



Ref:

Date April.12., 2017

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
SASKEN NETWORK ENGINEERING LIMITED**

Report on the Financial Statements:

I have audited the accompanying financial statements of "SASKEN NETWORK ENGINEERING LIMITED" ('the Company') which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss & the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

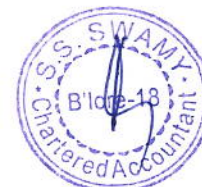
Management's Responsibility for the Financial Statements:

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the 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 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 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

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, issued by the Institute of Chartered Accountants of India as 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





- 2 -

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 of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of 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.

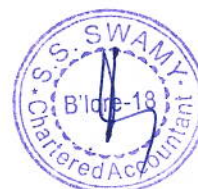
Opinion

In my opinion and to the best of my information and according to the explanations given to me, the 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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- (b) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended March 31, 2017; and
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended March 31, 2017.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, I 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, I report that:
 - (a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit;
 - (b) In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books;



Contd... 3

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.

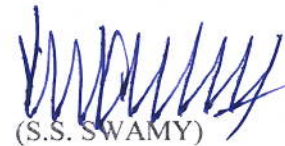
- 3 -

- (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 my opinion, the aforesaid 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 written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164(2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, please refer to my separate Report in Annexure 2 to this Report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in my opinion and to the best of my information and according to the explanations given to me:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements -Refer Note 17(d) 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, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: Bangalore

Date: April 12, 2017




(S.S. SWAMY)

CHARTERED ACCOUNTANT

Membership No. 019990

ANNEXURE I REFERRED TO IN MY REPORT TO THE MEMBERS OF SASKEN NETWORK ENGINEERING LIMITED ('THE COMPANY') FOR THE YEAR ENDED MARCH 31, 2017.

I report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were identified on such verification.
- (c) The Company does not hold/own any immovable property in its name.
- (ii) The Company's business does not involve inventories and accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to me, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) The provisions of section 185 and 186 of the Companies Act, 2013 have been complied with wherever applicable in respect of loans, investments, guarantees and security.
- (v) The Company has not accepted any deposits as defined in the Companies Act, 2013 and Rules made thereunder. Accordingly, the requirements under paragraph 3(v) of the Order are not applicable to the Company.
- (vi) To the best of my knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/ services of the Company.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and there were no outstanding dues under any other above referred heads as on the last day of the financial year under audit that were outstanding for a period of more than six months from the date they became payable.
- (b) Details of statutory dues which have not been deposited as on March 31, 2017 on account of disputes are given below:

Nature of Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (Rs.)
The Income Tax Act, 1961	Income tax	Commissioner of Income Tax (Appeals)	Assessment year 2011-12	16,530,093
- do -	- do -	- do -	Assessment year 2013-14	1,675,199
- do -	- do -	- do -	Assessment year 2014-15	341,763
Finance Act, 1994	Service tax	Commissioner of Service Tax (Appeals)	April 2009 to March 2012 and July 2012 to March 2014	2,356,184

Contd--2



- (viii) The Company has not borrowed any loans from any bank, financial institution or Government and has not issued any debentures.
- (ix) The Company has not raised any moneys by way of initial public offer or further public offer (Including debt instruments) and has not raised any term loans.
- (x) Based on my audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, I report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) No managerial remuneration has been paid or provided during the year.
- (xii) Clause 3(xii) of the Order is not applicable as the Company is not a Nidhi Company.
- (xiii) All the transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) Based on my audit procedures performed and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Bangalore

April 12, 2017


(S.S. SWAMY)
CHARTERED ACCOUNTANT
Membership No. 019990



ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVENDATE ON THE FINANCIAL STATEMENTS OF SASKEN NETWORK ENGINEERING LIMITED

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

To the members of Sasken Network Engineering Limited

I have audited the internal financial controls over financial reporting of Sasken Network Engineering Limited ('the Company') as of March 31, 2017 in conjunction with my audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') and the Standards on Auditing as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, and both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My audit of internal financial controls system over financial reporting included obtaining an understanding of internal financial controls system over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the internal financial controls system over financial reporting.

