

Sasken Network Solutions Inc
Balance Sheet

Amount in INR

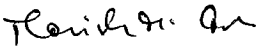
Particulars	Notes Reference	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
Shareholders' Funds:			
Share Capital	2	911,400	911,400
Reserves and Surplus	3	1,164,046	10,300,360
Current Liabilities:			
Trade payables		279,783	14,822,708
Other current liabilities	4	-	982,438
Short term provisions	5	-	796,373
Total		2,355,229	27,813,279
ASSETS			
Non Current Assets			
Fixed Assets:			
Tangible fixed assets	6	-	729,385
Intangible assets	7	-	215,492
Deferred Tax Assets [Net]	16(f)	-	172,385
Long term loans and advances	8	2,189,930	1,941,424
Current Assets			
Trade receivables	9	-	19,852,886
Cash and cash equivalents	10	165,299	3,382,036
Short term loans and advances	11	-	95,262
Other current assets - Unbilled revenues		-	1,424,409
Total		2,355,229	27,813,279

See accompanying notes forming part of the financial statements

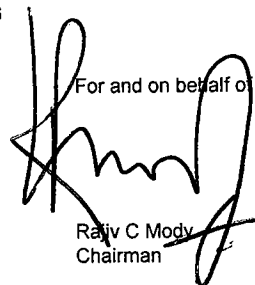
1 - 16

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors



Monisha Parikh
Partner



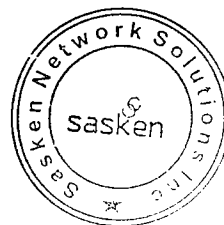
Rajiv C Mody
Chairman



Neeta Revankar
Director

Place : Bangalore
Date : 22 April 2014

Place : Bangalore
Date : 22 April 2014



Sasken Network Solutions Inc

Statement of Profit and Loss

Amount in INR

Particulars	Notes Reference	For the	For the
		Year Ended	Year Ended
		March 31, 2014	March 31, 2013
Revenue			
Revenue from operations	12	34,929,434	90,603,366
Other Income	13	672,657	391,089
Total Revenue		35,602,091	90,994,455
Expenses			
Employee benefit expense	14	25,555,678	30,247,704
Other operational expense	15	15,178,487	56,661,402
Depreciation and amortization expense	6 & 7	418,212	119,035
Total Expenses		41,152,377	87,028,141
Profit/(loss) before tax		(5,550,286)	3,966,314
Tax expense/[credit]:			
(1) Current tax		-	1,057,757
(2) Deferred tax		196,333	499,582
Total tax expense		196,333	1,557,339
Profit for the year carried to the Balance Sheet		(5,746,619)	2,408,975

Earnings Per Share (EPS) (Equity Share par value USD 1/- each)

Basic	(287.33)	120.45
Diluted	(287.33)	120.45
Weighted average number of Equity Shares used in computation of		
Basic EPS	20,000	20,000
Diluted EPS	20,000	20,000
[Refer Note 16 (b)]		

See accompanying notes forming part of the financial statements

1 - 16

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Monisha Parikh

Monisha Parikh
Partner

Place : Bangalore
Date : 22 April 2014



For and on behalf of the Board of Directors

Rajiv C Modi
Rajiv C Modi
Chairman

Neeta Revankar
Neeta Revankar
Director



Place : Bangalore
Date : 22 April 2014

Sasken Network Solutions Inc

Cash Flow Statement

Particulars	Amount in INR	
	For the Year Ended March 31, 2014	For the Year Ended March 31, 2013
Net Profit/ (loss) before tax	(5,550,286)	3,966,314
Adjustments for:		
Depreciation	418,212	119,035
Loss/(Profit) on Sale/Disposal of Assets	-	32,957
Interest Income & write back of unclaimed balances / provisions	(672,657)	(388,693)
Operating profit/(Loss) before working capital changes	(5,804,731)	3,729,613
Adjustments for (increase) / decrease in operating assets:		
Trade Receivables	15,605,667	(12,474,717)
Short-term loans and advances	95,262	(95,262)
Other Current Assets	1,424,409	(610,489)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(12,183,820)	8,601,829
Short-term provisions	(348,400)	120,874
Other current liabilities	(94,863)	(85,727)
Cash used in operations	(1,306,476)	(813,879)
Direct taxes (paid) / refund received [net]	(47,791)	(4,490,251)
Net cash used in operating activities	(1,354,267)	(5,304,130)
B. Cash flow from investing activities:		
Purchase of fixed assets	(887,575)	-
Proceeds from Business transfer of assets and liabilities to Sasken Communication Technologies Ltd, US Branch	2,759,523	-
Proceeds of loan given Sasken Inc	-	35,609,000
Interest income	-	545,106
Net cash from investing activities	1,871,948	36,154,106
C. Cash flow from financing activities:		
Payment of dividend	(4,534,666)	(33,598,980)
Net cash used in financing activities	(4,534,666)	(33,598,980)
Net Increase/(Decrease) in Cash and cash equivalents	(4,016,985)	(2,749,004)
Impact on account of Foreign Currency Translation	800,248	3,662,687
Cash and cash equivalents at the beginning of the year	3,382,036	2,468,353
Cash and cash equivalents at the end of the year	165,299	3,382,036
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet	165,299	3,382,036
Net Cash and cash equivalents [as defined in AS 3 Cash Flow Statements]	165,299	3,382,036
Balances with banks		
(i) In current account	165,299	3,382,036
	165,299	3,382,036

