financial Instruments: Recognition and Measurement' for forward exchange contracts that are not covered by AS 11 'The effects of changes in foreign exchange rates'.
5. Increase in Profit & Loss account balance by `3,633.45 lakhs due to profit for the year as reduced by appropriations towards dividend and transfer to General Reserve. The balance retained in the Profit and Loss account as at March 31, 2014 was `25,970.49 lakhs after providing the interim dividend of `4,796.98 lakhs, proposed final dividend of `960.52 lakhs and dividend tax of `940.69 lakhs.

#### Money received against share warrants

On November 18, 2013, the Company allotted 12,00,000 convertible warrants to Ms. Ira Bhaduri in her capacity as Trustee of Lahiri Family Trust, of which Mr. Anjan Lahiri, former Whole Time Director and CEO of the Company, is the Managing Trustee, on a preferential basis on terms and conditions as approved by shareholders. The allottee was entitled for one equity share of `10 each of the Company for each such warrant at a price of `120.25 each.

In the previous year, the allottee paid 25% of the application money which is disclosed as "Money received against share warrants". In the current year, the allottee exercised 10,40,000 options and paid `937.95 lakhs towards the balance 75% of the application money. As agreed mutually, the proposed allotment/conversion was not to be proceeded with, and this amount of `937.95 lakhs was refunded.

The Company had sought informal guidance from Securities and Exchange Board of India (SEBI) on whether the 25% should be forfeited or can be refunded and if so, the procedural formalities in connection with that. SEBI vide its letter dated February 23, 2015 expressed its inability to issue any guidance in the matter. Based on legal advice, the Board of Directors, at its meeting on April 13, 2015 approved refund of the application amount and the interest accrued and the same was paid on April 14, 2015.

## Management Discussion and Analysis Report (Contd.)

### Long term provisions

Long term provisions include provision for long term employee benefit obligations, warranty, onerous contract and provision for mark-to-market losses on derivative contracts which are not expected to be settled within twelve months from the Balance Sheet date. In respect of these provisions, the Company has unconditional right to defer settlement beyond twelve months from Balance Sheet date and the provisions are considered to be non-current.

Long term provisions made, representing 1.2% of the Balance Sheet, were at ₹ 690.91 lakhs as at March 31, 2015, as against ₹ 770.97 lakhs as at March 31, 2014. The decrease is mainly on account of the lower provisions towards long term employee benefits.

### Trade Payables

Trade payables includes amount due on account of goods purchased or services received in the normal course of business.

As at March 31, 2015, Trade payables representing 4.4% of the Balance Sheet, were at ₹ 2,470.86 lakhs, as against ₹ 2,632.58 lakhs as at March 31, 2014. The reduction in the trade payables is mainly on account of change in size of operations and rationalization of facilities.

### Other Current Liabilities

Other current liabilities include current maturities of long term borrowings, Interest accrued but not due on borrowings, deferred revenues, advance received from customers, unpaid dividend, capital creditors and statutory liabilities. Current maturities of long term borrowings represent principal and interest amounts due on borrowings which are to be settled within twelve months from the Balance Sheet date. Deferred revenues consist primarily of advance billings on customers for fixed price contracts, for related costs are yet to be incurred. Advance received from customers represents amount received for the delivery of services in future. Unpaid dividend represents dividend paid, but not encashed by shareholders and is represented by bank balance of the equivalent amount. Capital creditors include amounts due on account of goods purchased or services received in the nature of capital expenditure. Statutory liabilities include withholding tax and social security costs payable to statutory authorities in various countries we operate in.

Other current liabilities constituting 3.8% of the Balance Sheet, as at March 31, 2015 were at ₹ 2,099.40 lakhs, as against ₹ 1,695.39 lakhs as at March 31, 2014. The increase in current liabilities is mainly on account of increase in deferred revenues and statutory liabilities at the end of the year.

### Short Term Provisions

Short term provisions include provision for long term employee benefit obligations, warranties, onerous contracts, provision for mark-to-market losses on derivative contracts and provision for dividends and tax thereon which are expected to be settled within twelve months from the Balance Sheet date and are considered to be current.

Short term provisions represent 10.64% of the Balance Sheet, and as at March 31, 2015 were at ₹ 5,939.51 lakhs as against ₹ 3,925.16 lakhs as at March 31, 2014. The increase in provisions is on account of higher income tax provisions on account of royalties received as per award in the current year.

### Assets

#### Net Fixed assets including Capital Work-in-Progress

Net Fixed assets including Capital Work-in-Progress includes tangible and intangible assets as reduced by accumulated depreciation/amortization, Capital Work-in-Progress and Intangible assets under development.

