



# 19<sup>th</sup> ANNUAL REPORT 2015-16

**SANKHYA INFOTECH LTD.**

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Road No.12, Banjara Hills, Hyderabad-500 034.

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## **COMPANY INFORMATION**

### **BOARD OF DIRECTORS**

Mr. N. Sridhar	:	Chairman & Managing Director
Mr. N. Srinivas	:	Vice Chairman
Dr. J. V. Rao	:	Independent Director
CA. Ch. Anand	:	Independent Director
Ms. Nalini. N	:	Woman Director

### **BANKERS**

IDBI BANK Ltd.  
CBG – Specialized Corporate Branch  
#5 -9-89/1 & 2, Chapel Road, Hyderabad - 500 001.

### **STATUTORY AUDITORS**

KOMANDOOR & CO. Chartered Accountants  
1-504, Divya Shakti Complex, 7-1-58, Dharamkaran Road, Ameerpet,  
Hyderabad - 500 016, INDIA.

### **REGISTRARS & TRANSFER AGENTS**

Karvy Computer share Private Limited, # Karvy Selenium Tower B, Plot No. 31-32,  
Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032  
Tel: 91-40-67161602, 67162222.  
Fax: 91-40-23311968, 23469667/668  
E-mail: einward.ris@karvy.com  
URL: www.karvycomputershare.com

## NOTICE

**NOTICE is hereby given that the 19th Annual General Meeting of the Members of Sankhya Infotech Limited will be held on Thursday, 29th September 2016, at 4.00 P.M. at Hotel Sitara Grand, Road No 12, Banjara Hills, Beside Income Tax Office, Hyderabad, Telangana -500034 to transact the following business:**

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) for the Financial Year ended 31 March 2016 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Ms. Nalini Nadupalli, Director (DIN 07244427) who retires by rotation and being eligible, offers herself for re-appointment.
3. To ratify the appointment of M/s. Komandoor & Co, Chartered Accountants, Hyderabad (ICAI Firm Registration No. 001420S) and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, the appointment of M/s. Komandoor & Co, Chartered Accountants, Hyderabad (ICAI Firm Registration No. 001420S), as Auditors of the Company, by resolution passed at the 18th Annual General Meeting of the Company, to hold office from the conclusion of the 18th Annual General Meeting until the conclusion of the 23rd Annual General Meeting or till such time as mutually agreed be and is hereby ratified for the balance term and accordingly they continue to hold office from the conclusion of the 19th Annual General Meeting until the conclusion of the 23rd Annual General Meeting and the Board of Directors be and are hereby authorised to fix their remuneration, in accordance with the recommendation of the Audit Committee, in consultation with the Auditors."

### SPECIAL BUSINESS:

4. Appointment of Mr. Pudhota Partha Saradhi as an Independent Director

To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee, and approval of the Board and pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, read with the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Pudhota Partha Saradhi (DIN 07516057), who was appointed as an Additional Director (Independent) of the Company by the Board of Directors with effect from 28 May 2016 and who holds office till the date of the Annual General Meeting in terms of Section 161 of the Act, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of a Director of the Company, be and is hereby appointed as an Independent Director, not liable to retire by rotation, to hold office for five consecutive years for a term up to 27 May 2021 / till such time as mutually agreed."

5. Re-appointment of Mr. Anand Cherukupalli as an Independent Director

To consider, and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee, and approval of the Board and pursuant to the provisions of Sections 149, 152 Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, read with the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Anand Cherukupalli (DIN 02783203), who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and in respect of whom the Company has received a notice in writing from a member, under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director of the Company, be and is hereby re - appointed as an Independent Director of the Company not liable to retire by rotation to hold office for five consecutive years for a term with effect from 29 September 2016 to 28 September 2021 / till such time as mutually agreed."

6. Re-appointment of Mr. Sridhar Nadupalli (DIN 00089548), Managing Director of the Company.

To consider, and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013, the approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Sridhar N (DIN 00089548), as Managing Director of the Company with effect from 1 October 2016 to 30 September 2019, on the salary, and perquisites (hereinafter referred to as "remuneration"), and upon the terms and conditions as mentioned in the following manner":

- a) Salary : The Company shall pay to Mr. Sridhar N, in consideration of the performance of his duties a salary of Rs 3,00,000/- per month with effect from 1 October 2016 to 30 September 2019.
- b) Perquisites & allowances: In addition to the above salary, Mr. Sridhar N shall be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowances in lieu thereof, reimbursement of expenses or allowance for gas, electricity, water, furnishing etc., medical reimbursement, leave travel allowances, club fee, and such other perquisites and allowances under the company's rules.

