



**INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF DIRECTORS OF
SASKEN COMMUNICATION TECHNOLOGIES MEXICO S.A De C.V**

Report on the Financial Statements

I have audited the accompanying financial statements of **SASKEN COMMUNICATION TECHNOLOGIES MEXICO S.A De C.V** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

Auditors' Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I 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.

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the financial statements.

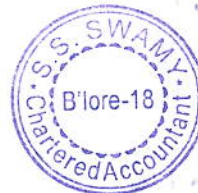
Opinion

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its losses and its cash flows for the year ended on that date.

Emphasis of Matter

I draw attention to Note no. 1(b) and (c) under 'Significant accounting policies' which describe the basis of accounting. As explained therein, the financial statements have not been prepared on a going concern basis for the reasons stated therein. The consequential adjustments made have also been explained in the note. My opinion is not qualified in respect of this matter.

Bangalore
April 19, 2017




S.S. SWAMY
CHARTERED ACCOUNTANT
3/5, II Floor, 'Arya Plaza'
Bull Temple Road
BANGALORE-560 018
Membership No. 019990

Sasken Communications Technologies Mexico S.A De C.V

Balance Sheet

Amount in Rs.

| | Notes | As at March 31, 2017 | As at March 31, 2016 |
|-------------------------------|-------|-------------------------|-------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds: | | | |
| Share Capital | 2 | 17,674,619 | 17,674,619 |
| Reserves and Surplus | 3 | (22,665,294) | (21,775,850) |
| Current Liabilities: | | | |
| Trade payables | 4 | 5,176,808 | 4,307,573 |
| Other current liabilities | 5 | 67,876 | 75,203 |
| Total | | 254,009 | 281,545 |
| ASSETS | | | |
| Current Assets | | | |
| Cash and Bank balances | 6 | 68,266 | 88,611 |
| Short-term loans and advances | 7 | 185,743 | 192,934 |
| Total | | 254,009 | 281,545 |


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

In terms of my report attached.


S.S. Swamy
Chartered Accountant
Membership No.019990



For and on behalf of Board of Directors of
Sasken Communication Technologies Mexico S.A de C. V.


Rajiv C Mody
Sole Administrator
DIN No.00092037


Krishna J Jhaveri
Chief Executive Officer
DIN No.00102729

Place : Bengaluru
Date : April 19, 2017



Sasken Communications Technologies Mexico S.A De C.V

Statement of Profit and Loss

Amount in Rs.


| | Notes | For the Year Ended 31-Mar-17 | For the Year Ended 31-Mar-16 |
|---|-------|---------------------------------|---------------------------------|
| Revenue | | | |
| Other Income | 8 | - | 1,691 |
| Total Revenue | | - | 1,691 |
| Expenses | | | |
| Other operational expense | 9 | 1,299,623 | 1,597,833 |
| Total Expenses | | 1,299,623 | 1,597,833 |
| Profit/(loss) before exceptional items and tax | | (1,299,623) | (1,596,142) |
| Exceptional items | | - | - |
| Profit/(loss) before tax | | (1,299,623) | (1,596,142) |
| Tax expense/(credit): | | | |
| Current tax | | - | - |
| (2) Deferred tax | | - | - |
| (3) Minimum Alternate Tax Credit entitlement | | - | - |
| Total tax expense | | - | - |
| Profit/(loss) for the year carried to the Balance Sheet | | (1,299,623) | (1,596,142) |
| Earnings per share (Equity share par value of Rs. 1,841 (MXN 500)) | | | |
| Before exceptional item | | | |
| Basic | | (135.38) | (166.26) |
| Diluted | | (135.38) | (166.26) |
| Weighted average number of Equity Shares used in computation of | | | |
| Basic EPS | | 9,600 | 9,600 |
| Diluted EPS | | 9,600 | 9,600 |

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

In terms of my report attached.