Contd. -2



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial controls system over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention of timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In my opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Explanatory paragraph

I also have audited, in accordance with the Standards on Auditing issued the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the financial statements of Sasken Network Engineering Limited, which comprise the Balance Sheet as at March 31, 2017, and the related 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, and my report dated April 12, 2017 expressed an unqualified opinion thereon.

Bangalore
April 12, 2017


(S.S. SWAMY)
CHARTERED ACCOUNTANT
Membership No. 019990



Balance Sheet

Amount in Rs.

	Notes	As at March 31, 2017	As at March 31, 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
a) Share capital	2	30,500,000	30,500,000
b) Reserves and surplus	3	48,112,886	45,378,698
		<u>78,612,886</u>	<u>75,878,698</u>
Current liabilities			
a) Trade payables		690,875	1,658,833
b) Other current liabilities	4	724,669	31,146
c) Short term provisions	5	7,191,940	7,191,940
		<u>8,607,484</u>	<u>8,881,919</u>
Total		<u>87,220,370</u>	<u>84,760,617</u>
ASSETS			
Non current assets			
a) Fixed assets (net)			
i) Tangible fixed assets	6	178,613	791,046
ii) Intangible assets	7	-	-
		<u>178,613</u>	<u>791,046</u>
c) Deferred tax assets (net)		10,552,000	7,604,000
d) Long term loans and advances	8	47,163,926	47,163,926
		<u>57,894,539</u>	<u>55,558,972</u>
Current assets			
a) Current investments	9	18,525,299	17,643,576
c) Trade receivables	10	-	-
d) Cash and bank balances	11	778,698	1,460,446
e) Short term loans and advances	12	10,021,834	10,097,623
		<u>29,325,831</u>	<u>29,201,645</u>
Total		<u>87,220,370</u>	<u>84,760,617</u>

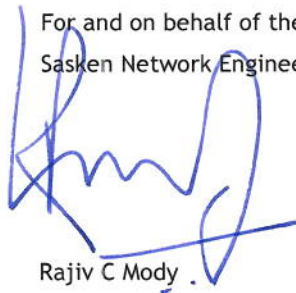
Significant Accounting policies and Notes attached herein form an integral part of the financial statements.

In terms of my report attached.


S.S. Swamy
Chartered Accountant
Membership No.019990



For and on behalf of the Board of Directors of
Sasken Network Engineering Limited


Rajiv C Mody
Chairman
DIN No.00092037


Neeta Revankar
Director
DIN No.00145580



Place : Bangalore

Date : April 12, 2017

Statement of Profit and Loss

Amount in Rs.

		Notes	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
I	Revenue from operations	13	-	24,658,089
II	Other Income	14	882,224	12,539,774
III	Total Revenue (I + II)		882,224	37,197,863
IV	Expenses:			
	Employee benefit expense	15	1,200	7,314,481
	Depreciation and amortization expense	6 & 7	612,433	1,668,284
	Other expenses	16	482,403	27,552,430
			1,096,036	36,535,195
V	Profit before tax (III - IV)		(213,812)	662,668
VI	Tax expense			
	Deferred tax (credit)		(2,948,000)	2,129,000
	Total tax expense		(2,948,000)	2,129,000
	Profit for the period from continuing operations		2,734,188	(1,466,332)
VII	Profit for the period (V-VI)		2,734,188	(1,466,332)
VIII	Earnings Per Equity Share (EPS) in rupees (Equity Share par value Rs.10 each)	20(a)		
	Basic		0.90	(0.48)
	Diluted		0.90	(0.48)
	Weighted average number of Equity Shares used in computation of			
	Basic EPS		3,050,000	3,050,000
	Diluted EPS		3,050,000	3,050,000

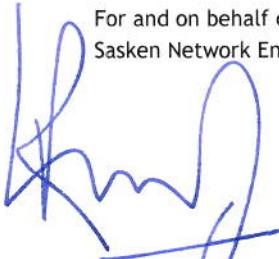
Significant Accounting policies and Notes attached herein form an integral part of the financial statements.