See accompanying notes forming part of the financial statements

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Monisha Parikh

Monisha Parikh
Partner

Place : Bangalore
Date : 22 April 2014



For and on behalf of the Board of Directors

Neeta Revankar

Neeta Revankar
Director

Sasken Network Solutions Inc

Reference to Notes Forming Part of Balance Sheet

		Amount in INR	
	Notes Reference	As at March 31, 2014	As at March 31, 2013
Share Capital	2		
Issued, subscribed and paid up capital		911,400	911,400
<p>20,000 Equity Shares of USD. 1/- each fully paid up with 1 voting right per share (As at March 31, 2013 20,000 Equity Shares of USD. 1/- each fully paid up with 1 voting right per share)</p> <p>(All the Equity shares are held by Holding Company Sasken Network Engineering Limited and its nominees)</p> <p>There is no change in the share capital and in the share holding pattern as compared to previous year.</p>			
		911,400	911,400
Reserves and Surplus	3		
Foreign exchange translation reserve [Refer Note 1 (e)]			
Opening balance		7,573,374	3,948,465
Movement during the year		(7,065,746)	3,624,909
Closing balance		507,628	7,573,374
Balance in Statement of Profit and loss			
Opening balance		2,726,986	33,916,991
Less : Foreign Exchange Translation Reserve Adjustment [Refer Note 16 (c)]		6,182,951	-
Add: Profit for the year		(5,746,619)	2,408,975
Less: Interim dividend paid		(2,506,900)	(33,598,980)
Total		656,418	2,726,986
Grand Total		1,164,046	10,300,360
Other current liabilities	4		
Statutory remittances		-	94,863
Payables on purchase of Fixed Assets		-	887,575
		-	982,438
Short term provisions	5		
Provision for Employee compensated absences		-	796,373
Total		-	796,373



Sasken Network Solutions Inc

Reference to Notes Forming Part of Balance Sheet

Fixed Asset	Notes Reference	Gross Block				Depreciation / Amortization				Net Block			
		As at April 01, 2013	Additions during the year	Deductions	Adjustment (Refer Note)	As at March 31, 2014	Upto March 31, 2013	During the year	Deductions	Adjustment (Refer Note)	Upto March 31, 2014	As at March 31, 2014	As at March 31, 2013
Tangible Assets	6												
Computers		343,671 (308,693)	(68,463)	390,821 (54,300)	47,150 (20,815)	(343,671)	169,286 (112,884)	80,478 (70,317)	275,849 (21,520)	26,085 (7,605)	(169,286)	(174,385)	174,385 (195,809)
Plant and Equipment		5,311	(5,311)	6,039	728	(5,311)	118	1,245 (118)	1,403	40	(118)	(5,193)	5,193
Office Equipment		568,241	(566,241)	646,203	77,962	(566,241)	18,434	106,462 (18,469)	129,563	4,667 34	(18,434)	(549,807)	549,807
		917,223 (308,693)	(642,015)	1,043,063 (54,300)	125,840 (20,815)	(817,223)	187,838 (112,884)	188,185 (88,903)	406,815 (21,520)	30,792 (7,571)	(187,838)	(725,385)	729,385 (195,809)
Tangible Assets - Current Year TOTAL													
Tangible Assets - Previous Year TOTAL													
Intangible Assets	7												
Computer Software		245,560	(245,560)	279,252	33,692	(245,560)	30,068	230,027 (30,132)	268,774	8,679 64	(30,068)	(215,492)	-
Intangible Assets - Current Year TOTAL		245,560	(245,560)	279,252	33,692	(245,560)	30,068	230,027 (30,132)	268,774	8,679 64	(30,068)	(215,492)	-
Intangible Assets - Previous Year TOTAL													
Current Year TOTAL		1,162,783 (308,693)	(887,575)	1,322,315.00 (54,300)	159,532 (20,815)	(1,162,783)	217,906 (112,884)	418,212 (119,055)	675,589 (21,520)	39,471 (7,507)	(217,906)	(944,877)	729,385 (195,809)

