

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

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11th November 2021

Independent Auditor's Review Report on the Unaudited Consolidated Quarterly Financial results

The Board of Directors

M/s. Saksoft Limited

Global Infocity Park, 2nd Floor, Block A

No 40 Dr MGR Salai, Kandanchavadi, Perungudi

Chennai-600096

1. We have reviewed the accompanying statement of unaudited consolidated financial results of Saksoft Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), for the quarter and six months ended 30th September 2021, ('the Consolidated Statement'), in so far as it relates to the amounts and disclosures for the quarter and six months ended 30th September 2021, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement is the responsibility of the Holding Company's Management and is approved by the Board of Directors of the Holding Company, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement, insofar as it relates to the amounts and disclosures for the quarter and six months ended 30th September 2021, in accordance with the Standard of Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement.

4. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.
5. The Consolidated Statement includes the results of the following entities:
 - a. Saksoft Inc and its subsidiaries
 - b. Saksoft Pte Limited
 - c. Saksoft Solutions Limited and its subsidiaries
 - d. Three-sixty Logica testing Services Pvt Limited and its subsidiary
 - e. Dream Orbit Softech Private Limited and its subsidiary
 - f. Saksoft Employee Welfare Trust
6. Based on our review conducted as stated in paragraph 3 above, and based on the consideration of the review reports of other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, insofar as it relates to the amounts and disclosures for the quarter and six months ended 30th September 2021, prepared in accordance with the applicable Indian Accounting Standards and other accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
7. We did not review the unaudited consolidated financial information of two subsidiaries, included in the consolidated financial results for the quarter and six months ended 30th September 2021, whose financial statements reflect Group's share of total revenues of Rs.184.44 million and Rs.322.20 million, total net profit of Rs.49.66 million and Rs.50.32 million and total comprehensive income of Rs.49.67 million and Rs.13.01 million for the half year ended respectively on that date. These quarterly financial statements and

other financial information have been reviewed by other auditors and our review conclusion on the quarter ended consolidated financial results is based on evidence of such reviews carried out by the other auditors in respect of the above two subsidiaries.

8. Our conclusion on the Statement is not modified in respect of the above matters.

**For R.G.N. Price & Co.,
Chartered Accountants
F R No.002785S**

Mahesh Krishnan



**Mahesh Krishnan
Partner**

M.No. 206520

UDIN: 21206520 AAAAIS 3334

Date: 11th November 2021

Place: Chennai

SAKSOFT LIMITED						
CIN: L72200TN1999PLC054429						
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Email : investorqueries@saksoft.co.in ; website: www.saksoft.com						
Statement of Unaudited Consolidated Financial Results for the Quarter and Six Months Ended September 30, 2021.						
(Rs. In Lakhs)						
Particulars	Quarter ended 30.09.2021	Quarter ended 30.06.2021	Quarter ended 30.09.2020	Half year ended 30.09.2021	Half year ended 30.09.2020	Year ended 31.3.2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Income from Operations						
a. Net Sales/Income from Operations	11,472.46	10,214.25	9,719.04	21,686.71	19,094.18	38,580.68
b. Other Income	(1.55)	746.40	14.42	744.85	116.31	408.98
Total Income (a+b)	11,470.91	10,960.65	9,733.46	22,431.56	19,210.49	38,989.66
2. Expenses						
a. Employee benefits expense	5,081.56	4,880.45	4,626.67	9,962.01	9,145.78	18,292.06
b. Depreciation and amortisation expense	154.52	147.28	172.73	301.80	346.04	667.05
c. Support / Third party charges	3,766.52	3,242.23	2,768.06	7,008.75	5,621.79	11,242.22
d. Finance Costs	60.46	71.62	88.52	132.08	188.61	344.12
e. Other expenses	697.91	536.92	674.71	1,234.83	1,191.95	2,605.00
Total Expenses (a+b+c+d+e)	9,760.97	8,878.50	8,330.69	18,639.47	16,494.17	33,150.45
3. Profit before exceptional items and tax (1-2)	1,709.94	2,082.15	1,402.77	3,792.09	2,716.32	5,839.21
4. Exceptional Items	-	-	-	-	-	-
5. Profit from ordinary activities before tax (3-4)	1,709.94	2,082.15	1,402.77	3,792.09	2,716.32	5,839.21
6. Extraordinary Items	-	-	-	-	-	-
7. Net Profit before tax (5-6)	1,709.94	2,082.15	1,402.77	3,792.09	2,716.32	5,839.21
8. Tax Expense	400.67	313.39	329.91	714.06	630.80	1,294.94
9. Net Profit for the period (7-8)	1,309.27	1,768.76	1,072.86	3,078.03	2,085.52	4,544.27
10. Other Comprehensive Income, net of taxes						
a) (i) Items that will not be reclassified to Profit or Loss	(15.61)	(4.70)	52.99	(20.31)	40.47	6.86
b) (i) Items that will be reclassified to Profit or Loss	(357.93)	272.53	343.67	(85.40)	205.62	935.98
Total Other Comprehensive Income (a) + (b)	(373.54)	267.83	396.66	(105.71)	246.09	942.84
Total Comprehensive Income for the period (9+10)	935.73	2,036.59	1,469.52	2,972.32	2,331.61	5,487.11
11. Profit for the period attributable to:						
Shareholders of Saksoft Limited	1,309.27	1,768.76	1,072.86	3,078.03	2,085.52	4,544.27
Non-controlling interest	-	-	-	-	-	-
	1,309.27	1,768.76	1,072.86	3,078.03	2,085.52	4,544.27
12. Total Comprehensive income for the period attributable to:						
Shareholders of Saksoft Limited	935.73	2,036.59	1,469.52	2,972.32	2,331.61	5,487.11
Non-controlling interest	-	-	-	-	-	-
	935.73	2,036.59	1,469.52	2,972.32	2,331.61	5,487.11
13. Paid-up Equity Share Capital of Rs.10/- each	997.15	997.15	994.25	997.15	994.25	995.75
14.(i) Earnings Per Share (in Rs) before extraordinary items						
a) Basic	13.13	17.76	10.79	30.89	20.98	45.68
b) Diluted	11.99	16.49	10.17	28.48	19.83	42.52
	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(Annualised)
items						
a) Basic	13.13	17.76	10.79	30.89	20.98	45.68
b) Diluted	11.99	16.49	10.17	28.48	19.83	42.52
	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(Annualised)
Notes :						
Key Standalone financial information						
Total income	4,252.04	3,445.23	3,272.17	7,697.27	6,317.61	12,632.77
Profit / (Loss) before taxes	854.15	518.08	732.17	1,372.23	1,428.17	2,520.09
Profit / (Loss) after taxes	689.62	389.03	535.36	1,078.65	1,058.58	1,880.61