The total cost of the aforesaid perquisites, allowances and other benefits (including rent/HRA) shall be restricted to 40% of the salary per month.

- c) Other benefits: In addition to the above salary and perquisites, Mr. Sridhar Nadupalli shall be entitled to the following annual benefits which shall not be included in the computation of the ceiling of remuneration specified in paragraph (a) and (b) above:
  - i. Provident and superannuation fund: The Company's contribution to the provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act. The said contribution will not be included in the computation of the ceiling on remuneration.
  - ii. Gratuity: Gratuity payable shall not exceed one half month's salary for each completed year of services and will not be included in the computation of the ceiling on remuneration.
  - iii. Leave encashment: Encashment of leave at the end of the tenure in accordance with the rules of the Company.



- iv. Provision of car and telephone: Mr. Sridhar Nadupalli shall be entitled to a motor car for use on Company's business and telephone at residence, however use of car for private purpose and personal long distance calls on telephone shall be billed by the Company to Mr. Sridhar Nadupalli.
- d) Mr. Sridhar Nadupalli shall be entitled to reimbursement of entertainment expenses, traveling, boarding and lodging expenses actually and properly incurred for the business of the Company.
- e) He will not be eligible for any sitting fees of the Company's Board/Committee Meetings.

"RESOLVED FURTHER THAT the remuneration payable to Mr. Sridhar Nadupalli, shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 read with Schedule- V of the Companies Act, 2013, or such other limits as may be prescribed from time to time."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution."

By Order of the Board  
 Sankhya Infotech Limited

Sridhar N

Date: 30th August 2016      Chairman & Managing Director  
 Place: Hyderabad      DIN: 00089548

#### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND, AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF/ HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE AFORESAID MEETING.

A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

2. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days' written notice is given to the Company.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of items 4 to 7 is annexed.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 23 September 2016 to 29 September 2016 (both days inclusive).
5. In terms of Articles of Association of the Company, Ms. Nalini Nadupalli, Director (DIN 07244427) of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment. Information about

such Directors as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2, is contained in the statement annexed hereto. The Board of Directors of the Company recommends the re-appointment of Ms. Nalini Nadupalli, Director (DIN 07244427). Ms. Nalini Nadupalli has furnished the requisite declarations for her reappointment.

6. Members/Proxies should bring the enclosed Attendance Slip duly filled in for attending the meeting along with the copy of the Annual Report. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of Board Resolution authorizing their representatives to attend and vote on their behalf in the meeting. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number(s) in the Attendance Slip for attending the meeting.
8. Members are requested to notify change of address, if any, with pin code to the Company or to its Registrar and Share Transfer Agent quoting reference of their folio number and in case their shares are held in dematerialized form, this information should be passed on to their respective Depository Participants.
9. Members intending to seek clarifications at the Annual General Meeting concerning the accounts and any aspect of operations of the Company are requested to send their questions in writing to the Secretarial and Investor Relation Department so as to reach the Company at least 7 days in advance before the date of the Annual General Meeting, specifying the point(s).
10. Individual Shareholders can now take the facility of making nomination of their holding. The nominee shall be the person in whom all rights of transfer and/or amount payable in respect of shares shall vest in the event of the death of the shareholder and the joint-holder(s), if any. A minor can be nominee provided the name of the guardian is given in the nomination form. Non- individuals including society, trust, body corporate, partnership firm, karta of Hindu undivided family, holder of Power of Attorney cannot nominate. For further details in this regard shareholders may contact M/s Karvy Computer Share Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad, Telangana - 500032, the Registrar and Share Transfer Agent of the Company.
11. Securities and Exchange Board of India (SEBI) has issued a circular clarifying that it shall be mandatory for the transferee(s) to furnish copy of Permanent Account Number (PAN) card to the Company/Registrar and Transfer Agent of the Company for registration of transfer of shares in the physical mode. Members may please take a note of the same.
12. Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting. All relevant documents referred in the Notice and the Explanatory Statement shall be open for inspection by the members at the Registered office of the Company during the normal business hours (10.00 A.M to 6.00 P.M) on all working days (except Saturdays) upto the date of AGM of the Company.
13. A Route Map showing direction to reach the venue of 19th Annual General Meeting is given in the Annual Report as per the requirement of the Secretarial Standard - 2 on General Meeting.