S.S. Swamy
Chartered Accountant
Membership No.019990




Rajiv C. Mody
Sole Administrator
DIN No.00092037


Krishna J. Jhaveri
Chief Executive Officer
DIN No.00102729



Place : Bengaluru
Date : April 19, 2017

Sasken Communications Technologies Mexico S.A De C.V

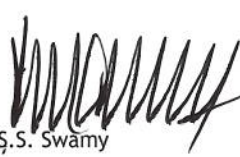
Cash Flow Statement

Amount in Rs

| | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|--|--------------------------------------|--------------------------------------|
| A. Cash flow from operating activities: | | |
| Net Profit/(Loss) before tax | (1,299,623) | (1,596,142) |
| Adjustments for: | | |
| Depreciation | - | - |
| Provisions, net of reversals | - | - |
| Interest Income | - | - |
| Unrealised foreign exchange (gain)/loss | - | - |
| Operating profit before working capital changes | (1,299,623) | (1,596,142) |
| Adjustments for: | | |
| (Increase)/decrease in Trade Receivables | - | - |
| (Increase)/decrease in Short- term loans and advances | (11,705) | (13,240) |
| Increase/(decrease) in Current Liabilities and provisions | 1,299,640 | 972,927 |
| Cash generated from operations | (11,688) | (636,455) |
| Direct taxes (paid) / refund received | - | - |
| Net cash inflow/ (out flow) from operating activities | (11,688) | (636,455) |
| B. Cash flow from investing activities: | | |
| Interest Income | - | - |
| Net cash used in investing activities | - | - |
| C. Cash flow from financing activities: | | |
| Proceed from long- term borrowing | - | - |
| Net cash used in financing activities | - | - |
| Net increase/(Decrease) in Cash and Bank balances (A+B+C) | (11,688) | (636,455) |
| Impact on Cash Flow on account of Foreign Currency Translation | (8,657) | (11,017) |
| Cash and Bank balances at the beginning of the year | 88,611 | 421,884 |
| Cash and Bank Balances at the end of the year | 68,266 | (225,588) |

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

In terms of my report attached.


S.S. Swamy
Chartered Accountant
Membership No.019990
Place : Bengaluru
Date : April 19, 2017



For and on behalf of the Board of Directors
Sasken Communication Technologies Mexico S.A de C. V.


Rajiv C Mody
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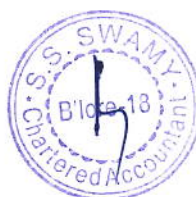


Sasken Communications Technologies Mexico S.A De C.V

Reference To Notes Forming Part of Balance Sheet

Amount in Rs.

| | Notes | As at March 31, 2017 | As at March 31, 2016 |
|---|----------|-------------------------|-------------------------|
| 2. Share Capital | 2 | | |
| Issued, subscribed and paid up capital | | 17,674,619 | 17,674,619 |
| 9,600 equity shares of Mexican Peso 500 each, fully paid up (As on March 31, 2016 - 9,600 equity shares of Mexican Peso 500 each, fully paid up) | | | |
| Total | | 17,674,619 | 17,674,619 |
| Shareholders holding more than 5 percent shares in the Company: | | | |
| Class of shares / Name of shareholder | | | |
| Equity shares with voting rights held by Sasken Communication Technologies Limited and its nominees | | | |
| Number of shares held | | 9,600 | 9,600 |
| % holding in that class of shares | | 100% | 100% |
| 3. Reserves & Surplus | 3 | | |
| Foreign exchange translation reserve | | | |
| Opening balance | | 5,289,212 | 5,067,967 |
| Movements during the year | | 410,179 | 221,245 |
| Total | | 5,699,391 | 5,289,212 |
| Profit and loss account balance | | | |
| Opening balance | | (27,065,062) | (25,468,920) |
| Profit/(loss) for the year | | (1,299,623) | (1,596,142) |
| Less: Dividend | | - | - |
| Total | | (28,364,685) | (27,065,062) |
| Grand Total | | (22,665,294) | (21,775,850) |
| 4. Trade payables | 4 | | |
| For goods, services & expenses | | | |
| Due to other creditors | | 5,176,808 | 4,307,573 |
| Total | | 5,176,808 | 4,307,573 |
| 5. Other current liabilities | 5 | | |
| Statutory liabilities | | 67,876 | 75,203 |
| Total | | 67,876 | 75,203 |



