

CHAIRMAN SPEECH DELIVERED AT THE TWENTY FIRST ANNUAL GENERAL MEETING OF SAKSOFT LIMITED HELD ON MONDAY, THE 10TH AUGUST, 2020 AT 10.30 A.M. THROUGH VIDEO CONFERENCING

Dear shareholders,

The world is passing through uncertain times and it would be incorrect to begin a review of the last financial year without a mention of it.

The Novel Corona virus has created the largest pandemic in the recent history of the world, affecting most countries and companies.

The abruptness of the virus incidence, the speed of its spread and the extent of its impact represents a watershed in the history of humankind.

At Saksoft Limited, we were not substantially affected by the virus impact during the financial year under review and the first quarter of the current financial year.

However, an unpredictable environment as the one that we are passing through puts a premium on strategic de-risking and the need for managed growth. This is a time when we believe that the truly sustainable companies will effectively resist a sharp revenue, profit and margins downside while the going is difficult but be quicker off the blocks once conditions revive.

Review of the last Financial Year

Saksoft reported a topline of Rs.358.78 cr during the year under review compared to Rs. 358.05 cr in 2018-19.

The EBIDTA margins strengthened from 16.5% in 2018-19 to 17% in 2019-20, largely due to our ability to manage costs, and enhance our resource productivity.

Although revenues remained around the same level, the company's post-tax bottom-line strengthened from Rs 36.45 cr in 2018-19 to Rs 38.45 cr in 2019-20. This indicates that the company reported profitable growth validating the robustness of its business model.

The flatness in our revenues was on account of a large customer who we have worked with us for several years selecting to move business to a captive centre in India from the start of the financial year. The company could not begin work with enough new customer relationships of the required deal size to offset this loss of revenue. However, in spite of this revenue loss the company increased its revenues marginally during the financial year under review.

Bringing our strengths into play

At Saksoft, we bring into play a business model that has transformed in line with customer needs.

We believe that our 'Inch wide mile deep' positioning is increasingly relevant as the world seeks specialists. The world is willing to pay more for vendors with demonstrated track records, would rather trust one vendor across a larger number of projects across time than keep shifting across them and would prefer to evolve a transaction into an enduring partnership.

I am pleased that Saksoft ticks all these boxes. By the virtue of focusing on select verticals and digitalization-empowered business transformation, the company has sent out a distinctive message: that it is not everything to all kinds of customers but stands for a distinctive recall for a distinctive customer. At our company, we believe that this positioning is prudent and will generate outsized value across the long-term.

We have selected to focus on four business verticals – Fintech, Transport & Logistics, Retail/E-commerce & Healthcare and Telecom that account for 72% of our revenues, strengthening our competence and brand. We have graduated to an ongoing engagement model covering the complete engagement lifecycle.

Our use of accelerators and reusable components has helped moderate project turnaround tenures and costs. Our deployment of small focused teams of specialised professionals has reduced our project turnaround time. Our account management emphasis is to carve out a larger share of the customer's wallet.

We provide technology-plus solutions that address the customer's challenges. Our emotional ownership of the customer's project generates proactive suggestions of how we can benefit their business.

We also believe that each of the verticals where we are present hold out multi-year growth possibilities; the countries that we are present in (United Kingdom and United States) hold out attractive business opportunities in the verticals and market categories of our presence. In view of these realities, we believe that it is only a matter of time before our customer acquisition strategy generates traction, returning Saksoft to the erstwhile growth rate.

During the challenging lockdown days extending from March into April 2020, Saksoft lived its credo of customer-centricity: the company's technology and business professionals worked from their residences, protecting the integrity of mission-critical projects for

demanding customers half the world away. I will go a step further: during these challenging days, we only strengthened our dependability and if we were to hypothetically disappear, I have no doubt that our customers would miss us.

Looking Ahead:

Saksoft will continue to invest prudently in its sales and marketing team across the foreseeable future while balancing the need to grow topline on the one hand and the need to report presentable quarterly performance on the other. However, I am optimistic that given the company's long-term positioning in two of the most attractive markets and its promising verticals, the company is at the cusp of generating outsized shareholder returns.

Thank you for your continued support.