

**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.

**INDEPENDENT AUDITOR'S REPORT  
TO THE BOARD OF DIRECTORS OF  
SASKEN FINLAND OY**

**Report on the Financial Statements**

I have audited the accompanying financial statements of **SASKEN FINLAND OY** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> 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**

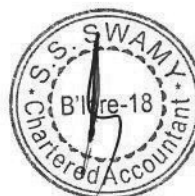
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act 2013 (the "Act") with respect to preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance 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 profits and its cash flows for the year ended on that date.

Bangalore  
April 12, 2017



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

Sasken Finland Oy

Balance Sheet

Amount in Rs.


Particulars	Notes	As at March 31, 2017	As at March 31, 2016
<b>EQUITY AND LIABILITIES</b>			
1. Shareholders' funds	3	1,208,925	1,208,925
a) Share capital			
b) Reserves and surplus	4	122,119,773	133,202,119
2. Current liabilities			
a) Trade payables	5	10,066,940	11,257,277
b) Other current liabilities	6	26,787,365	27,009,533
c) Short term provisions	7	52,300,530	53,305,962
<b>Total</b>		<b>212,483,533</b>	<b>225,983,816</b>
<b>ASSETS</b>			
1. Non current assets			
a) Fixed assets (net)	8		
i) Tangible fixed assets		7,026,848	9,755,360
b) Long term loans and advances	9	407,788	5,455,560
2. Current assets			
a) Trade receivables	10	49,945,945	111,112,527
b) Cash and bank balances	11	56,012,068	34,250,398
c) Short term loans and advances	12	6,093,110	13,716,327
d) Other current assets	13	92,997,774	51,693,644
<b>Total</b>		<b>212,483,533</b>	<b>225,983,816</b>

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

As per my report of even date

  
**S.S. Swamy**  
 Chartered Accountant  
 Membership No.019990



  
 For and on behalf of the Board of Directors of  
 Sasken Finland Oy  
**Rajiv C Mody**  
 Director  
 DIN: 00092037

  
**Neeta Revankar**  
 Director  
 DIN: 00145580

Place : Bengaluru  
 Date : April 12, 2017



Sasken Finland Oy

Statement of Profit and Loss

Amount in Rs.

	Particulars	Notes	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
I	Revenue from Operations	14	520,523,857	452,487,343
II	Other Income	15	(655,880)	(3,135,632)
III	<b>Total Revenue (I+II)</b>		<b>519,867,977</b>	<b>449,351,711</b>
IV	<b>Expenses:</b>			
	Employee benefit expense	16	344,199,071	326,520,783
	Other operational expense	17	107,514,160	76,248,202
	Depreciation and amortization expense	8	5,175,776	5,632,264
	Finance cost	17	143,842	-
	<b>Total expenses</b>		<b>457,032,849</b>	<b>408,401,249</b>
V	<b>Profit before tax (III - IV)</b>		<b>62,835,128</b>	<b>40,950,462</b>
VI	<b>Tax expense/(credit):</b>			
	(1) Current tax		12,577,507	8,026,785
	<b>Total tax expense</b>		<b>12,577,507</b>	<b>8,026,785</b>
VII	<b>Profit for the year (V-VI)</b>		<b>50,257,621</b>	<b>32,923,677</b>
VIII	<b>Earnings Per Share ( Equity Share par value Euro 1 each)</b>			
	Basic		2,488	1,630
	Diluted		2,488	1,630
	<b>Weighted average number of Equity Shares used in computation of</b>			
	Basic EPS		20,197	20,197
	Diluted EPS		20,197	20,197

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

As per my report of even date

  
**S.S. Swamy**  
Chartered Accountant  
Membership No.019990



  
For and on behalf of the Board of Directors of  
Sasken Finland Oy  
**Rajiv C Mody**  
Director  
DIN: 00092037