The Net Fixed Assets, including capital Work-in-Progress, represents 7.6% of the total assets. The Fixed Assets, as at March 31, 2015, were at ₹ 4,246.23 lakhs as against ₹ 12,686.10 lakhs as at March 31, 2014.

Additions to fixed assets during the FY 2015 were ₹ 381.03 lakhs mainly on account of investments in computing equipment and software. During the year, we deducted ₹ 3,729.56 lakhs (March 31, 2014: ₹ 2,019.98 lakhs) from the gross block on retirement of assets.

#### Non - Current Investments

Investments are classified as current or non-current based on management intention at the time of purchase. Investments which the management intends to hold for a period more than one year from the Balance Sheet date are classified as non-current investments. Under this category, Sasken has made several strategic investments aimed at procuring business benefits and operation efficiencies.

The non-current investments, representing 12.9% of the total assets, were ₹ 7,231.32 lakhs, as at March 31, 2015 as against ₹ 2,995.50 lakhs as at March 31, 2014. The non-current investment is primarily the investment in Omni Capital Fund LLP, a limited liability partnership in USA and Fixed Maturity Plan investments. After providing impairment in diminution in value, the investment in Omni Capital Fund LLP stands at ₹ 2,602.24 lakhs. Further, during the year, certain Fixed Maturity Plan investments amounting ₹ 4,629.08 lakhs have been rolled over for another two years and the same have now be classified as non-current investments.

#### Deferred Tax Assets (net)

Deferred income taxes represent 2.3% of total assets. This reflects the tax impact of timing differences between taxable income and accounting income for the year and reversal of tax due to timing differences of earlier years. Deferred tax assets and deferred tax liabilities across various countries of operation are not set off against each other as we do not have a legal right to do so.

## Management Discussion and Analysis Report (Contd.)



The Deferred tax assets, as at March 31, 2015 were ` 1,275.65 lakhs as against ` 1,117.71 lakhs as at March 31, 2014, an increase of ` 157.94 lakhs. The increase in deferred tax assets in FY 2015 was mainly on account of deferred tax assets recognized on employee benefit expenses and mark to market losses which are allowed for tax purposes only on payment basis.

### Long Term Loans and Advances

Loans and advances consist of capital advance, security deposits, prepaid expenses, advance to employees, balances with Government Authorities and advance tax & MAT credit entitlement. Loan & advances which are non-current and not expected to be settled within twelve months from the Balance Sheet date has been classified as long term loans & advances. This represents 12.1% of the Balance Sheet, and as at March 31, 2015 was ` 6,771.42 lakhs, as against ` 5,707.26 lakhs as at March 31, 2014 - an increase of ` 1,064.16 lakhs. The increase is primarily due to increase in advance income tax payments, on account royalties received as per award.

### Other non-current Assets

Long term trade receivables and non-current bank balances have been classified as other non-current assets. Long term trade receivables mean Trade receivables which are not due within the operating cycle of the company. Non-current bank balances include fixed deposits having maturity of more than 12 months as at the Balance Sheet date. This represents 0.5% of the total assets, and as at March 31, 2015 was at ` 259.39 lakhs, as against ` 93.46 lakhs as at March 31, 2014 - an increase of ` 165.93 lakhs. To take benefit of the high interest rates, the Company has locked into fixed deposits with Bank which are maturing beyond one year.

### Current Investments

Investment in treasury products which are readily realisable, and that are intended to be held for not more than a year are classified under this head. These investments, representing 22% of the total assets, were ` 12,283.75 lakhs, as at March 31, 2015 as against ` 10,355.46 lakhs, as at March 31, 2014.

The guiding principle of the Company's treasury investment is safety, liquidity and return. The Company deploys its surplus funds primarily in debt mutual funds and bank fixed deposits. During FY 2015 the composition of the investments has undergone change considering rate of returns on various instruments in the current market scenario. The total cash surplus available for investment has increased as compared to previous year on account of better collections including litigated amounts.

The breakup of treasury investments by instrument type is as follows:

Particulars	In %	
	As on March 31, 2015	As on March 31, 2014
Liquid Plan/Ultra Short Term Plan	41.4	52.4
Fixed Maturity Plan	48.1	47.6
Arbitrage/Equity Funds	10.5	-
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

The breakup of treasury investments by accounting classification:

Particulars	In %	
	As on March 31, 2015	As on March 31, 2014
Current Investments	72.6	100.0
Non-Current Investments	27.4	-
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

### Inventories

Inventories, which are 0.1% of the total assets, represent (a) Work-in-progress - that is costs related to project milestones that have not been met (b) Raw materials and components - costs related to stock of raw material and other components which are used as a part of project deliverables. The Work-in-progress, as at March 31, 2015 was at ` 44.95 lakhs, as against ` 209.39 lakhs as at March 31, 2014. The Work-in-progress will be charged off to Profit and Loss account as and when the related revenue is recognized, going by the matching principle of accounting. Raw materials and components, as at March 31, 2015 was at ` 29.27 lakhs, as against ` 61.91 lakhs as at March 31, 2014.