In terms of my report attached.


S.S. Swamy
Chartered Accountant
Membership No.019990



For and on behalf of the Board of Directors of
Sasken Network Engineering Limited


Rajiv C. Mody
Chairman
DIN No.00092037


Neeta Revankar
Director
DIN No.00145580



Place : Bangalore
Date : April 12, 2017

Cash Flow Statement	For the Year ended March 31, 2017	For the Year ended March 31, 2016
A. Cash flows from operating activities:		
Profit before tax	(213,812)	662,668
Adjustments for:		
Depreciation/Amortization	612,433	1,668,284
Reversal of excess provision for Trade receivables	(321,842)	4,233,426
Other non-cash (write back)/charges	-	(564,749)
Unrealised exchange (gain)/ loss	53,616	54,862
Other income	(881,724)	(7,479,134)
Operating Profit before working capital changes	(751,329)	(1,424,643)
Adjustments for:		
(Increase)/decrease in Trade receivables	268,226	13,501,623
(Increase)/decrease in Other Assets	-	6,127,656
(Increase)/decrease in Loans & Advances	75,789	1,840,934
Increase/(decrease) in Liabilities	(274,435)	(13,284,594)
Increase/(decrease) in Provisions	-	(3,040,195)
Cash generated from operations	(681,749)	3,720,781
Taxes (Paid)/ received, net	-	(562,017)
Net Cash from operating activities (A)	(681,749)	3,158,764
B. Cash flows from investing activities:		
Purchase of fixed assets and intangible assets	-	(21,027)
Sale of fixed assets	-	12,000
Interest received	-	1,961,455
Sale/(purchase) of Mutual Funds , net	1	92,668,181
(Investment) / Redemption of Bank Deposits	-	49,452,652
Net cash from/(used in) investing activities (B)	1	144,073,261
C. Cash flows from financing activities:		
Payment of Dividend tax	-	(26,122,932)
Dividend Paid during the period	-	(128,320,000)
Net cash used in financing activities (C)	-	(154,442,932)
Net increase/(decrease) in Cash and Cash equivalents (A+B+C)	(681,748)	(7,210,907)
Impact on account of Foreign Currency Translation	-	-
Cash and Cash equivalents at the beginning of the year	1,400,848	8,611,755
Cash and Cash equivalents at the end of the period	719,100	1,400,848
Cash and cash equivalents at the end of the period (Refer note 10)		
Cash on hand	-	-
Balances with banks - Current accounts	719,100	1,400,848
	719,100	1,400,848

Supplementary non-cash flow information

Dividends received and re-invested in units of mutual funds	881,724	4,934,139
---	---------	-----------

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

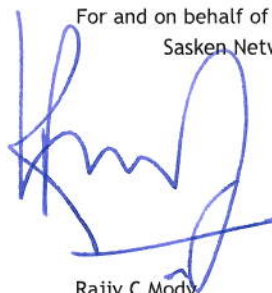
In terms of my report attached.



S.S. Swamy
Chartered Accountant
Membership No.019990



For and on behalf of the Board of Directors of
Sasken Network Engineering Limited



Rajiv C Mody
Chairman
DIN No.00092037



Neeta Revankar
Director
DIN No.00145580



Place : Bangalore

Date : April 12, 2017

Sasken Network Engineering Limited
Reference to Notes forming part Balance sheet

2. Share capital

Particulars	Amount in Rs.	
	As at March 31, 2017	As at March 31, 2016
2. Authorised capital		
5,000,000 Equity shares of Rs 10 each with 1 voting right per share [At March 31, 2016, 5,000,000 Equity shares of Rs.10 each]	50,000,000	50,000,000
Issued, subscribed and paid up capital		
3,050,000 Equity Shares of Rs. 10/- each fully paid up with 1 voting right per share [As at March 31, 2016 3,050,000 Equity Shares of Rs. 10/- each fully paid up with 1 voting right per share]	30,500,000	30,500,000
[All the Equity shares are held by the Holding Company - Sasken Communication Technologies Limited and its nominees] There is no change in the share capital and in the share holding pattern as compared to previous year.		
	30,500,000	30,500,000