  
**Neeta Revankar**  
Director  
DIN: 00145580

Place : Bengaluru  
Date : April 12, 2017



## Cash Flow Statement

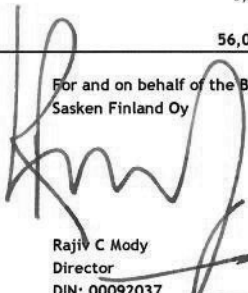
Particulars	Amount in Rs.	
	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
<b>A. Cash flows from operating activities:</b>		
Profit before tax	62,835,128	40,950,462
Adjustments for:		
Depreciation	5,175,776	5,632,264
Provision for Doubtful Debts	24,536,046	-
Unrealised Exchange loss/(gain)	(514,973)	292,726
Other income	(357,766)	(473,592)
<b>Operating profit before working capital changes</b>	<b>91,674,211</b>	<b>46,401,860</b>
Adjustments for:		
(Increase)/decrease in Trade receivables	27,642,901	(4,044,457)
(Increase)/decrease in Loans & Advances	6,506,944	1,025,963
(Increase)/decrease in Other Assets	(45,057,823)	16,104,952
Increase/(decrease) in Trade payable	(271,356)	(3,238,298)
Increase/(decrease) in Provisions	765,619	(954,389)
Increase/(decrease) in Liabilities	1,835,922	(1,197,953)
<b>Cash generated from operations</b>	<b>83,096,418</b>	<b>54,097,678</b>
Direct taxes (paid) / refund received [net]	(5,406,581)	(11,614,498)
<b>Net cash from / (used in) operating activities</b>	<b>77,689,837</b>	<b>42,483,180</b>
<b>B. Cash flow from investing activities:</b>		
Purchase of fixed assets	(3,241,184)	(4,779,083)
Other Income	330,601	418,018
Interest received	27,165	55,574
Investment in Bank Deposits	292,000	(393,019)
<b>Net cash used in investing activities</b>	<b>(2,591,418)</b>	<b>(4,698,510)</b>
<b>C. Cash flow from financing activities:</b>		
Interest paid	143,842	-
Payment of dividend	(52,658,060)	(37,270,594)
<b>Net cash from financing activities</b>	<b>(52,514,218)</b>	<b>(37,270,594)</b>
Net increase/(decrease) in Cash and Cash equivalents (A+B+C)	22,584,201	514,076
Impact on account of Foreign Currency Translation	(530,531)	9,097,370
Cash and cash equivalents at the beginning of the year	30,662,425	21,050,979
<b>Cash and cash equivalents at the end of the year</b>	<b>52,716,095</b>	<b>30,662,425</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		
Cash and cash equivalents as per Balance Sheet	52,716,095	30,662,425
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements	-	-
<b>Net Cash and cash equivalents [as defined in AS 3 Cash Flow Statements]</b>	<b>52,716,095</b>	<b>30,662,425</b>
<b>Balances with banks</b>		
(i) In current account	52,716,095	30,662,425
(ii) In deposit accounts with original maturity of less than 3 months	-	-
(ii) Balance held as Margin Money in earmarked accounts	3,295,973	3,587,973
	<b>56,012,068</b>	<b>34,250,398</b>

As per my report of even date

  
**S.S. SWAMY**  
 Chartered Accountant  
 Membership No.019990

Place : Bengaluru  
 Date : April 12, 2017

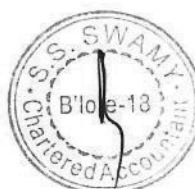
For and on behalf of the Board of Directors of  
 Sasken Finland Oy

  
**Rajiv C Mody**  
 Director  
 DIN: 00092037

  
**Neeta Revankar**  
 Director  
 DIN: 00145580



	As at March 31, 2017	As at March 31, 2016
<b>3. Share Capital</b>		
<u>Authorised capital</u>		
72,000 (As of March 31, 2016 : 72,000) Equity Shares of 1 Euro each (Minimum Capital - 8,000 Euro; Maximum Capital - 50,000,000 Euro)	72,000	72,000
<u>Issued, subscribed and paid up capital</u>		
20,197 (As of March 31, 2016: 20,197) Equity Shares of 1 Euro each fully paid up	1,208,925	1,208,925
Equity shares with voting rights held by Sasken Technologies Limited (formerly known as Sasken Communication Technologies Limited) and its nominees		
Number of shares held	20,197	20,197
% holding	100%	100%
	<b>1,208,925</b>	<b>1,208,925</b>
<b>4. Reserves and surplus</b>		
<u>Securities premium</u>		
Opening balance	80,385,374	80,385,374
	<b>80,385,374</b>	<b>80,385,374</b>
<u>Foreign exchange translation reserve</u>		
Opening balance	22,299,644	1,655,372
Add: Movements during the year	(8,681,907)	20,644,272
	<b>13,617,737</b>	<b>22,299,644</b>
<u>Profit and loss account balance</u>		
Opening balance	30,517,101	34,864,018
Add: Profit for the year	50,257,621	32,923,677
Less: Dividend paid	(52,658,060)	(37,270,594)
	<b>28,116,662</b>	<b>30,517,101</b>
<b>Total</b>	<b>122,119,773</b>	<b>133,202,119</b>
<b>5. Trade payables</b>		
<u>For goods, services and expenses</u>		
Dues to other creditors	10,066,940	11,257,277
	<b>10,066,940</b>	<b>11,257,277</b>
<b>6. Other current liabilities</b>		
Statutory liabilities	25,438,983	25,249,008
Deferred revenues	371,238	743,662
Capital creditors	977,144	1,016,863
	<b>26,787,365</b>	<b>27,009,533</b>
<b>7. Short term provisions</b>		
Provision for Employee compensated absences	49,733,386	53,305,962
Provision for Income Tax	2,567,144	-
	<b>52,300,530</b>	<b>53,305,962</b>