14. The Ministry of Corporate Affairs, Government of India (vide its circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' by allowing paperless compliances and recognizing delivery of Notices / Documents / Annual Reports, etc., to the shareholders through electronic medium. Further pursuant to Section 101 and Section 136 of the Companies Act 2013 read with relevant rules made thereunder, companies can serve Annual Report and other communications through electronic medium. In view of the above the Company will send Notices / Documents / Annual Reports, etc., to the shareholders through email, wherever the email addresses are available; and through other modes of services where email addresses have not been registered. Accordingly, members are requested to support this initiative by registering their email addresses in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with the Company's Registrar and Transfer Agent, M/s. Karvy Computer Share Private Limited.

#### **Voting through electronic means:**

1. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies [Management and Administration] Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing e-voting facility as an alternative mode of voting which will enable the members to cast their votes electronically.
2. Necessary arrangements have been made by the Company with Karvy to facilitate e-voting. The detailed process, instructions and manner for availing e-Voting facility is annexed to the Notice.
3. Mr. Ashish Gaggar, Practicing Company Secretary [Membership No. FCS 6687] has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
4. Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
5. Members can opt for only one mode of voting i.e. either by e-voting or poll paper. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Poll Paper shall be treated as invalid.
6. The e-voting period commences on 26 September 2016 at 9.00 A.M and ends on 28 September 2016 at 5:00 P.M. During this period, Members holding shares either in physical form or demat form, as on 22 September 2016, i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently or cast vote again.
7. The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on cut-off date. A person, whose names is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date i.e., 22 September 2016, only shall be entitled to avail facility of remote e-voting and poll process at the venue of the meeting. A person who is not a member as on the cutoff date should treat this notice for information purpose only.
8. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as on cut-off date, may cast vote after following the instructions for e-voting as provided in the Notice convening the Meeting, which is available on the website of the Company

and Karvy. However, if you are already registered with Karvy for remote e-voting, then you can use your existing User ID and password for casting your vote.

9. The Scrutinizer shall, immediately after the conclusion of voting at the meeting, would count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman, who shall countersign the same.
10. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.sankhya.net](http://www.sankhya.net) and on the website of Karvy (<https://evoting.karvy.com>) immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited, where the equity shares of the Company are listed.
11. The resolutions listed in the Notice of the AGM shall be deemed to be passed on the date of the AGM, subject to the receipt of the requisite number of votes in favour of the respective resolutions.

The instructions for members for voting electronically are as under:

In case a Member receiving an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participant(s)]:

- a) Launch internet browser by typing the URL : <https://evoting.karvy.com>.
- b) Enter the login credentials (i.e., User ID and password mentioned in your email). Your Folio No/DP ID Client ID will be your user ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and Password for casting your votes.
- c) After entering these details appropriately. Click on "LOGIN".
- d) You will reach the Password change menu, wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- e) You need to login again with the new credentials.
- f) On successful login, the system will prompt you to select the "EVENT" i.e., Sankhya Infotech Limited.
- g) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- h) Members holding multiple folios/demat accounts shall choose the voting process separately for each folios/demat accounts.
- i) Voting has to be done for each resolution of the Notice separately. In case you do not desire to cast your vote on any specific resolution it will be treated as abstained.
- j) You may then cast your vote by selecting an appropriate option and click on "Submit".



k) A confirmation box will be displayed. Click "OK" to confirm, else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any numbers of times till they have voted on the Resolution(s).

l) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board (Resolution/ Power of Attorney/ Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: ashishgaggar.pcs@gmail.com and may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_EVENT NO."

In case a Member receiving physical copy of the Notice by Post [for Member whose email IDs are not registered with the Company/Depository Participant(s)]:

a) User ID and initial password- as provided.

b) Please follow all steps from Sr. No. (a) to (l) as mentioned above to cast your vote.

Once the vote on a resolution is caste by a member, the member shall not be allowed to change it subsequently or cast the vote again.