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	3,050,000	3,050,000
% holding in that class of shares	100%	100%

3. Reserves and surplus

Particulars	Amount in Rs.	
	As at March 31, 2017	As at March 31, 2016
(a) General reserve		
Opening balance	8,821,353	8,821,353
Closing balance	8,821,353	8,821,353
(b) Surplus in the Statement of Profit and loss		
Opening balance	36,557,345	110,486,628
Less: Retained Earnings Adjustment account	-	-
Add: Profit for the year	2,734,188	(1,466,332)
Less: Proposed dividend	-	(60,000,000)
Less: Dividend tax on proposed dividend	-	(12,462,951)
Closing balance	39,291,533	36,557,345
Total	48,112,886	45,378,698



Sasken Network Engineering Limited
Reference to Notes forming part Balance sheet
Trade payables

Particulars	Amount in Rs.	
	As at March 31, 2017	As at March 31, 2016
<u>For goods, services and expenses</u>		
- Dues to Micro and Small Enterprises*	-	-
- Dues to other creditors	690,875	1,658,833
Total	690,875	1,658,833

*The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 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.

4. Other current liabilities

Particulars	Amount in Rs.	
	As at March 31, 2017	As at March 31, 2016
Deferred revenues	-	-
Advance received from customers	713,213	-
Statutory liabilities	11,456	31,146
Total	724,669	31,146

5. Short term provisions

Particulars	Amount in Rs.	
	As at March 31, 2017	As at March 31, 2016
Income Tax (Net of Advance Income Tax)	7,191,940	7,191,940
Total	7,191,940	7,191,940

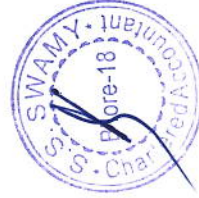


Sasken Network Engineering Limited

Reference to Notes Forming Part of Balance Sheet

Fixed Assets

Fixed Asset	Notes Reference	Gross Block				Depreciation / Amortization				Net Block		Amount in Rs.
		Opening Balance	Additions during the year	Deductions	Adjustment (Refer Notes below)	As at March 31, 2017	Opening Balance	During the year	Deductions	Adjustment (Refer Notes below)	As at March 31, 2017	
Tangible Assets - Owned	6											
Intangible Assets - Owned	7											



8. Long term loans and advances

Particulars	Amount in Rs.	
	As at March 31, 2017	As at March 31, 2016
<u>Unsecured, considered good</u>		
Advance income tax (Net of Provision for tax)	46,208,117	46,208,117
MAT Credit Entitlement	955,809	955,809
Total	47,163,926	47,163,926

9. Current investments

Particulars	Amount in Rs.	
	As at March 31, 2017	As at March 31, 2016
<u>i. Unquoted, at lower of cost and net realizable value,</u>		
<u>Investment in Mutual Funds</u>		
1,703.93 (As at March 31, 2016: 1,625.274) units of Rs.1,675.03 each of SBI Magnum Insta Cash Fund- Direct plan- Daily Dividend	2,854,141	2,722,382
4,913.23 (As at March 31, 2016: 4,689.949) units of Rs.1003.25 each of SBI Premier d Liquid Fund -Direct Daily Dividend Reinvestment	4,929,196	4,705,191
3,793.17 (As at March, 2016: 3,617.064) units of Rs.1,011.6200 each of Kotak Floater ST -Direct - DDR	3,837,245	3,659,094
686,604.43 (As at March, 2016: 652,097.797) units of Rs.10.11 each of IDFC Ultra Short Term Fund - DDR - Direct	6,904,717	6,556,909
	18,525,299	17,643,576
Aggregate amount of Current investments	18,525,299	17,643,576

