



**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, 2015, 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.

Contd...2



CA S.S. Swamy
B.Sc. B.Com. F.C.A., CAIIB
Chartered Accountant



Tel: 22424932 (O)
23416843 (R)
9845158963(M)
Office: 'Arya Plaza' 3/5, II Floor,
Bull Temple Road,
BANGALORE – 560 018.

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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.

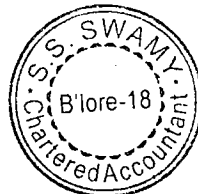
Opinion


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, 2015, 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 16, 2015




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

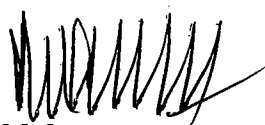
Balance Sheet

Amount in Rs.

	Notes	As at March 31, 2015	As at March 31, 2014
EQUITY AND LIABILITIES			
Shareholders' Funds:			
Share Capital	2	17,674,619	17,674,619
Reserves and Surplus	3	(20,400,953)	7,287,865
Current Liabilities:			
Trade payables	4	3,258,046	4,542,507
Other current liabilities	5	80,287	89,666
Total		611,999	29,594,657
ASSETS			
Non Current Assets			
Long-term loans and advances	6	-	28,072,572
Current Assets			
Cash and Bank balances	7	421,884	1,331,127
Short-term loans and advances	8	190,115	190,958
Total		611,999	29,594,657

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

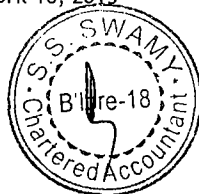
In terms of my report attached



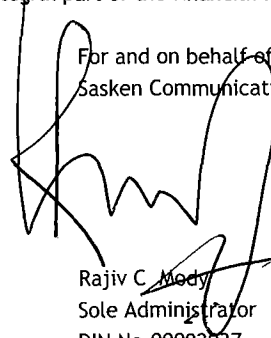
S.S. Swamy
Chartered Accountant
Membership Number :019990

Place : Bangalore

Date : April 16, 2015

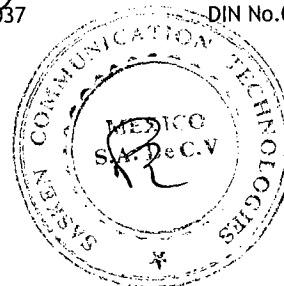


For and on behalf of Board of Directors of
Sasken Communication Technologies Mexico S.A de C. V.



Rajiv C. Mody
Sole Administrator
DIN No.00092037

Krishna J Jhaveri
Chief Executive Officer
DIN No.00102729



Sasken Communications Technologies Mexico S.A De C.V

Statement of Profit and Loss

Amount in Rs.

	Notes	For the Year Ended 31-Mar-15	For the Year Ended 31-Mar-14
Revenue			
Other Income	9	164,222	5,422,525
Total Revenue		164,222	5,422,525
Expenses			
Other operational expense	10	3,012,033	2,694,104
Total Expenses		3,012,033	2,694,104
Profit/(loss) before exceptional items and tax		(2,847,811)	2,728,421
Exceptional items		25,382,338	-
Profit/(loss) before tax		(28,230,149)	2,728,421
Tax expense/(credit):			
Current tax		5,757	-
Total tax expense		5,757	-
Profit/(loss) for the year carried to the Balance Sheet		(28,235,906)	2,728,421
Earnings per share (Equity share par value of Rs. 1,841 (MXN 500))			
Before exceptional item			
Basic		(297.25)	284.21
Diluted		(297.25)	284.21
After exceptional item			
Basic		(2,941)	284.21
Diluted		(2,941)	284.21
Weighted average number of Equity Shares used in computation of			
Basic EPS		9,600	9,600
Diluted EPS		9,600	9,600

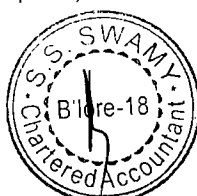
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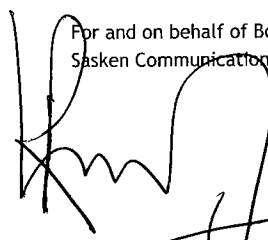