Note : Adjustment relates to foreign exchange adjustment arising from the restatement of the Fixed Assets and Depreciation at the closing conversion exchange rates.



Sasken Network Solutions Inc

Reference to Notes Forming Part of Balance Sheet

Amount in INR			
	Notes Reference	As at March 31, 2014	As at March 31, 2013
Long term loans and advances	8		
<u>Unsecured considered good</u>			
Loan to Sasken Inc		-	-
Advance income tax [Net of Provision for tax Rs. 25,761,180/-, Previous year Rs.23,647,583/-]		2,189,930	1,941,424
Total		2,189,930	1,941,424
Trade receivables	9		
<u>Outstanding for less than six months from due date</u>			
Unsecured considered good		-	19,852,886
Total		-	19,852,886
Cash and cash equivalents	10		
Balances with Banks			
In current account		165,299	3,382,036
Total		165,299	3,382,036
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is		165,299	3,382,036
Short term loans and advances (Unsecured considered good)	11		
Loans and advances to Sasken Communication Technologies Ltd [Ultimate Holding Company]		-	95,262
Total		-	95,262



Sasken Network Solutions Inc

Reference To Notes Forming Part of Statement of Profit and Loss

Particulars	Notes Reference	For the Year Ended March 31, 2014	For the Year Ended March 31, 2013
Revenue from operations	12		
Sale of network engineering services		34,929,434	90,603,366
Total		34,929,434	90,603,366
Other income	13		
Interest on Loan		-	225,134
Write back of unclaimed balances/ provisions		328,591	163,559
Interest on Income Tax Refund		-	2,396
Miscellaneous income		344,066	-
Total		672,657	391,089



Sasken Network Solutions Inc

Reference To Notes Forming Part of Statement of Profit and Loss

	Notes Reference	For the Year Ended March 31, 2014	For the Year Ended March 31, 2013
Employee Benefit Expense	14		
Salaries & Bonus		24,530,011	29,710,218
Contribution to Provident fund		(3,980)	-
Staff Welfare		842,538	352,823
Recruitment and Relocation		187,109	184,663
Total		25,555,678	30,247,704
Other operational expense	15		
Rent			
-Building		384,589	414,535
Repairs and maintenance			15,407
-Plant and machinery, Equipments & Computers		-	
Communication expenses		700,044	1,085,039
Printing and Stationery		-	112
Travel expenses [Net of income of Rs.732,887/-, Previous period Rs.Nil/-]		2,159,889	5,127,070
Professional, legal and consultancy charges		1,545,934	7,575,171
- Audit fees		172,119	224,774
- Reimbursement of expenses		40,252	27,480
Contract staff cost		10,087,991	42,038,212
Selling expenses - others		-	39,843
Loss on sale of fixed assets/discarded assets		-	32,957
Rates and taxes		10,628	8,282
Interest expense		-	21,615
Miscellaneous expenses		77,041	50,905
Total		15,178,487	56,661,402



Sasken Network Solution Inc.

Notes forming part of the financial statements for the year ended March 31, 2014

1. Description of Business and significant accounting policies

- a) Sasken Network Solution Inc. (“SNSI” or “the Company”) is a provider of installation & commissioning services and technical support services to network equipment vendors & operators.

SNSI is a wholly owned subsidiary of Sasken Network Engineering Limited, Bangalore and is located in the United States of America.

- b) These financial statements have been prepared for the purpose of consolidation with Sasken Network Engineering Limited the Holding company. The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP).

- c) The financial statements have not been prepared under the going concern assumption and all assets have been stated at lower of cost and realizable values and all liabilities have been considered at their estimated payout values. The following adjustments are made:

Non-current assets have been restated at the realisable values as estimated by the Management.

- d) Discontinuing Operations:

As explained in Note (c) above, the operations of the Company are being discontinued and consequently the Statement of Profit and Loss, Earnings per share and the Cash flow from operations pertaining to the year, represent discontinuing operations. Refer Note 16(a) below.