10. Trade receivables

Particulars	Amount in Rs.	
	As at March 31, 2017	As at March 31, 2016
<u>Unsecured considered good</u>		
Outstanding for more than six months from due date	-	-
Outstanding for less than six months from due date	-	-
<u>Unsecured considered doubtful</u>		
Outstanding for more than six months from due date	4,103,532	5,031,010
Outstanding for less than six months from due date	-	-
Less: Provision for doubtful trade receivables	(4,103,532)	(5,031,010)
Total	-	-

11. Cash and bank balances

Particulars	Amount in Rs.	
	As at March 31, 2017	As at March 31, 2016
<u>Cash and cash equivalents</u>		
Balances with banks - Current accounts	719,100	1,400,848
<u>Other bank balances</u>		
Bank balances held as margin money/security against guarantees	59,598	59,598
	59,598	59,598
Total	778,698	1,460,446

12. Short term loans and advances

Particulars	Amount in Rs.	
	As at March 31, 2017	As at March 31, 2016
<u>Unsecured, considered good</u>		
Security deposits	8,000,000	8,000,000
Advances recoverable in cash or in kind or for value to be received		
- Advances to employees	36,056	36,056
- Balances with government authorities-Service Tax	1,938,324	2,014,113
- Prepaid expenses	47,454	47,454
Total	10,021,834	10,097,623

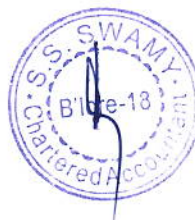


13. Revenue from Operations

Particulars	Amount in Rs.	
	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Revenue from software services	-	24,658,089
Total	-	24,658,089

14. Other Income

Particulars	Amount in Rs.	
	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Dividend on current investments	881,724	4,934,139
Net gain on sale of current investments	-	571,540
Interest Income	-	-
Interest on Bank deposits	-	1,961,455
Write back of unclaimed balances/provisions	-	4,798,175
Profit on sale of fixed assets	-	12,000
Exchange gain	500	262,465
Total	882,224	12,539,774



15. Employee benefit expense

Particulars	Amount in Rs.	
	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Salaries & Bonus (includes Gratuity of Rs Nil. Previous period Rs.617,001)	-	7,171,331
Contribution to Provident and Other Funds	17(f)(II) -	16,031
Staff Welfare	1,200	91,686
Recruitment and Relocation	-	35,433
Total	1,200	7,314,481

16. Other expenses

Particulars	Amount in Rs.	
	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Rent	189,216	3,623,397
Repairs and maintenance	-	-
-Plant and machinery	-	1,194,062
-Building	-	(1,287)
-Others	66,240	97,389
Communication expense	-	160,421
Travel expense (Net of Income Rs.Nil Previous year Rs.Nil)	-	248,858
Electricity and water charges	-	17,091
Professional, legal and consultancy charges	227,000	267,859
Contract staff cost	-	17,245,690
Software expense	-	-
Training and conference expense	-	-
Selling expense - others	-	32,861
Doubtful debts trade receivables provided/(reversed)*	(837,883)	4,233,426
Bad trade receivables	516,041	-
Auditor's Remuneration	-	-
- Audit fees (including fees for consolidated financials)	100,000	100,000
- Reimbursement of expenses	-	17,868
Rates and taxes	220,791	252,770
Miscellaneous expense	998	62,025
Total	482,403	27,552,430



Sasken Network Engineering Limited

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

1. Description of Business and significant accounting policies

Sasken Network Engineering Limited ("SNEL" or "the Company") is a provider of installation & commissioning services and technical support services to network equipment vendors & operators. SNEL has its headquarters in Bangalore, India

Significant Accounting Policies

a) Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the 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 and on an accrual basis. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b) 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.

c) 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.