S.S. Swamy
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Date : April 16, 2015

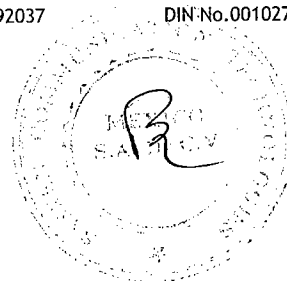


For and on behalf of Board of Directors of
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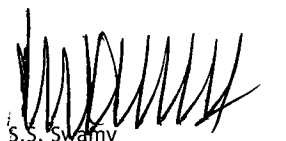
Sasken Communications Technologies Mexico S.A De C.V
Cash Flow Statement

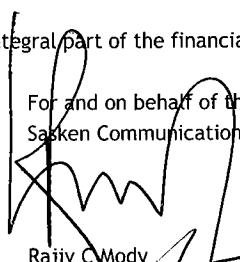
Amount in Rs

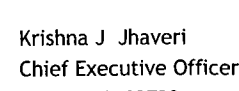
	For the year ended March 31, 2015	For the year ended March 31, 2014
A. Cash flow from operating activities:		
Net Profit/(Loss) before tax	(28,230,149)	2,728,421
Adjustments for:		
Provisions, net of reversals	25,382,338	-
Interest Income	(19,043)	(967,854)
Unrealised foreign exchange (gain)/loss	-	(166,582)
Operating profit before working capital changes	(2,866,854)	1,593,985
Adjustments for:		
(Increase)/decrease in Short- term loans and advances	(896,381)	4,753,129
(Increase)/decrease in long term loans and advances	-	46,753
Increase/(decrease) in Current Liabilities and provisions	(885,927)	(8,985,610)
Cash generated from operations	(4,649,162)	(2,591,743)
Direct taxes (paid) / refund received	(5,757)	-
Net cash inflow/ (out flow) from operating activities	(4,654,919)	(2,591,743)
B. Cash flow from investing activities:		
Interest Income	19,043	967,854
Net cash used in investing activities	19,043	967,854
C. Cash flow from financing activities:		
Dividend paid	-	(81,726,143)
Proceed from long- term borrowing	2,867,946	80,940,309
Net cash used in financing activities	2,867,946	(785,834)
Net increase/(Decrease) in Cash and Bank balances (A+B+C)	(1,767,930)	(2,409,723)
Impact on Cash Flow on account of Foreign Currency Translation	858,687	454,508
Cash and Bank balances at the beginning of the year	1,331,127	3,286,342
Cash and Bank Balances at the end of the year	421,884	1,331,127

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

In terms of my report attached

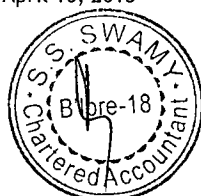

S.S. Swamy
Chartered Accountant
Membership Number :019990


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 : Bangalore

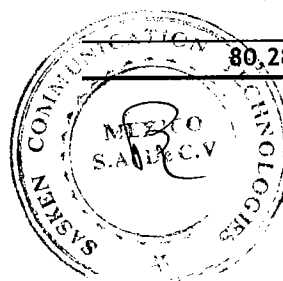
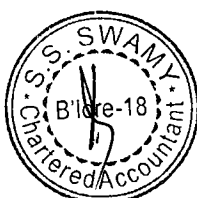
Date : April 16, 2015



