

R.G.N. PRICE & CO., CHARTERED ACCOUNTANTS

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Simpson's Buildings,
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May 27, 2020

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF SAKSOFT LIMITED.

Report on the audit of the Standalone Financial Results

Opinion

We have audited the accompanying standalone quarterly financial results of **Saksoft Limited** (the "Company") for the quarter ended 31 March 2020 and the year to date results for the period from 1st April 2019 to 31st March 2020, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us these standalone financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in under Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act 2013, as amended, and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the quarter ended 31st March 2020 as well as the year to date results for the period from 1st April 2019 to 31st March 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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Emphasis of Matter

We invite attention to Note No 05 to the financial statements wherein management while concluding no significant impact due to COVID on the current years financial results, has considered internal and external source of information relating to economic forecasts and estimates on realizability of various classes of assets and expects to recover them in full. However management's assumptions and estimates on operational and financial performance of the company would largely depend on future developments as they emerge as stated in the said note. Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Standalone Financial Results

These quarterly financial results as well as the year to date standalone financial results have been prepared on the basis of the interim financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 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 standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.



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Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial results. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



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- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

We further report, that, the figures for the quarter ended 31st March 2020 represent the derived figures from the audited financial results for the current full financial year ended 31st March 2020 and the published unaudited year-to-date financial results up to 31st December 2019, being the end date of the third quarter of the current financial year, which was subject to limited review as stated above.

For R. G. N. PRICE & CO.
Chartered Accountants

Mahesh Krishnan

Mahesh Krishnan
Partner

M. No. 206520

FR. No. 002785S

UDIN: 20206520AAAABR6116

SAKSOFT LIMITED

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Statement of Audited Standalone Financial Results for the Quarter and Year Ended March 31, 2020 .

(Rs. In Lakhs)

Particulars	Quarter Ended			Year ended	
	Quarter ended 31.03.2020 (Audited)	Quarter ended 31.12.2019 (Unaudited)	Quarter ended 31.03.2019 (Audited)	Year ended 31.03.2020 (Audited)	Year ended 31.03.2019 (Audited)
1. Income from Operations					
a. Net Sales/Income from Operations	3,071.58	2,899.88	2,561.08	11,588.73	9,454.24
b. Other Income	413.92	52.08	(3.53)	1,263.60	541.51
Total Income (a+b)	3,485.50	2,951.96	2,557.55	12,852.33	9,995.75
2. Expenses					
a. Employee benefits expense	1,746.86	1,802.74	1,423.05	6,802.79	5,250.58
b. Depreciation and amortisation expense	95.99	91.89	19.19	373.90	78.71
c. Support / Third party charges	257.69	147.44	193.18	744.87	789.28
d. Finance Costs	96.98	106.50	108.44	437.26	435.91
e. Other expenses	187.96	264.76	356.05	923.85	1,349.76
Total Expenses (a+b+c+d+e)	2,385.48	2,413.33	2,099.91	9,282.67	7,904.24
3. Profit before exceptional items and tax (1-2)	1,100.02	538.63	457.64	3,569.66	2,091.51
4. Exceptional Items	-	-	-	-	-
5. Profit from ordinary activities before tax (3-4)	1,100.02	538.63	457.64	3,569.66	2,091.51
6. Extraordinary Items	-	-	-	-	-
7. Net Profit before tax (5-6)	1,100.02	538.63	457.64	3,569.66	2,091.51
8. Tax Expense	137.81	101.77	153.32	624.14	460.97
9. Net Profit for the period (7-8)	962.21	436.86	304.32	2,945.52	1,630.54
10. Other Comprehensive Income					
a) (i) Items that will not be reclassified to Profit or Loss net of tax	(1.62)	-	14.11	(30.10)	16.75
b) (i) Items that will be reclassified to Profit or Loss net of tax	(14.18)	(0.37)	15.74	(33.25)	24.39
Total Other Comprehensive Income (a) + (b)	(15.80)	(0.37)	29.85	(63.35)	41.14
Total Comprehensive Income for the period (9+10)	946.41	436.49	334.17	2,882.17	1,671.68
11. Paid-up Equity Share Capital of Rs. 10/- each	1,047.50	1,047.50	1,047.50	1,047.50	1,047.50
12. (i) Earnings Per Share (in Rs) before extraordinary items					
a) Basic	9.19	4.17	2.91	28.12	15.57
b) Diluted	9.19	4.16	2.89	28.09	15.51
(ii) Earnings Per Share (in Rs) after extraordinary items	(not annualised)	(not annualised)	(not annualised)	(Annualised)	(Annualised)
a) Basic	9.19	4.17	2.91	28.12	15.57
b) Diluted	9.19	4.16	2.89	28.09	15.51
	(not annualised)	(not annualised)	(not annualised)	(Annualised)	(Annualised)