### Trade Receivables

Trade receivables, representing 12.5% of the total assets, as at March 31, 2015 were at ` 6,992.91 lakhs as against ` 9,276.07 lakhs as at March 31, 2014. We periodically review the quality of receivables and make provision where necessary. Accordingly, the provisions for doubtful debts as at March 31, 2015 were ` 71.87 lakhs.

Trade receivables including long term trade receivables were 61 days (March 31, 2014: 72 days) in terms of days of sales outstanding (DSO) as at March 31, 2015.

## Management Discussion and Analysis Report (Contd.)

### Cash and Bank Balances

Cash and Bank balances, representing 22.5% of the total assets, as at March 31, 2015 were at ₹ 12,589.69 lakhs, as against ₹ 3,406.30 lakhs as at March 31, 2014. We maintain sufficient cash balance in current accounts for operational requirements and invest surplus funds in a variety of instruments including fixed deposits in line with the Investment policy as approved by Board.

Amount in ₹ lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
Cash in Hand	1.49	1.91
With Indian Banks		
In Current Accounts	1,091.08	1,508.30
Others	99.12	88.68
With Foreign Banks	1,129.12	1,784.03
In Fixed Deposits	10,518.88	23.38
Total	12,839.69	3,406.30
Less : Deposits with original maturity greater than 12 months shown as other non-current assets	250.00	-
<b>Cash and Bank Balances</b>	<b>12,589.69</b>	<b>3,406.30</b>

### Short Term Loans and Advances

Loans and advances consist of security deposits, prepaid expenses, advance to employees and suppliers, balances with Government Authorities. This represents 3.0% of the Balance Sheet, and as at March 31, 2015 was ₹ 1,650.02 lakhs, as against ₹ 1,795.44 lakhs as at March 31, 2014 - a decrease of ₹ 145.42 lakhs.

### Other Current Assets

This represents interest accrued on fixed deposits and unbilled revenue and constitutes 4.6% of Balance Sheet. Unbilled revenue represents amounts recognized based on services performed in accordance with contract terms and where invoices are yet to be raised as on the Balance Sheet date. The prime reason for increase in other current assets is due to accrued interest on fixed deposits with banks.

### Cashflow

During the year, we have generated ₹ 19,132.61 lakhs from operating activities as against ₹ 6,411.95 lakhs during March 31, 2014 on account of improved collections and collections from litigated items. Of the cash generated, ₹ 6,575.36 lakhs was utilized towards distribution of dividend (including tax thereon). The balance at the end of the year including treasury investments is ₹ 29,752.52 lakhs.

### Threats, Risks and Concerns

#### Business Risks

We operate in a high-growth market environment characterized by rapid changes in technology along with disruptions in the industrial value chain. The fundamental attractiveness of this market results in intense competition which could have an impact on our ability to continue to attract new customers and scale existing business. The nexus of forces such as cloud, big data, mobile devices, social media and changing consumer behavior, requires us to continuously evaluate our offerings and business models to be relevant in the market place. Some of our customers face serious competitive challenges from digital upstarts and new-age enterprises that may lead to erosion in their market share and margins thus adversely affecting our business prospects with them. Additionally, we have a customer concentration risk due to our key account focus. Our geo-focus is predominantly toward North America and Europe where there is a prospect of economic upheaval which may adversely affect business from customers in those areas.

Our sectoral focus spreads from semiconductors and smart devices to networks but is largely on the wireless domain. The reconstitution of this sector's profit pool due to the emergence of digital disruptors is both an opportunity and threat. This has led to some of our customers, who were otherwise considered stalwarts, exiting business lines we were engaged with or being acquired thus muting our business prospects. Some companies who outsource technology development in our industry have well-established global in-house centers. The presence of GICs may potentially lead to insourcing of product development engineering services which may reduce the volume of forthcoming business.

To mitigate these risks, we are endeavoring to scale business opportunities arising out of the cusp of embedded and IT systems. We continue to strengthen our traditional business in embedded systems and testing as the business prospects remain promising. We are increasing our competitive ability by embracing agile practices to continue to be a significant partner to marquee customers in the communication and devices space. We are building proof of concepts that enables the delivery of next generation services to our customers and also broaden our customer base. Our deep domain knowledge in our traditional business combined with new practices such as Application and Data Services along with IT Infrastructure enables us to provide transformative and differentiate solutions.