Sasken Communications Technologies Mexico S.A De C.V

Reference To Notes Forming Part of Balance Sheet

	Amount in Rs.	
	As at March 31, 2015	As at March 31, 2014
2. Share Capital		
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, 2014 - 9,600 equity shares of Mexican Peso 500 each, fully paid up)		
Total	<u>17,674,619</u>	<u>17,674,619</u>
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		
<u>Foreign exchange translation reserve</u>		
Opening balance	4,520,879	17,563,716
Movement during the year	547,088	(13,042,837)
Total	<u>5,067,967</u>	<u>4,520,879</u>
<u>Profit and loss account balance</u>		
Opening balance	2,766,986	62,708,896
Profit/(loss) for the year	(28,235,906)	2,728,421
Less: Dividend	-	(62,670,331)
Total	<u>(25,468,920)</u>	<u>2,766,986</u>
Grand Total	(20,400,953)	7,287,865
4. Trade payables		
<u>For goods, services & expenses</u>		
Due to other creditors	3,258,046	4,542,507
Total	<u>3,258,046</u>	<u>4,542,507</u>
5. Other current liabilities		
Statutory liabilities	80,287	89,666
Total	<u>80,287</u>	<u>89,666</u>

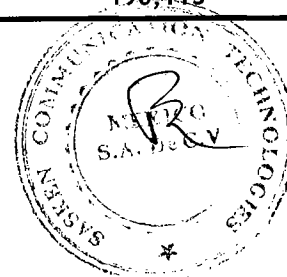
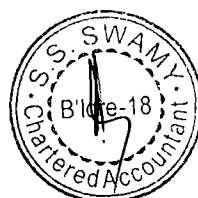


Sasken Communications Technologies Mexico S.A De C.V

Reference To Notes Forming Part of Balance Sheet

Amount in Rs.

	Ast at March 31, 2015	As at March 31, 2014
6. Long-term loans and advances		
<u>Unsecured considered good</u>		
Loan to Sasken Inc (Fellow Subsidiary)	-	2,941,055
Advance income tax (net)	-	25,131,517
Total	-	28,072,572
7. Cash and bank balances		
<u>Cash and cash equivalents</u>		
Balances with Banks		
Balances in current account	419,806	1,328,806
Cash on hand	2,078	2,321
Total	421,884	1,331,127
8. Short-term loans and advances		
<u>Unsecured considered good</u>		
- Sasken Inc	-	19,351
-Sasken Communication Technologies Ltd.	179,011	171,607
Advances recoverable in cash or in kind or for value to be received	11,104	-
Total	190,115	190,958



Sasken Communications Technologies Mexico S.A De C.V

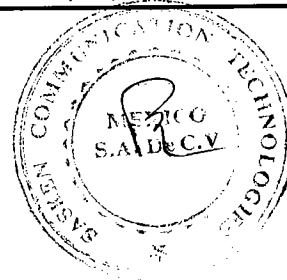
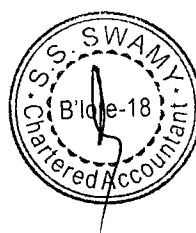
Reference To Notes Forming Part of Statement of Profit and Loss

Amount in Rs.

	For the year Ended 31-Mar-15	For the year Ended 31-Mar-14
9. Other income		
Miscellaneous income	-	1,126
Interest on Loan	19,043	967,854
Write back of unclaimed balances/ provisions	36,745	677,619
Exchange gain	108,434	3,775,926
Total	164,222	5,422,525

Amount in Rs.

	For the year Ended 31-Mar-15	For the year Ended 31-Mar-14
10. Other operational expense		
Rent	-	229,320
-Others	88,385	122,650
Professional, legal and consultancy charges	2,254,856	4,237,198
Contract staff cost	50,234	-
Auditor's Remuneration		
- Audit fees	168,993	1,030,947
Rates and taxes (Net of reversals of Rs. Nil ; [Previous year: Rs. 44.44 Lakhs)	328,360	(3,085,764)
Miscellaneous expenses	121,205	159,753
Total	3,012,033	2,694,104



Sasken Communication Technologies de Mexico, S.A. DE C.V

Notes forming part of the financial statements for the year ended March 31, 2015

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.

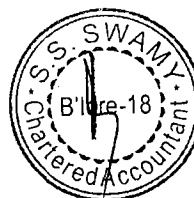
- e) The Cash Flow statement has been prepared under the indirect method as per Accounting Standard (AS) 3 - Cash Flow Statements, issued by Companies (Accounting Standards) Rules 2006.

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.