Sale of traded goods

Sales are recognised, 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.

d) Contracts-in-Process

Costs related to work in progress that are pending acceptances from customers as at the end of the reporting period are reported as contracts in process. Contracts in process are carried at lower of direct costs and net realizable value.

e) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined on a First-in-First-out basis and includes all direct costs in bringing the inventories to their present location and condition.



f) Fixed Assets

Fixed Assets are stated at cost of acquisition less accumulated depreciation. The cost of an asset comprises its purchase price and any cost directly attributable to bringing the asset to its present condition for intended use. Financing cost relating to acquisition of qualifying fixed assets are also included to the extent they relate to the period till such assets are ready to be put to use.

g) Depreciation and Amortisation

Depreciation on tangible fixed assets has been provided on the straight-line method over the estimated life of the asset, at the rates which are greater than or equal to the corresponding rates prescribed in Part C Schedule II of the Companies Act, 2013. Estimate life of the asset has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Type of asset	Estimated life (SLM)	Schedule II Estimated life (SLM)
Computers	3	3
Electrical Fittings	5	10
Furniture & Fixtures	10	10
Office Equipment	5	5
Test and Control Equipments	4	15

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

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

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

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

h) 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.

i) Foreign Currency Transactions and Translation

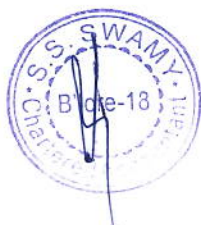
Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currencies at year end are translated at the exchange rate on the date of the Balance Sheet. Non-monetary items denominated in foreign currencies are carried at cost. Exchange differences on settlement or restatement are adjusted in the Statement of Profit and Loss.

j) Employee Benefits

Employee benefits include provident fund, gratuity and compensated absences.

(i) Gratuity

For defined benefit plans in the form of gratuity the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet



date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

(ii) Provident Fund

The contributions towards Provident Fund and Pension Fund are remitted to the Office of the Regional Provident Fund Commissioner, Bangalore. Contributions towards Provident Fund and Pension Fund are charged to the Statement of Profit and Loss on an accrual basis.

(iii) 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.

k) Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

l) Income Taxes

Income Tax comprises the current tax provision and the net change in the deferred tax asset or liability during the year.

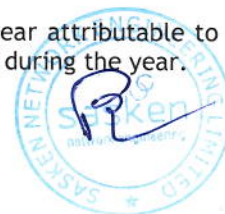
Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

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 or substantively 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.

Minimum alternative tax (MAT) paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the company will pay normal income tax. Accordingly MAT is recognized as an asset in the balance sheet when it is highly probable that future economic benefit associated with it flows to the company and the asset can be measured reliably.

m) 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.

n) 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. Contingent liabilities are disclosed in the Notes.

o) 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 being business segment is installation & commissioning services and Technical Support services.

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

p) Operating Lease

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

q) Derivatives

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.

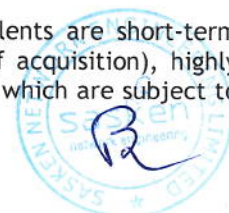
The Company has adopted the principles of Accounting Standard (AS) 30 'Financial Instruments: Recognition and Measurement'. Accordingly, forward exchange contracts taken to hedge the foreign exchange exposure on highly probable sales forecast transaction which qualify for hedge accounting are fair valued 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.

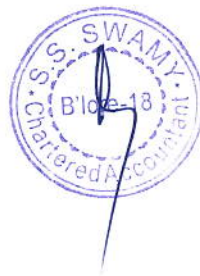
r) Cash and cash equivalents (for purposes of Cash Flow Statement)

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.



s) 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.