## 8. Fixed Assets

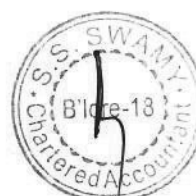
Particulars	Amount in Rs.									
	Gross Block					Depreciation/Amortization				
	Balance as at	Additions during	Deletions during	Adjustments	Balance as at	Charge for the	Deletions during	Adjustments	Balance as at	As at
	April 1, 2016	the year	the year		March 31, 2017	year	the year		March 31, 2017	March 31, 2016
<b>Tangible Assets</b>										
<b>Tangible Assets</b>										
- Computers	18,582,747	653,922	-	(1,512,318)	17,724,351	693,574	-	(1,551,970)	17,724,351	-
- Furniture and Fittings	57,388,366	51,970	-	(4,670,432)	52,769,904	514,795	-	(4,671,687)	52,769,904	461,570
- Plant & Machinery including Office Equipments	187,504,029	2,730,576	568,997	(15,215,732)	174,449,876	3,967,407	38,227	(14,716,391)	167,423,028	9,293,790
<b>Tangible Assets Total</b>	<b>263,475,142</b>	<b>3,436,468</b>	<b>568,997</b>	<b>(21,398,482)</b>	<b>244,944,131</b>	<b>5,175,776</b>	<b>38,227</b>	<b>(20,940,048)</b>	<b>237,917,283</b>	<b>9,755,360</b>
<b>Intangible Assets</b>										
- Computer Software	11,884,887	-	-	(967,227)	10,917,660	-	-	(967,227)	10,917,660	-
<b>Intangible Assets Total</b>	<b>11,884,887</b>	<b>-</b>	<b>-</b>	<b>(967,227)</b>	<b>10,917,660</b>	<b>-</b>	<b>-</b>	<b>(967,227)</b>	<b>10,917,660</b>	<b>-</b>
<b>Balance as at March 31, 2017</b>	<b>275,360,029</b>	<b>3,436,468</b>	<b>568,997</b>	<b>(22,365,709)</b>	<b>255,861,791</b>	<b>5,175,776</b>	<b>38,227</b>	<b>(21,907,275)</b>	<b>248,834,943</b>	<b>9,755,360</b>
<b>Balance as at March 31, 2016</b>	<b>240,724,897</b>	<b>5,022,956</b>	<b>-</b>	<b>29,612,176</b>	<b>275,360,029</b>	<b>5,632,264</b>	<b>-</b>	<b>28,694,008</b>	<b>265,604,669</b>	<b>9,755,360</b>



## Notes to financial statements for the year ended March 31, 2017

Amount in Rs.

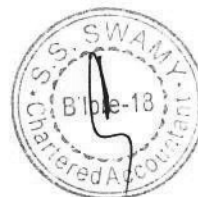
	As at March 31, 2017	As at March 31, 2016
<b>9. Long term loans and advances</b>		
<u>Unsecured considered good</u>		
Security deposits	407,788	443,915
Advance income tax (net)	-	5,011,645
	<b>407,788</b>	<b>5,455,560</b>
<b>10. Trade receivables</b>		
<u>Unsecured considered good</u>		
Outstanding for more than six months from due date	-	10,817,088
Outstanding for less than six months from due date	72,127,692	100,295,439
Less: Provision for doubtful debts	(22,181,747)	-
	<b>49,945,945</b>	<b>111,112,527</b>
<b>11. Cash and bank balances</b>		
<u>Cash and cash equivalents</u>		
Balances with banks	52,716,095	30,662,425
<u>Other bank balances</u>		
Balance in Margin money	3,295,973	3,587,973
	<b>56,012,068</b>	<b>34,250,398</b>
<b>12. Short term loans and advances</b>		
<u>Unsecured considered good</u>		
Prepaid expenses/Other recoverables	6,093,110	13,716,327
	<b>6,093,110</b>	<b>13,716,327</b>
<b>13. Other current assets</b>		
Unbilled Revenues	92,997,774	51,693,644
	<b>92,997,774</b>	<b>51,693,644</b>