11. 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:

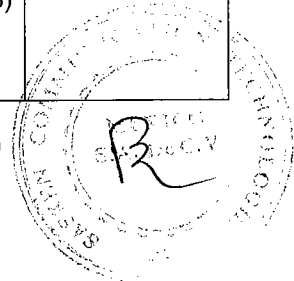
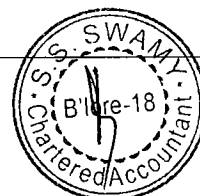
Particulars	For the year ended March 31, 2015 Rs.	For the year ended March 31, 2014 Rs.
Profit /(Loss) after tax as per the Statement of Profit & Loss (a)	(28,235,906)	2,728,421
Weighted Average Number of equity shares for Basic and diluted EPS (b)	9,600	9,600
Nominal value of equity shares	MXN 500 INR 1,841	MXN 500 INR 1,841
Earnings Per Share		
Basic and diluted (a) / (b)	(2,941.24)	284.21

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, 2015		March 31, 2014	
	(In Rs. / MXN)	In Foreign Currency	(In Rs. / MXN)	In Foreign Currency
Export of goods/services, Interest receivable and others	Rs.179,011 (MXN 43,661)	USD2,864	Rs.171,607 (MXN 37,477)	USD2,864
Loans and Advances to Sasken Inc.(including Interest)	Rs.Nil (MXN Nil)	USD Nil	Rs.2,960,406 (MXN 646,518)	USD 49,414



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

	March 31, 2015		March 31, 2014	
	(In Rs. / MXN)	In Foreign Currency	(In Rs. / MXN)	In Foreign Currency
Trade Payables	Rs.148,686 (MXN 36,265)	USD2,379	Rs.1,308,445 (MXN 285,749)	USD21,840

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

Operating leases

The Company has cancellable operating leases for office premises. The total expenditure charged to Statement of Profit & Loss against these lease are as follows:

	For the year ended March 31, 2015	For the year ended March 31, 2014
Rent expenses included in Statement of Profit & Loss towards operating leases	Rs. Nil (MXN Nil)	Rs. 229,420 (MXN 49,000)

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

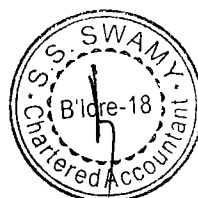
Holding Company	Sasken Communication Technologies Limited, India
Fellow Subsidiary Company	Sasken Inc, USA

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, 2015 Rs.	For the year ended March 31, 2014 Rs.	For the year ended March 31, 2015 Rs.	For the year ended March 31, 2014 Rs.
Transactions during the year				
Interest Income	Nil	Nil	19,043	967,854
Loan repaid	Nil	Nil	2,867,946	85,608,378
Dividend Paid	Nil	62,670,331	Nil	Nil
Closing balances of the (Payables) and Receivables	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Short- term loans and advances	179,011	171,607	Nil	19,351
Loan Receivable	Nil	Nil	Nil	2,941,055

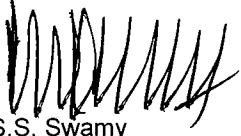
Note:

1. Related party relationship is as identified by the Company on the basis of information available with the 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.

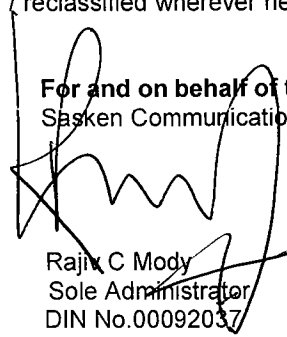


- f. During the year as decided by the Management and Board of Directors to provide for certain dues receivable from statutory authorities amounting to Rs. 253.82 lakhs have been considered impaired and provided for and disclosed as exceptional item.
- g. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

In terms of my report attached



S.S. Swamy
Chartered Accountant
Membership No.019990



Rajiv C Mody
Sole Administrator
DIN No.00092037

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

Krishna J Jhaveri
Chief Executive Officer
DIN No.00102729

Place: Bangalore
Date : April 16,2015