Sasken Communications Technologies Mexico S.A De C.V
Reference To Notes Forming Part of Balance Sheet

Amount in Rs.

| | Ast at March 31, 2017 | Ast at December 31, 2016 | As at March 31, 2016 |
|----------------------------------|--------------------------|-----------------------------|-------------------------|
| 6. Cash and bank balances | | | |
| <u>Cash and cash equivalents</u> | | | |
| Balances with Banks | | | |
| Balances in current account | 66,509 | 63,515 | 86,665 |
| Cash on hand | 1,757 | 1,666 | 1,946 |
| Total | 68,266 | 65,181 | 88,611 |

7. Short-term loans and advances

Unsecured considered good

| | | | |
|---|----------------|----------------|----------------|
| -Sasken Communication Technologies Ltd. | 185,743 | 194,552 | 189,768 |
| Advances recoverable in cash or in kind or for value to be received | - | - | 3,166 |
| Total | 185,743 | 194,552 | 192,934 |



Sasken Communications Technologies Mexico S.A De C.V

Reference To Notes Forming Part of Statement of Profit and Loss

Amount in Rs.

| | Notes | For the Year Ended 31-Mar-17 | For the Year Ended 31-Mar-16 |
|------------------------|----------|---------------------------------|---------------------------------|
| 8. Other income | 8 | | |
| Exchange gain | | - | 1,691 |
| Total | | - | 1,691 |

Amount in Rs.

| | Notes | For the Year Ended 31-Mar-17 | For the Year Ended 31-Mar-16 |
|---|----------|---------------------------------|---------------------------------|
| 9. Other operational expense | 9 | | |
| -Others | | 72,526 | 84,570 |
| Professional, legal and consultancy charges | | 1,061,290 | 1,303,859 |
| Contract staff cost | | - | - |
| Auditor's Remuneration | | - | - |
| - Audit fees | | - | - |
| Directors' sitting fees | | - | - |
| Rates and taxes | | 16,450 | 75,141 |
| Miscellaneous expenses | | 127,335 | 114,649 |
| Exchange Loss | | 22,022 | 19,614 |
| Total | | 1,299,623 | 1,597,833 |



Notes forming part of the financial statements for the year ended March 31, 2017

1. Significant accounting policies

- a) The consolidated financial statements have been prepared in accordance with the recognition and measurement in India (Indian GAAP) to comply with the Accounting Standards specified U/s 133 of Companies Act 2013 read with rule 7 of the companies (Accounts) rules, 2014 and relevant provisions of the Companies Act 2013 ("the 2013 Act") Companies Act 1956 (the 1956 Act) as applicable. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the group and are consistent with those used during the previous year.
- b) 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.

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

c) Discontinuing Operations:

As explained in Note (b) 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 11 (a)]

d) Use of estimates

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 Company may undertake in future, actual results ultimately may differ from the estimates.

- e) The Cash Flow statement has been prepared under the indirect method as per Accounting Standard (AS) 3 - Cash Flow Statements, issued by Companies (Accounting Standards) Rules 2006.

f) Foreign Exchange Transactions

- (i) Initial Recognition – The Company is domiciled in Mexico and its functional currency is Mexican Pesos (MXN). 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 period in which they arise.
- (iii) Translation/Conversion – All transactions recorded in Mexican pesos (Functional currency) are translated to Indian Rupees (Reporting currency) using monthly average rate for income and expenses and closing rate for balance sheet items.

g) Current Taxes

Current taxes are provided as per the relevant laws.



h) Provisions

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 estimate.

i) 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.

j) Other Income

Interest Income is accounted on accrual basis.