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

17. Other Notes to accounts

a) Earnings per Share (EPS)

Earnings Per Share has been determined as follows:

Particulars		Amount in INR	
		For the Year Ended 31-March-2017	For the Year Ended 31-March-2016
Profit after tax as per the Statement of Profit and Loss	A	2,734,188	(1,466,332)
Profit attributable to Equity Shareholders	B	2,734,188	(1,466,332)
Weighted Average number of Shares for Basic EPS	C	3,050,000	3,050,000
Weighted Average number of Shares for Diluted EPS	D	3,050,000	3,050,000
		Rs.	Rs.
Nominal value of equity shares		10.00	10.00
Earnings Per Share			
Basic	A / C	0.90	(0.48)
Diluted	B / D	0.90	(0.48)

b) Earnings in Foreign Currency (on accrual basis)

	For the Year Ended 31-March-2017	For the Year Ended 31-March-2016
Revenue	Nil	24,658,089
Reimbursements	Nil	Nil

c) Expenditure in Foreign Currency (on accrual basis)

	Amount in INR	
	For the Year Ended 31-March-2017	For the Year Ended 31-March-2016
Travel expense	Nil	199,147
Contract staff cost	Nil	17,393,298
Salaries and other employee related costs	Nil	6,440,593
Other matters	19,882	6,731,998

d) Contingent liabilities and Commitments

Particulars	Amount in INR	
	As at 31-March-2017	As at 31-Mar-2016
Bank Guarantee	50,000	50,000
Contingent liabilities: Income tax matters relating to disallowance of certain deductions and fringe benefit taxes and service tax disallowance of Cenvat credit	20,903,239	26,518,318



- e) The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 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.

f) **Employee Benefits**

I. There were no employees on rolls as on 31st March 2017.

II. **Details of payments to defined contribution plans:**

Amount in INR

Particulars	For the Year Ended 31-March-17	For the Year Ended 31-March-16
Provident Fund & Pension Fund (excluding Labour welfare fund)	Nil	16,031
Employee State Insurance	Nil	Nil

g) **Related Party Disclosures**

Name of the related parties and description of relationship

Holding Company: Sasken Technologies Limited

Joint Venture of Holding Company: ConnectM Technology Solutions Pvt. Ltd. (ConnectM)

Amount in INR

Particulars		Holding Company	
		For the year Ended 31-March-2017	For the year Ended 31-March-2016
Transactions during the year			
Sale of Services	(*)	Nil	Nil
Rent Expenses		105,120	2,843,754
Reimbursement of expenses (Payable)		Nil	45,200
Reimbursements of cost transfers (Receivable)		Nil	Nil
Rent Deposit		Nil	Nil
Interim Dividend		Nil	60,000,000
Closing balances of the (Payables) and Receivables		As at 31-Mar-2017	As at 31-Mar-2016
Trade Receivables & other current assets	(*)	Nil	Nil
Security Deposits		8,000,000	8,000,000
Trade Payables		Nil	10,45,009



	Joint Venture of Holding Company (ConnectM)	
Particulars	For the year Ended 31-Mar-2017	For the year Ended 31-Mar-2016
Transactions during the year	Nil	Nil
Closing balances of the (Payables) and Receivables	As at 31-Mar-2017	As at 31-Mar-2016
Trade Receivables	Nil	321,843
Provision for Doubtful Trade Receivables	Nil	321,843

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.

h) Segment Reporting

The Company 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

Amount in INR

Region	For the year Ended 31-Mar-2017	For the year Ended 31-Mar-2016
North America (including Canada)	Nil	Nil
Europe, Middle East & Africa	Nil	24,656,089
Asia-Pacific (including India)	Nil	Nil
Total	Nil	24,656,089

Assets:

Amount in INR

Region	As at 31-March-2017	As at 31-Mar-2016
North America (including Canada)	Nil	Nil
Europe ,Middle East & Africa	13,062	33,155
Asia-Pacific (including India)	10,906,486	12,316,469
Total	10,919,548	12,349,624

i) Operating leases

The Company has operating leases for office/Guest House premises that are renewable on a periodic basis and are cancelable by giving a notice period ranging from 1 month to 6 months. Rent escalation clauses vary from contract to contract.