#### HR Risks

As our services are provided by highly skilled and trained engineers, attraction and retention of talent will remain a challenge. Increase employment costs in developing economies exert pressure on operating margins. Mobility of global workforce on account of immigration restrictions in key markets is another challenge faced by the industry. Legislative changes and political rhetoric against outsourcing will impact our service delivery.

## Management Discussion and Analysis Report (Contd.)



We continued to build on our employee engagement programs and implemented a robust performance management system, align compensation to reflect market conditions. Further with a view to increase learning opportunities, we have designed and implemented training and rotation programs. Thanks to these initiatives, employee scores are moving in the right direction, employee engagement is up and attrition levels are showing signs of stability.

### Financial Risks:

#### Foreign Exchange Fluctuation Risk

Most of the Group revenues are derived from its global customers and are generally denominated in US Dollars and Euros. A significant portion of expenses will be in Indian Rupees as majority of the service delivery of the Company happens from India. Consequently, fluctuations in the exchange rate have an influence on the operating profit. On the back of economic uncertainty especially in the euro region, there has been significant volatility in the exchange rates over the past year. During FY 2015, the rupee depreciated by 4.3% against USD and appreciated by 18.4% against Euro.

With view to minimize the impact of exchange fluctuations, the Group periodically reviews its foreign exchange exposures and takes appropriate hedges through forward contracts and option contracts, regularly. The policy of the Group is to take hedges for risk mitigation and not for profit maximization. The Group has preset loss limits and unhedged exposures are subject to these loss limits for the purpose of deciding the hedge.

### Legislative Changes:

The following are some of the changes in the regulatory and accounting framework which governs Company and the Group:

- Income computation and disclosure standards (ICDS) for calculation of tax charge – effective from FY 2015-16
- Ind AS in place of Accounting Standards (AS) which is currently followed – effective from FY 2017-18 for Company and the Group
- Goods and Services Tax - proposed to be effective from FY 2016-17.

The CBDT has notified ten standards which will have to be used for computing the tax liability. Some of the standard requirements are aggressive and may be inconsistent with the accounting policies of the Company and Group. To quote an example, while the accounting policies of the Company are based on the Accounting Standards, which lay emphasis on prudence and materiality in preparation of the financial statements, the ICDS ignores these two basic premises. The ICAI is expected to issue guidance note on this which will provide clarity on these matters.

The Ministry of Corporate Affairs (MCA) has proposed to implement the Indian Accounting Standards (Ind AS), which will be in line with the International Financial Reporting Standards (IFRS) and replace the present Accounting Standards which apply to the corporates. This is intended to be implemented in two phases starting from FY 2016-17. Going by the announcement in this regard, the Ind AS will be applicable for Company and the Group from FY 2017-18.

Ind AS is expected to harmonise the treatment of transactions under the accounting standards and disclosures globally. In the era of globalisation, this will enable the enterprises in evaluation of other enterprises for business partnership, banks to evaluate their potential customers etc. The disclosure requirements and the granularity in reporting is expected to be increased under the Ind AS.

The Government of India (GoI) has proposed to bring the Goods and Services under a single legislation and in the process subsume the existing Value Added Tax, Service Tax and host of other legislations under the Goods and Services Tax Act (GST). GoI is in the process of amending the existing laws, drafting the procedure & process and making ready the infrastructure for implementation of GST. Though the tax rates have not been finalised, going by the intend of the GoI, the GST rate may be higher than the existing Service Tax and VAT rates. We hope better clarity will emerge after the laws are enacted/amended in the Parliament.