- e) Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

- f) Revenue Recognition

Income from services

The Company derives its revenues from Installation & Commissioning services and Technical Support services. Revenue on such services are recognized on completion of services and provided the collection is probable.

- g) Depreciation

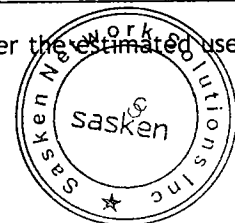
Depreciation is provided on Straight Line Method (SLM), over the estimated useful life of the asset, at the rates mentioned below.

The estimated useful lives of tangible assets are as follows:

Type of asset	Estimated life (in years)
Office equipments	5
Electrical Fittings	5
Test and Other Equipments (including Tools)	4
Computers	4
Furniture & Fittings	10
Vehicles	5

Leasehold improvements at leased premises are depreciated on SLM, over the estimated useful life or the lease period, whichever is lower

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Assets with unit value Rs.5,000 or less are depreciated entirely in the period of acquisition.

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

- a) Generic Computer Software - over 12 months.
- b) Computer software used for rendering of services over the life of the Project / Product - 12 months to 60 months

h) Foreign Exchange Transactions

- (i) Initial Recognition - The company is domiciled in USA and its functional currency is USD. Foreign currency transactions are recorded in the Functional currency, by applying to the foreign currency amount, the exchange rate between the Functional currency and the foreign currency approximately at the date of the transaction.
- (ii) Exchange Differences - Exchange differences arising on the settlement or restatement of monetary items, are recognized as income or as expenses in the periods in which they arise.
- (iii) Translation/Conversion - All transactions recorded in USD (Functional currency) are translated to Indian Rupees (Reporting currency) using average rate for income and expenses and closing rate for balance sheet items.

i) Employee Benefits

The Company contributes to a Social Security as per US laws and the same are remitted to respective authorities.

Compensated absences

Short-term compensated absences are provided based on estimates. Provision for Long-term compensated absences is made based on actuarial valuation as at the Balance Sheet date. Provision for compensated absences is made on an estimate of utilization / availment of the un-availed leave balance to the credit of the employees as at the year end.

j) Income Taxes

Income Tax comprises the current tax provision and the net change in the deferred tax asset or liability during the year. Current Tax provision includes the federal tax and state taxes.

Deferred tax assets and liabilities are recognized for the future tax consequences arising out of temporary differences between the carrying values of the assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates applicable on the Balance Sheet date. Deferred tax assets are recognised and carried forward to the extent that there is a reasonable / virtual certainty (as applicable) that sufficient future taxable income will be available against which such deferred tax asset can be realised. The effect on deferred tax assets and liabilities resulting from change in tax rates is recognized in the income statement in the year of enactment of the change

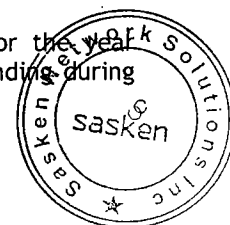
k) Provisions & Contingencies

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

l) 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.

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.



m) Segment Policy

Identification of segments:

The Company is focused in the telecommunication space. The risks and returns of the Company 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 segment is installation & commissioning services and Technical Support services.

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

n) Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

o) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

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Notes forming part of the financial statements for the year ended March 31, 2014

16. Other Notes to accounts

- a) During the year, the Company entered into a Business Transfer Agreement dated February 01, 2014 with Sasken Communication Technologies Ltd (SCTL), the Ultimate Holding Company, wherein certain assets, and liabilities of the Company were transferred to the US branch of SCTL at their book values including contracts and commitments refer note (d) below. Consequently, the operations of the Company are carried out from the US branch of SCTL.

The Board of Directors and Shareholders of the Company in a Joint special meeting held on March 12, 2014 approved the plan for dissolution and liquidation of the Company. Consequently, the Company is taking necessary steps to complete the liquidation formalities. Accordingly, the financial statements have not been prepared under the going concern assumption and the accounting treatment has been done as mentioned in note 1(c).

b) Earnings per Share

Earnings Per Share has been determined as follows:

Particulars		Amount in INR	
		For the Year Ended 31-Mar-2014	For the Year Ended 31-Mar-2013
Profit/after tax as per the Statement of Profit & Loss	A	(5,746,619)	2,408,975
Weighted Average number of Shares for Basic EPS	B	20,000	20,000
Nominal value of equity shares	USD	1	1
	INR	45.57	45.57
Earnings Per Share			
Basic	A / B	(287.33)	120.45