## Notes to financial statements for the year ended March 31, 2017

Amount in Rs.

	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
<b>14. Revenue from operations</b>		
Sale of software services	520,523,857	452,487,343
	<b>520,523,857</b>	<b>452,487,343</b>
<b>15. Other Income</b>		
Miscellaneous income	330,601	418,018
Interest income on Bank Deposits (Gross)	27,165	55,574
Other interest income	22,704	4,086
Exchange loss/(gain)	(1,036,350)	(3,613,310)
	<b>(655,880)</b>	<b>(3,135,632)</b>



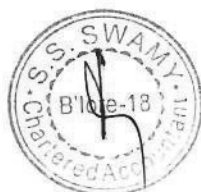
## Notes to financial statements for the year ended March 31, 2017

Amount in Rs.

	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
<b>16. Employee Benefit Expense</b>		
Salaries & Bonus	270,630,982	257,008,596
Contribution to Provident and Other Funds	66,479,337	63,882,497
Staff Welfare	6,474,755	5,372,010
Recruitment and Relocation	613,997	257,680
	<b>344,199,071</b>	<b>326,520,783</b>
<b>17. Other operational expense</b>		
Rent	23,150,893	23,928,373
Repairs and maintenance		
-Plant and machinery	5,825,334	4,970,034
-Building	5,187,338	5,905,271
-Others	322,556	484,845
Communication expenses	6,153,328	6,913,311
Printing and Stationery	193,129	126,979
Travel expenses	6,565,742	9,890,637
Electricity and water charges	438,171	395,149
Professional, legal and consultancy charges	9,274,534	8,193,408
Insurance	1,119,930	987,785
Contract staff cost	4,223,344	3,851,127
Software expenses	2,655,096	2,364,018
Training and conference expenses	1,899,399	743,873
Selling expenses - others	1,161,120	1,486,521
Provision for doubtful debts	24,536,046	-
Membership & Subscriptions	658,615	461,641
Audit Fees*	1,324,370	1,593,614
Audit Out of Pocket Expenses	47,671	19,690
Rates and taxes	710,085	-
Miscellaneous expenses	12,067,459	3,931,926
	<b>107,514,160</b>	<b>76,248,202</b>

\* represents fees paid for audit under local GAAP.

	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
<b>18. Finance Cost</b>		
Interest on loan from Sasken Technologies Limited (formerly known as Sasken Communication Technologies Limited)	143,842	-
	<b>143,842</b>	<b>-</b>



# Sasken Finland Oy

## Notes forming part of the accounts for the year ended March 31, 2017

### 1. Description of Business

Sasken Finland Oy ("SF" or "the Company") is engaged at Finland in wireless technology and its applications, i.e. mobile handsets and telecom equipments. It is operating in wireless technology providing total wireless design services of different technologies as well as communication protocols and standards by integrating hardware and software design.

SF has its headquarters in Kaustinen, Finland.

### 2. Significant Accounting Policies

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

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

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.

#### (b) Revenue Recognition

The Company derives its revenues from services.

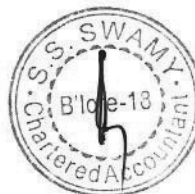
Revenue from time and material service contracts is recognized as the services are provided. Revenue from fixed price service contracts is recognized based on the proportionate completion method, provided collection is probable.

Dividend income is recognized when the right to receive dividend is established.

Interest income is recognized on an accrual basis.

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

Fixed assets (including intangible assets) are stated at cost, less accumulated depreciation less impairment, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Financing costs relating to acquisition of fixed assets are also included to the extent they relate to the period till such assets are ready to be put to use.



**(d) Depreciation**

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

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

Leasehold improvements at leased property are depreciated over the estimated useful life or the lease period of the property, whichever is lower.