### Liquidity Risk

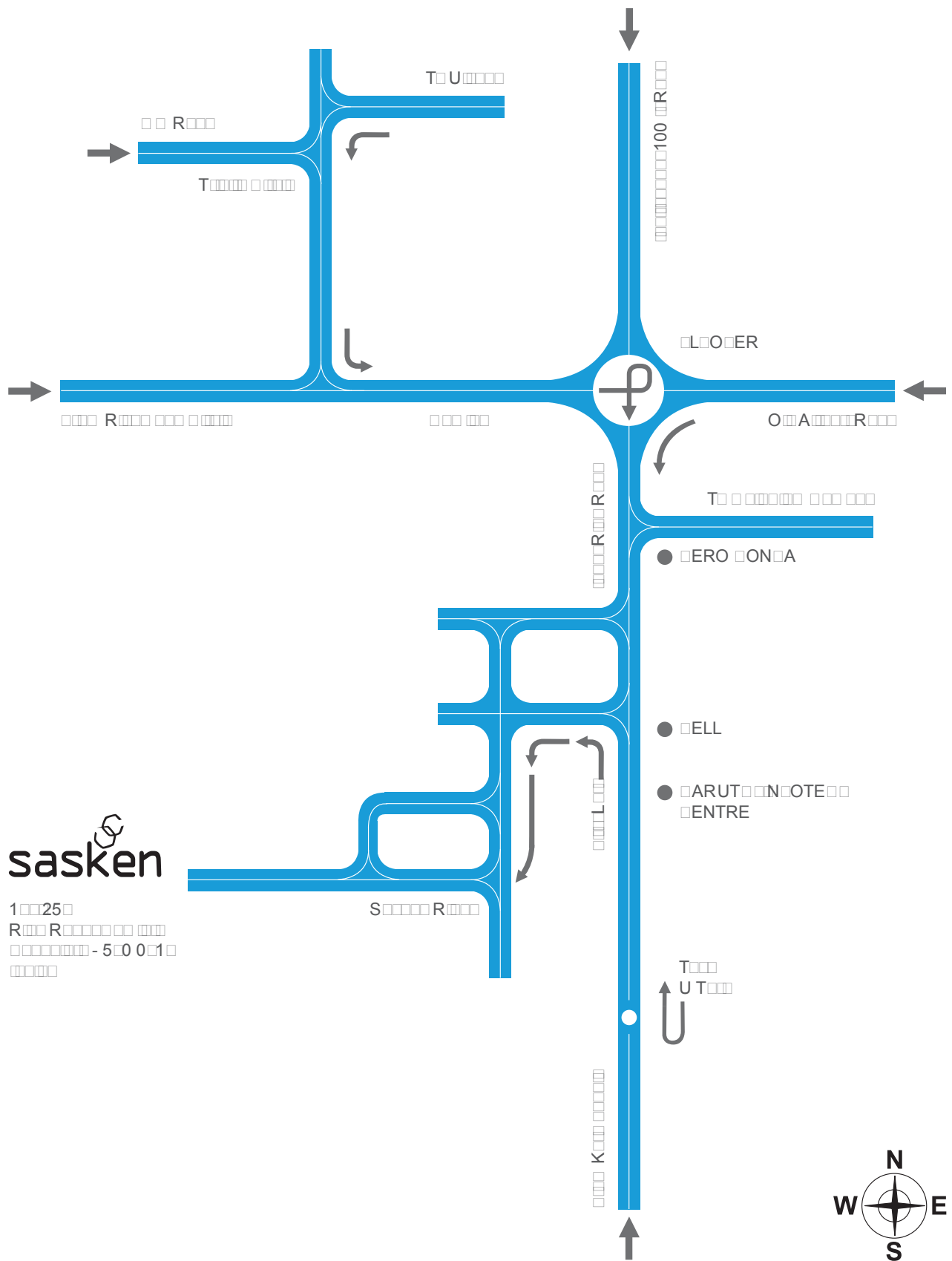
The Board reviews the liquidity position periodically and determines the need for infusion of equity and debt capital into the business. The Company and its subsidiaries have met its working capital requirements through internal cash accruals during the current year. Cash surplus generated by the business are invested in line with Board approved policy which factors interest risk, credit risk and reinvestment risks. The Group has fund based and non-fund based lines of credit available, to satisfy any working capital requirements, if required.

### Internal Control Systems

The Group aims to manage risk so as protect the value of the Group on behalf of the shareholders. Apart from identifying and documenting 'Entity level' risks and controls, the exercise involves identifying all significant (a) locations and (b) business processes, followed by (c) documenting each of the process flows (d) creation of risk registers (e) an assessment of controls by way of testing and (f) periodic reporting & monitoring. The risk register captures all areas of potential financial risks and operational risks and the associated internal controls that are already in place or have been identified.

Annual certification is an important procedure. It starts from the 'control' owner and then on to the 'process' owner and upwards, leading to the CEO and CFO certification. The Company complies with the requirements of Enterprise Risk Management (ERM), which is mandated by various regulations including Clause 49 of the Listing Agreement, Companies Act 2013, etc.

At intervals, the Company does assessment of the risks and controls for the existing and new process flows. As part of the assessment exercise, certain new risks have been identified. Controls to mitigate these risks are being designed for implementation in the coming periods. As a good corporate governance measure, all matters of significant importance or relevance have been reported to the Audit Committee and the Company's Statutory Auditors.



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