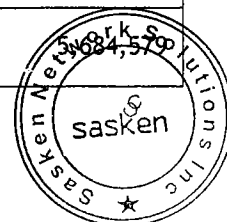
- c) Foreign Exchange Translation Reserve Adjustment reflects the adjustment arising on account of translation of interim dividend during the prior year at the closing rate as against the historical rate.

d) Related Party Disclosures

Names of the related parties and description of relationship	
Holding Company	Sasken Network Engineering Limited (SNEL)
Fellow Subsidiary Company	Sasken Inc, USA
Ultimate Holding Company	Sasken Communication Technologies Limited (India)

The details of the transactions with the related parties during the year are as under:

Particulars	Amount in INR			
	Holding Company		Ultimate Holding Company	
	(SNEL)		(Sasken Communication Technologies Limited (India))	
	For the Year Ended 31-Mar-2014	For the Year Ended 31-Mar-2013	For the Year Ended 31-Mar-2014	For the Year Ended 31-Mar-2013
Transactions during the year				
Sale of Services	Nil	Nil	785,792	32,102,804
Procurement of Services	9,760,077	15,210,769	Nil	Nil
Reimbursement of expenses (Payable)	Nil	73,054	402,035	3,584,579



Particulars	Holding Company		Ultimate Holding Company	
	(SNEL)		(Sasken Communication Technologies Limited (India))	
	For the Year Ended 31-Mar-2014	For the Year Ended 31-Mar-2013	For the Year Ended 31-Mar-2014	For the Year Ended 31-Mar-2013
Reimbursements of cost transfers (Receivable)	Nil	Nil	574,541	8,309,161
Dividend Paid	4,581,000	33,598,980	Nil	Nil
Fixed Assets	Nil	825,197	655,984	Nil
Trade Payables	Nil	Nil	2,070,396	Nil
Trade receivables	Nil	Nil	4,182,465	Nil

Closing balances of the Payables and Receivables	As at 31-Mar-2014	As at 31-Mar-2013	As at 31-Mar-2014	As at 31-Mar-2013
Loans & Advances	Nil	Nil	Nil	95,262
Trade Receivables	Nil	Nil	Nil	8,071,472
Trade Payables	Nil	6,147,987	10,784	34,481
Other Current Liabilities	Nil	825,197	Nil	Nil

Fellow Subsidiary	
(Sasken Inc)	
Particulars	For the Year Ended 31-Mar-2014
Transactions during the year	
Interest Income	Nil
Proceeds of loan given Sasken Inc	(35,609,000)
Closing balances of the Payables and Receivables	
Loans & Advances	Nil
Loan	Nil

Related Parties have been identified by the management and relied upon by the auditors. No amount is / has been written off or written back during the year in respect of debts due from or to related parties.



e) **Segment Reporting**

The Group provides installation & commissioning services and Technical Support services, which in the opinion of the management represents a single business segment and hence no separate disclosure has been made. The geographical segment information is disclosed based on location of the customers.

Geographical Segments Revenues

Region	Amount in INR	
	For the Year Ended 31-Mar-2014	For the Year Ended 31-Mar-2013
North America (including Canada)	34,143,642	58,500,562
Asia-Pacific - India	785,792	32,102,804
Total	34,929,434	90,603,366

Assets:

Region	Amount in INR	
	As at 31-Mar-2014	As at 31-Mar-2013
North America (including Canada)	Nil	17,613,446
Asia-Pacific - India	Nil	8,086,024
Total	Nil	25,699,470

f) **Deferred Tax**

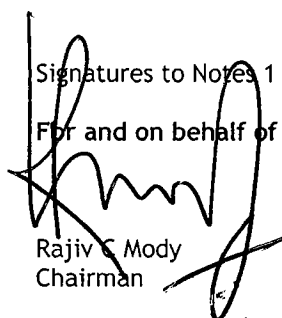
Deferred Tax Asset as at March 31, 2014 comprises:

Particulars	Amount in INR	
	As at 31-Mar-2014	As at 31-Mar-2013
Timing differences on account of depreciation	Nil	(240,756)
Provision for compensated absences	Nil	310,586
Other Timing differences	Nil	102,555
Total	Nil	172,385

g) Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Signatures to Notes 1 to 16

For and on behalf of the Board of Directors


Rajiv C Mody
Chairman


Neeta Revankar
Director



Place: *Bangalore*

Date: *April 22, 2014*