10. Other Notes

- a. The Board of Directors in their meeting held on January 19, 2011, decided to discontinue the operations of the Company. 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(b). Subsequent to the discontinuation of operations, the Company is in the process of selling the assets which are held for sale and has been working with various Government departments of Mexico to obtain the Tax Refunds.

b. Earnings per Share

Earnings Per Share has been determined as follows:

| Particulars | For the year ended March 31, 2017 Rs. | For the year ended March 31, 2016 Rs. |
|---|--|--|
| Profit / (Loss) after tax as per the Statement of Profit & Loss (a) | (1,299,623) | (1,596,142) |
| Weighted Average Number of equity shares for Basic and diluted EPS (b) | | |
| Nominal value of equity shares | 9,600 | 9,600 |
| Earnings Per Share | MXN 500 INR 1,841 | MXN 500 INR 1,841 |
| Basic and diluted (a) / (b) | (135.38) | (166.26) |

c. Derivative Instruments

The year end foreign currency exposures (other than MXN) that have not been hedged by a derivative instrument or otherwise are given below

- i. Amounts receivable in foreign currency on account of the following:

| | March 31, 2017 | | March 31, 2016 | |
|--|----------------------------|---------------------|----------------------------|---------------------|
| | (In Rs. / MXN) | In Foreign Currency | (In Rs. / MXN) | In Foreign Currency |
| Export of goods/services, Interest receivable and others | Rs.185,743 (MXN 56,510) | USD2,864 | Rs.189,768 (MXN 49,413) | USD2,864 |



ii. Amounts payable in foreign currency on account of the following:

| | March 31, 2017 | | March 31, 2016 | |
|----------------|-----------------------------|---------------------|-----------------------------|---------------------|
| | (In Rs. / MXN) | In Foreign Currency | (In Rs. / MXN) | In Foreign Currency |
| Trade Payables | Rs.431,615 (MXN 131,314) | USD7,019 | Rs.465,022 (MXN 121,087) | USD7,019 |

(Amounts in MXN have been disclosed in Rs. at the period end rate)

d. Deferred Tax:

The Company has deferred tax assets on account of losses which are not recognized as matter of prudence in absence of virtual certainty.

e. Related Party Disclosure

Names of the related parties and description of relationship

| | |
|---------------------------|--|
| Holding Company | Sasken Communication Technologies Limited, India |
| Fellow Subsidiary Company | Sasken Inc, USA |

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

| | Holding Company | | Sasken Inc. | |
|---|--|--|--|--|
| | For the year ended March 31, 2017 Rs. | For the year ended March 31, 2016 Rs. | For the year ended March 31, 2017 Rs. | For the year ended March 31, 2016 Rs. |
| Transactions during the year | | | | |
| Interest Income | Nil | Nil | Nil | Nil |
| Loan repaid | Nil | Nil | Nil | Nil |
| | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2016 | As at March 31, 2016 |
| Closing balances of the (Payables) and Receivables | 185,743 | 189,768 | Nil | Nil |

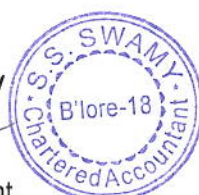
Note:

1. Related party relationship is as identified by the Company on the basis of information available with them and accepted by the auditors.
2. No amount is/has been written back during the year in respect of debts due/from/to a related party.

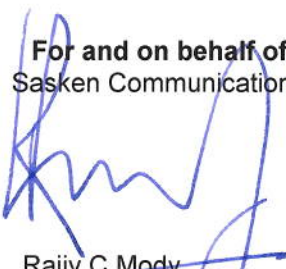
f. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

In terms of my report


SS Swamy
Chartered Accountant
Membership No.019990



For and on behalf of the Board of Directors
Sasken Communication Technologies Mexico S.A de C. V.


Rajiv C Mody
Sole Administrator
DIN No.00092037


Krishna J Jhaveri
Chief Executive Officer
DIN No. 00102729



Place: Bengaluru.
Date : April 19,2017