Any person who becomes member after the dispatch of the Notice of the Meeting and holding share as on the cut-off date i.e. 22 September 2016 may obtain the User ID and password as mentioned below:

a. If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS : MYEPWD <space> Event number + Folio No. or DP ID Client ID to 9212993399

Example for NSDL : MYEPWD <SPACE> IN12345612345678

Example for CDSL : MYEPWD <SPACE> 1402345612345678

Example for Physical : MYEPWD <SPACE> XXX1234567890

b. If e-mail or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "forgot password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

c. In case of any queries, members may visit Help & FAQ's section available at Karvy's website download section on <https://evoting.karvy.com> or contact Mr. Mohd Mohsin Uddin, Senior Manager, Karvy Computershare Private Limited at Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032 or send an email to [evoting@karvy.com](mailto:evoting@karvy.com) or call him on +91-40-6716 1562 or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications.

Explanatory Statement Pursuant to the Provisions of Section 102 of the Companies Act, 2013

As required under Section 102 of the Companies Act, 2013, the following explanatory statement sets out all material facts relating to the businesses mentioned under Item Nos. 4 to 7 of the accompanying Notice.

#### Item No. 4:

The Board of Directors upon receiving the recommendation of Nomination and Remuneration Committee at the meeting held on 28 May 2016, appointed Mr. Pudhota Partha Saradhi as an Additional Director (Independent) of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013. Mr. Pudhota Partha Saradhi would hold office upto the date of this Annual General Meeting.

The Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member, along with a deposit of requisite amount proposing the candidature of Mr. Pudhota Partha Saradhi for the office of the Independent Director, to be appointed as such, under the provisions of Section 149 of the Companies Act, 2013.

The Company has received a declaration from Mr. Pudhota Partha Saradhi that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, Mr. Pudhota Partha Saradhi fulfills the conditions for his appointment as an Independent Director as specified in the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Pudhota Partha Saradhi is independent of the management and possesses appropriate skills, experience and knowledge.

The Nomination and Remuneration Committee has also recommended his appointment as an Independent Director for a period of 5 Years.

The Draft Letter of appointment is available for inspection by members at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on all working days of the Company.

In the 20 years of experience, Mr. Pudhota Partha Saradhi has held various leadership roles (CXO, Global Leader, VP etc) across multiple verticals including Technology, Automotive, IT/Consulting, Retail and Private Equity. In his past roles, Mr. Pudhota Partha Saradhi has built and managed a Product Suite of \$100 Million revenues – featuring Digital Marketing & Marketing Automation software. Mr. Pudhota Partha Saradhi has created an Ecosystem of Technology Frameworks for Multi - Channel Marketing Automation; Predictive Analytics, Internet of Things (IOT) & Global Market Research.

Additional Information on appointment or re-appointment and/or fixation of remuneration of Directors including Managing Director or Executive Director or Whole - time Director or of Manager or variation of the terms of remuneration in the Annual General Meeting (under sub regulation 3 of Regulation 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and para 1.2.5 of Secretarial Standard -2.

Name of the Director	Pudhota Partha Saradhi
Date of Birth	14 April 1974
Age	42 Years
Qualification	Bachelor's Degree in Economics, Master's Degree in Business Economics, Master's Degree in Computer Science, Ph.D. Qualifier from Oklahoma State University.
Date of first Appointment on the Board	28 May 2016
Terms & Conditions of appointment and re-appointment along with Remuneration sought to be paid	Not Applicable
Remuneration last drawn	Not Applicable
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None
Expertise in Specific Functional Area	IT Services
Number of Meetings of the Board attended during the year	Not Applicable
Names of other companies in which holds the directorship	None
Names of other companies in which holds the membership of Committees of the Board	None
No of Shares held in the Company as on 31 March 2016	Not Applicable

The Board based on the experience/expertise of Mr. Pudhota Partha Saradhi, is of the opinion that Mr. Pudhota Partha Saradhi has the requisite qualification to act as an Independent Director of the Company.

Accordingly, the Board recommends the resolution for the appointment of Mr. Pudhota Partha Saradhi as an Independent Director as ordinary resolution, for the approval by the shareholders of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in this resolution except Mr. Pudhota Partha Saradhi.