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

Intangible assets comprise of the following and are depreciated over the estimated useful life as given below:

**1. Computer Software -**

a. Computer Software used for development of software/rendering software services - Over the life of the project/product - 1 year to 5 years.

b. Generic Computer Software - over 1 year.

c. Product Software for administration purposes - 3 years.

**(e) Investments**

Investments are classified as current or long term based on management intention at the time of purchase. Current investments are carried at lower of cost and net realizable value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of profit and loss.

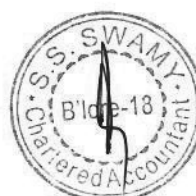
**(f) Inventories**

Inventories are valued at cost or net realizable value. The cost of inventories includes all costs of purchase and other costs incurred to bring the inventories to its present condition.

**(g) Foreign currency transactions**

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

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



iii. Exchange Differences - Exchange differences arising on the settlement or conversion of monetary items, are recognized as income or as expenses in the period in which they arise except those arising on liabilities pertaining to fixed assets acquired from outside Finland, which are adjusted with the cost of the fixed assets.

iv. Translation of Integral and Non-Integral foreign operation. The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the company itself.

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

On the disposal of a non-integral foreign operation, the cumulative amount of the exchange differences which have been deferred and which relate to that operation are recognised as income or as expenses in the same period in which the gain or loss on disposal is recognised.

#### **(h) Retirement Benefits**

The Company contributes to the retirement benefit at defined rate as percentage of the salary. This contribution is as per Finnish pension law and same is remitted to the Insurance Company. The Company has no further obligation other than the above contribution

#### **(i) Impairment of assets**

i. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

ii. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

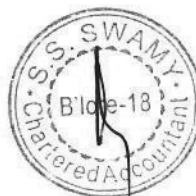
iii. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

#### **(j) Warranty**

The Company provides for the estimated costs based on trend of past analysis and nature of services rendered, which may be incurred under free warranties, as provided in licensing and service contracts.

#### **(k) Research and Development**

All research and development costs are charged to Profit and Loss account when incurred. Equipment or facilities that are acquired or constructed for research and development activities, which have alternative future uses are capitalized as intangible assets. Depreciation on such assets is charged to expense as research and development costs.



**(l) Income Taxes**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Finnish taxation Law. Deferred income taxes reflect the impact of current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

**(m) Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders' by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders'; share split; and reverse share split (consolidation of shares).

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

**(n) 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 estimates.

**(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 solution offered to its customers, which may be in the form of products or services.

The Company currently operates in single business segment, i.e. services.

The geographical segment information is disclosed based on the location of the customers. The geographical segment in which the Company currently operates is Europe.

**(p) Operating Leases**

Operating leases payments are recognized as expense in the profit and loss account on a straight-line basis over the lease term.

**19. Other notes**

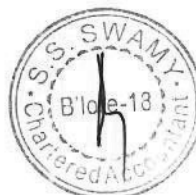
a) Estimated amount of contracts remaining to be executed on capital account (net of advances) is Rs. Nil

(As at March 31, 2016: Rs. Nil)

b) Contingent Liabilities - Bank Guarantee given amounting to Rs. 3,295,973 (As at March 31, 2016: Rs. 3,587,973)

**20. Provision for taxation**

The operations of SF are taxable under the Finnish Tax Laws.



## 21 Related Party Disclosures

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

Name of the related party	Relationship	Amount in Rs.	
		For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Toni Varila	Managing Director	7,590,609	7,371,997

The above does not include provisions for employee benefits determined on actuarial basis and provisions for compensated absences.

### (b) The following table summarizes the transactions and balances of the Company with group companies:

#### List of related parties

Holding Company	Sasken Technologies Limited (formerly known as Sasken Communication Technologies Limited)
Fellow Subsidiary Company	Sasken Communication Technologies (Shanghai) Co., Limited

Transactions	Amount in Rs.	
	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
<b>Sasken Technologies Limited</b> (formerly known as Sasken Communication Technologies Limited)		
Software development services rendered	-	-
Software development services procured	-	-
Common Administrative support services received	1,084,410	955,666
Common Administrative support services rendered	-	-
Dividend Paid	52,658,060	37,270,594
<b>Balances</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
<b>Sasken Technologies Limited</b> (formerly known as Sasken Communication Technologies Limited)		
Receivable	-	-
Payable (Incl. provisions)	598,351	-
<b>Sasken Communication Technologies (Shanghai) Co., Limited</b>		
Receivable	-	10,817,088
Payable (Incl. provisions)	8,612,769	9,375,799

## 22 Segment reporting

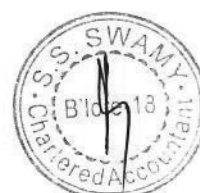
The Company currently operates in single business segment, i.e. services.