Amount in INR

	For the Year Ended 31 st Mar 2017	For the Year Ended 31 st Mar 2016
Rent expenses included in Statement of Profit & Loss towards operating leases	189,216	3,623,397



Non-cancellable lease agreements as on 31st March 2017: Rs. Nil (as on 31st March 2016 Rs. Nil)

j) **Deferred Tax**

Deferred Tax Asset as at March 31, 2017 comprises:

Particulars	Amount in INR	
	As at 31-Mar-2017	As at 31-Mar-2016
Timing differences on account of depreciation	5,845,000	6,962,000
On account of provision for doubtful trade receivables	13,11,000	633,000
On account of Business loss	1,035,000	
On account of Depreciation loss	2,361,000	
Provision for employee benefits		9,000
Total	10,552,000	7,604,000

k) **Foreign Currency Exposure**

The period end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Amounts receivable in foreign currency on account of the following (*):

	Currency	As at 31-Mar-2017		As at 31-Mar-2016	
		Foreign Currency	Foreign Currency	Foreign Currency	Rupees
Trade Receivables & Other Current Assets	GBP	Nil	Nil	Nil	Nil
	USD	Nil	Nil	Nil	9,718,359
	AED	Nil	Nil	Nil	9,874,781
Total					19,593,140

(*)- includes Unbilled Revenue

Amounts payable in foreign currency on account of the following:

	Currency	As at 31-Mar-2017		As at 31-Mar-2016	
		Foreign Currency	Rupees	Foreign Currency	Rupees
Trade Payables	AED	Nil	Nil	Nil	Nil
	USD	Nil	Nil	Nil	Nil
Total			Nil		Nil

- l) The Board of Directors at their meeting held on September 14, 2015 considered the amalgamation of Sasken Network Engineering Ltd., (SNEL) a wholly-owned subsidiary of the Company with Sasken Technologies Ltd (formerly known as Sasken communication Technologies Limited) to be effected through a Scheme of Amalgamation under the provisions of Section 391 to 394 and other applicable provisions of the Companies Act, 1956 or any other amendment or modifications made thereto, with Appointed Date for amalgamation as April 1, 2015. The Scheme was approved by the Board subject to requisite approvals from the relevant regulatory authorities and sanction of the High Court of Karnataka. After getting appropriate approvals, SNEL filed a petition in the Hon'ble High Court of Karnataka on April 30, 2016. When the case was pending, the Board of Directors recommended another round of Buy-back of shares in their meeting held on October 27, 2016.

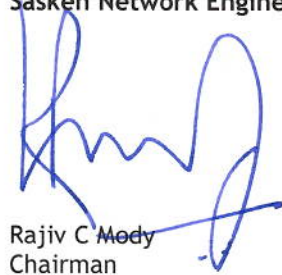


through tender-offer method, which was approved by the shareholders through postal ballot. Regulation 19(2) of SEBI (Buy back of Securities) Regulations, 1998 says that "no public announcement of Buy-back shall be made during the pendency of any scheme of amalgamation or compromise or arrangement". Meanwhile the Ministry of Corporate Affairs vide notification dated December 7, 2016 transferred all pending proceedings before the High Court to National Company Law Tribunal ("NCLT") effective December 15, 2016. In view of this, SNEL filed a memorandum in the Hon'ble High Court for withdrawing the petition with a liberty to revive the Scheme at the same stage at which it was withdrawn, within 12 (twelve) months from this date or 3 (three) months of closure of the buy-back proposed by the Company, whichever is earlier and this was permitted by the Hon'ble High Court of Karnataka with a liberty to file it afresh at appropriate stage, if so necessary and so advised. Post the completion of buyback of shares in March 2017 SNEL had filed an application for the recall of the Order of the Hon'ble High Court dated December 9, 2016 and transferring the said proceedings to the National Company Law Tribunal, Bengaluru Bench and the said application is under consideration of the Hon'ble High Court.

- m) Figures for the previous period / year 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 of
Sasken Network Engineering Limited**



Rajiv C. Mody
Chairman
DIN No.00092037



Neeta Revankar
Director
DIN No.00145580

Place: Bengaluru
Date: 12th April 2017