#### **Item No. 5:**

According to the provision of Section 149, 152 of Companies Act, 2013 and subject to the provisions of Schedule IV and other applicable provisions of the Companies Act, 2013, an Independent Director shall be re - appoint for a term of five consecutive years on the Board of the Company on passing of Special Resolution by the Company and disclosure of such appointment in Board's report. Therefore, Mr. Anand Cherukupalli shall be re - appointed for a term of five consecutive years w.e.f 29 September 2016 to 28 September 2021.

The Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member, along with a deposit of requisite amount proposing the candidature of Mr. Anand Cherukupalli for the office of the Independent Director, to be appointed as such, under the provisions of Section 149 of the Companies Act, 2013.

The Company has received a declaration from Mr. Anand Cherukupalli that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, Mr. Anand Cherukupalli fulfills the conditions for his re-appointment as an Independent Director as specified in the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Nomination and Remuneration Committee has also recommended his re-appointment as an Independent Director for a period of 5 Years by looking into his 24 years of experience in the fields of Audit, Taxation and Finance.

Re-appointment of Mr. Anand Cherukupalli has been considered by the Board based on his performance evaluation in line with the evaluation criteria laid down by the Nomination and Remuneration Committee. The Evaluation was conducted through questionnaire having qualitative parameters and feedback based on ratings.

Additional Information on appointment or re-appointment and/or fixation of remuneration of Directors including Managing Director or Executive Director or Whole - time Director or of Manager or variation of the terms of remuneration in the Annual General Meeting (under sub regulation 3 of Regulation 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and para 1.2.5 of Secretarial Standard -2

Mr. Anand Cherukupalli is independent of the management and possesses appropriate skills, experience and knowledge and based on the experience/expertise in the industry, the Board of Director is of the opinion that Mr. Anand Cherukupalli has the requisite qualification to act as an Independent Director of the Company.

Accordingly, the Board recommends the resolution for the appointment of Mr. Anand Cherukupalli as an Independent Director as special resolution, for the approval by the shareholders of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in this resolution except Mr. Anand Cherukupalli.

Name of the Director	Anand Cherukupalli
Date of Birth	14 August 1957
Age	59 Years
Qualification	Chartered Accountant
Date of first Appointment on the Board	20 September 2010
Terms & Conditions of Appointment and Re-appointment along with Remuneration sought to be paid	Not Applicable
Remuneration last drawn	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	NIL
Expertise in Specific Functional Area	Audit, Taxation and Finance
Number of Meetings of the Board attended during the year	Five
Names of other companies in which holds the directorship	None
Names of other companies in which holds the membership of Committees of the Board	None
No of Shares held in the Company as on 31 March 2016	NIL

#### **Item No. 6:**

The Board of Directors upon receiving the recommendation of the Nomination and Remuneration Committee of the Company and subject to approval of members at the Annual general meeting, re-appointed Mr. Sridhar N. as Managing Director of the company effective from 01 October 2016 for a period of 3 years and fixed his remuneration.

Mr. Sridhar N. is a promoter and is associated with the company since inception. Mr. Sridhar N. being Managing Director of the Company shoulders a huge responsibility.

He is a Technocrat business man with a Master's degree in Computer Science and has 31 years of experience in the Software Industry.

The details of remuneration payable to Mr. Sridhar N. and the terms and conditions of his re-appointment are provided in the resolution.

Additional Information on appointment or re-appointment and/or fixation of remuneration of Directors including Managing Director or Executive Director or Whole - time Director or of Manager or variation of the terms of remuneration in the Annual General Meeting (under sub regulation 3 of Regulation 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and para 1.2.5 of Secretarial Standard -2

Keeping in view that Mr. Sridhar N. has rich and varied experience in the Industry and has been involved in the Operations of the Company since inception; it would be in the interest of the Company to re-appoint him as Managing Director of the Company.

Accordingly, the Board recommends the resolution for re-appointment of Mr. Sridhar N. as Managing Director as special resolution, for the approval by the shareholders of the Company.

The General Information as required pursuant to Section II of Part II of Schedule V of Companies Act, 2013 is contained in the statement annexed thereto.

Except Mr. Sridhar N., Mr. Srinivas Nadupalli and Ms. Nalini Nadupalli and their relatives, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in this resolution.