Standalone Statement of Assets and Liabilities		(Rs. In Lakhs)	
ASSETS		As at 31.03.2020	As at 31.03.2019
		Audited	Audited
Non-Current Assets			
(a)Property, plant and equipment		576.79	145.32
(b)Other Intangible assets		16.10	17.50
(c)Financial Assets:			
(i)Investments			
(ii)Loan		11,725.39	10,960.44
(iii)Others		2.75	2.75
(d)Deferred Tax Assets (Net)		125.05	124.70
(e)Other Non-Current Assets		150.39	99.53
Sub Total Non-Current Assets		12,596.47	11,352.82
Current Assets			
(a)Financial Assets:			
(i)Trade and other receivables		1,688.58	1,533.76
(ii)Cash & Cash Equivalents		71.86	201.04
(iii)Loan		2.20	5.90
(iv)Others		548.89	422.04
(b)Current Tax Assets (Net of provisions)		277.57	217.84
(c)Other Current Assets		159.13	169.97
Sub Total Current Assets		2,748.23	2,550.55
Total Assets		15,344.70	13,903.37
EQUITY AND LIABILITIES:			
EQUITY :			
Equity Share Capital		1,047.50	1,047.50
Other Equity		10,046.19	7,959.33
Sub Total Equity		11,093.69	9,006.83
LIABILITIES:			
Non-current Liabilities:			
(a)Financial Liabilities			
(i)Borrowings		2,469.53	3,160.16
(ii) Others		105.59	-
(b) Provisions		234.40	112.47
Sub total Non Current Liabilities		2,809.52	3,272.63
Current Liabilities			
(a)Financial Liabilities			
(i)Borrowings			
(ii)Trade Payables		85.42	739.11
Total outstanding dues of micro enterprises and small enterprises		7.63	19.13
Total outstanding dues of creditors other than micro enterprises and small enterprises		297.37	268.78
(iii) Other financial liabilities		604.95	200.98
(b)Other Current Liabilities		376.03	331.82
(c)Provisions		70.09	64.09
Sub Total current Liabilities		1,441.49	1,623.91
Total Equity and Liabilities		15,344.70	13,903.37
Statement of Cash Flow for the period April 2019 to March 2020			
Particulars		Year Ended	Year Ended
A. Cash Flow from Operating Activities:			
Profit before tax:		3,569.66	2,091.51
Adjustments for:			
Depreciation & amortisation		82.23	78.71
Expenses on employee stock based compensation		-	31.16
(Profit)/Loss on sale of Investments		1.70	(11.77)
Advance no longer payable taken to income		-	(3.78)
Interest and other Income		(0.51)	(0.40)
Dividend Income		(1,130.61)	(525.00)
Interest and Finance charges		437.26	428.08
Operating Profit before Working Capital / Other Changes		2,959.73	2,088.51



(Increase) / Decrease in Trade receivables	(154.13)	(213.43)
(Increase) / Decrease in Other Assets	(114.54)	(347.63)
Increase / (Decrease) in Trade Payables	17.17	(48.17)
Increase / (Decrease) in Other liabilities	507.84	(291.38)
Increase / (Decrease) in Provisions	97.84	65.52
Cash Generated From Operations	3,313.91	1,253.42
Income tax paid	(722.17)	(504.16)
Net Cash Flow from Operating Activities	2,591.74	749.26
B. Cash Flow from Investing Activities:		
Purchase of Property, Plant and Equipment	(519.45)	(81.47)
Proceeds from sale of Property, Plant and Equipment	5.40	-
Purchase of Intangible assets	(5.83)	(6.59)
Interest and other Income	0.51	0.40
Sale / (Purchase) of Current Investments , (net)	-	338.73
Sale / (Purchase) of Non current Investments , (net)	(764.95)	(750.00)
Dividend income Received	1,130.61	525.00
Net Cash Used in Investing Activities	(153.71)	26.07
C. Cash Flow from Financing Activities:		
Proceeds/ (repayment) of borrowings	(1,344.32)	300.98
Interest and Finance charges	(437.26)	(428.08)
Dividend paid (including Dividend Distribution Tax)	(785.63)	(471.38)
Net Cash Used in Financing Activities	(2,567.21)	(598.48)
Net Increase/ (Decrease) in Cash and Cash Equivalents [A+B+C]	(129.18)	176.85
Cash and Cash Equivalents at the Beginning of the Year	201.04	24.19
Cash and Cash Equivalents as at End of the Year	71.86	201.04

1. The audited standalone financial statements for the quarter and year ended March 31, 2020 were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on May 27, 2020 and have been subject to audit by the Statutory Auditors of the Company. The above results have been prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

2. The audited standalone segment information has been prepared in line with the review of operating results by the chief operating decision maker (CODM). The CODM has considered only IT Business as the operating segment in accordance with Ind AS 108.

3. The Company has opted to publish only consolidated financial results. The Standalone results of the Company will be available on the Company's website www.saksoft.com and on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com).

4. The Board of Directors has not recommended any further Dividend on equity shares for Financial year 2019-20. The 2nd Interim dividend on equity shares declared and paid shall be considered as Final Dividend for the Financial Year 2019-20. The total Dividend paid on Equity shares for the current year is Rs. 4.50 per share as against Rs. 4.00 per share for the Previous Year.

5. The Company has evaluated impact of the Covid 19 pandemic on its business operations and based on its review and current indicators of future economic conditions, there is no significant impact on its year end financial results. In the preparation of the financial statements the Group has considered the possible effects which may arise from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues, goodwill and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions attributable to this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information, economic forecasts and estimates from market sources on the realisability of these assets. Based on the current estimates, the company expects the carrying amount of these assets will be recovered. The extent of the impact of COVID-19 on the future operational and financial performance will depend on certain developments, including duration and spread of the outbreak, the future impact on the customers, employees and vendors, all of which are uncertain and cannot be predicted. As the impact of COVID-19, if any, on the future operational and financial performance of the company could be different from management's estimates in this regard, the company will continue to closely monitor any changes as they emerge.

6. During the quarter ended March 31 2020, certain employees have waived their rights towards stock options totaling to 3,40,000 units. Consequently an amount of Rs 80.00 Lakhs which was charged to the Profit & Loss Account for the nine months ended December 2019 has been reversed to the employee benefit expense during the current quarter ended 31 st March 2020. Further an amount of Rs. 27.53 Lakhs net of tax of Rs. 9.27 lakhs have been transferred from ESOP liability to Retained Earnings.

7. Tax expense includes current and deferred taxes.

For and on behalf of the Board of Directors



Aditya Krishna
Chairman & Managing Director

Place: Chennai
Date: May 27, 2020