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

#### Geographic Segment Information:

#### Revenues:

Region	Amount in Rs.	
	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
North America (including Canada)	47,361,688	39,540,246
Europe (EMEA)	470,974,585	412,947,097
Asia Pacific (other than India)	2,187,584	-
<b>Total</b>	<b>520,523,857</b>	<b>452,487,343</b>



**Assets:**

**Sundry Debtors & Unbilled Revenue:**

Region	Amount in Rs.	
	As at March 31, 2017	As at March 31, 2016
North America (including Canada)	6,451,285	36,034,356
Europe (EMEA)	136,492,434	115,954,727
Asia Pacific (other than India)	-	10,817,088
<b>Total</b>	<b>142,943,719</b>	<b>162,806,171</b>

**Liabilities:**

**Deferred Revenue**

Region	Amount in Rs.	
	As at March 31, 2017	As at March 31, 2016
Europe (EMEA)	371,238	743,662
<b>Total</b>	<b>371,238</b>	<b>743,662</b>

**23 Earnings per Share (EPS)**

Reconciliation of the net income and number of shares considered in the computation of basic

Particulars	Amount in Rs.	
	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Profit for computation of basic and diluted EPS	50,257,621	32,923,677
Weighted average number of shares considered for basic EPS	20,197	20,197
Earnings Per Share ( Equity Share par value Euro 1 each) (Basic & Diluted)	2,488.37	1,630.13

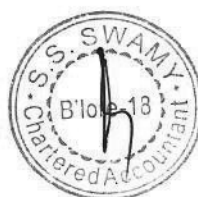
**24 Operating lease**

The Company has operating leases for office premises that are (a) renewable on a periodic basis and are cancelable by giving a notice period ranging from 1 month to 6 months and (b) are non cancelable for specified periods under arrangements. Rent escalation clauses vary from contract to contract.

Particulars	Amount in Rs.	
	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Rent expenses included in profit & loss account towards operating leases	23,150,893	23,928,373

Minimum lease obligation under non-cancellable lease contracts amounts

Particulars	Amount in Rs.	
	As at March 31, 2017	As at March 31, 2016
Due in one year of the balance sheet date	2,373,616	2,467,958
Due between one to five years	2,208,834	2,569,796



## 25 Dividend

Details of dividend approved and paid during the year is as follows:-

For the period ended		March 31, 2017
No of Shares Outstanding:		20,197
Date of Shareholder's Meeting	Dividend / Share Euros	Dividend Amount Rs.
27-Jun-2016	19.8049	30,035,600
9-Aug-2016	14.8537	22,622,460
		<b>52,658,060</b>

For the period ended		March 31, 2016
No of Shares Outstanding:		20,197
Date of Shareholder's Meeting	Dividend / Share Euros	Dividend Amount Rs.
28-Aug-2015	21.2903	37,270,594
		<b>37,270,594</b>

## 26 The Company has following foreign currency exposures which are not hedged:

Particulars		Amount in Rs.	
		As at March 31, 2017	As at March 31, 2016
Amount in USD	Loans & Advances	793,223	747,512
	Current Liabilities	5,725	-
	Net Receivable/ (Payable)	<b>787,498</b>	<b>747,512</b>
Amount in INR	Loans & Advances	51,436,601	49,522,733
	Current Liabilities	371,238	-
	Net Receivable/ (Payable)	<b>51,065,363</b>	<b>49,522,733</b>

## 27 Comparatives

Previous year's figures have been regrouped/rearranged wherever necessary to conform with current year's presentation.

As per my report of even date



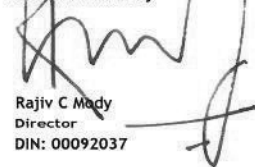
S.S. Swamy  
Chartered Accountant  
Membership No.019990

Place : Bengaluru  
Date : April 12, 2017



For and on behalf of the Board of Directors of  
Sasken Finland Oy

Rajiv C Mody  
Director  
DIN: 00092037





Neeta Revankar  
Director  
DIN: 00145580