Name of the Director	Sridhar N.
Date of Birth	01 January 1963
Age	53 Years
Qualification	Master's Degree in Computer Science
Date of first Appointment on the Board	21 July 1997
Terms & Conditions of Re-appointment along with Remuneration sought to be paid	As provided in the resolution
Remuneration last drawn	36 Lakhs for the financial year ended 31 March 2016
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Ms. Sridhar N. is the Brother of Mr. Srinivas N. and the Father of Ms. Nalini N.
Expertise in Specific Functional Area	Information Technology
Number of Meetings of the Board attended during the year	Five
Names of other companies in which holds the directorship	Mahasena Info Technologies India Private Limited
Names of other companies in which holds membership of Committees of the Board	None
No of Shares held in the Company as on 31 March 2016	410852

By Order of the Board  
Sankhya Infotech Limited

N. Sridhar

Chairman & Managing Director  
IN: 00089548

Date: 30th August 2016  
Place: Hyderabad

#### Annexures

Additional Information on appointment or re-appointment and/or fixation of remuneration of Directors including Managing Director or Executive Director or Whole - time Director or of Manager or variation of the terms of remuneration in the Annual General Meeting (under sub regulation 3 of Regulation 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and para 1.2.5 of Secretarial Standard -2

Name of the Director	Nalini N.
Date of Birth	20 November 1989
Age	26 Years
Qualification	MS
Date of first Appointment on the Board	14 February 2015
Terms & Conditions of Re-appointment along with Remuneration sought to be paid	Not Applicable.
Remuneration last drawn	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Ms. Nalini N. is the Daughter of Mr. Sridhar N. and the niece of Mr. Srinivas N.
Expertise in Specific Functional Area	Signal Processing
Number of Meetings of the Board attended during the year	One
Names of other companies in which holds the directorship	None
Names of other companies in which holds membership of Committees of the Board	None
No of Shares held in the Company as on 31 March 2016	50000

#### ANNEXURE REFERRED TO IN THE EXPLANATORY STATEMENT

Statement containing the information as required pursuant to Section II of Part II of Schedule V of Companies Act, 2013 in respect of Re-appointment/fixing of Remuneration of Mr. Sridhar N.

#### I. GENERAL INFORMATION

1. Nature of Industry: Company develops software products and its services include software services around the products, development of simulation software for specific customer needs, courseware, and providing consulting support to customers.
2. Year of commencement of commercial production: 1997
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable
4. Financial performance: Rs in Lakhs

	Year ended 31-03-2016	Year ended 31-03-2015	Year ended 31-03-2014
Total Revenue	15,796.84	18,198.45	14,527.93
Total Expenses	15,240.75	17,670.80	14,301.72
Profit Before Tax	556.09	527.65	226.21
Profit / (Loss) for the period	397.11	146.76	89.59
Earnings per Share (Rs)	3.53	1.31	0.80

The Company, after rescheduling of its debts, has not made any default in the repayment of its dues (including public deposits) or interest payments thereon.

5. Exports performance for the year ended 31-03-2016 as follows:  
Export income is Rs. 15,220.24 Lacs and Net gain on foreign currency translation and transaction is Rs. 501.81 Lacs.
6. Foreign investments or collaborations, if any:

The Company has two 100% wholly owned foreign subsidiary companies a) Sankhya SARL, France b) Sankhya US Corporation

#### INFORMATION ABOUT THE APPOINTEE

##### 1. Background Details:

Sridhar N Managing Director, aged 53 years completed his Master's degree in computer science and is one of the Founder Member of Sankhya Infotech Limited. Mr. Sridhar N is a Technocrat business man and goal oriented person having 31 Years of experience in the Software Industry. He guided the company since inception and supported in growth of the Company. He looks after the technical aspect and entire corporate affairs of the organization.

##### 2. Past Remuneration:

Sridhar N. - Rs. 36 lakhs for the year ended 31 March 2016.

##### 3. Job Profile and his/her suitability

Sridhar N. looks after the technical aspect and entire corporate affairs of the organization.

##### 4. Proposed remuneration

It is proposed to pay a maximum remuneration to him on the terms and conditions detailed in the resolutions referred above.

##### 5. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

Compared to the remuneration profile of position and person with respect to this industry and size, he is entitled to the proposed remuneration.

##### 7 Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Except the remuneration drawn by him from the Company, they do not have any pecuniary relationship, directly or indirectly with the Company. Mr. Sridhar N. is brother of Mr. Srinivas N. and Ms. Nalini Nadupalli is the daughter of Mr. Sridhar N.

## FINANCIAL HIGHLIGHTS