Consolidated Statement of Assets and Liabilities	(Rs. In Lakhs)	
	As at 30-09-2021	As at 31-03-2021
ASSETS	Unaudited	Audited
Non-Current Assets		
(a) Property, plant and equipment	466.12	243.01
(b) Right of Use Asset	679.82	826.63
(c) Goodwill on consolidation	14,697.15	14,831.19
(d) Other Intangible assets	80.53	38.50
(e) Financial Assets		
(i) Investments		
(ii) Loans		0.25
(iii) Others	1,265.92	1,034.12
(f) Deferred Tax Assets (net)	488.67	446.70
(g) Other non-current assets	4.57	-
Sub Total Non-Current Assets	17,682.78	17,426.40
Current Assets		
(a) Financial Assets		
(i) Short term Mutual fund	1,323.68	1,045.74
(ii) Trade and other receivables	7,793.55	6,439.58
(iii) Cash and cash equivalents	9,415.97	9,000.60
(iv) Loans	55.82	168.63
(v) Others	1,158.09	787.78
(b) Current Tax Assets (Net of provisions)	152.30	164.86
(c) Other Current Assets	1,490.59	1,493.50
Sub Total Current Assets	21,390.00	19,100.69
Total Assets	39,072.78	36,521.09
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity Share capital	997.15	995.75
(b) Other equity	27,743.20	24,932.59
Sub Total Equity	28,740.35	25,928.34
LIABILITIES		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	1,000.00	2,000.00
(ii) Lease liabilities	280.63	506.83
(iii) Other financial liabilities	-	-
(b) Provisions	601.53	540.95
Sub total Non Current Liabilities	1,882.16	3,047.78
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	-	-
(ii) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	186.74	31.96
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,200.92	2,672.82
(iii) Lease liabilities	417.93	344.72
(iv) Other financial liabilities	319.57	905.83
(b) Other current liabilities	3,589.77	3,051.49
(c) Provisions	735.34	538.15
Sub Total current Liabilities	8,450.27	7,544.97
Total Equity and Liabilities	39,072.78	36,521.09



Consolidated Statement of Cash flow

Particulars	(Rs. In Lakhs)	
	For the six months ended 30.09.2021	For the six months ended 30.09.2020
	Unaudited	Unaudited
A. Cash Flow from Operating Activities:		
Profit before tax:	3,792.09	2,716.32
Adjustments for:		
Depreciation & amortisation	301.80	346.04
Expenses on employee stock based compensation	27.41	(16.68)
Interest and other Income	(29.63)	(2.55)
Dividend Income	(14.37)	(13.99)
Interest and Finance charges	132.08	188.61
Net actuarial gain / loss on defined benefit plan	(3.15)	40.47
Unrealised Derivatives	21.69	19.85
Provision for currency devaluation	116.35	-
Other Changes	4,344.27	3,278.07
(Increase) / Decrease in Trade receivables	(1,353.97)	312.57
(Increase) / Decrease in Other Assets	(486.14)	953.22
Increase / (Decrease) in Trade Payables	682.86	(200.31)
Increase / (Decrease) in Other liabilities	(121.19)	(250.75)
Increase / (Decrease) in Provisions	141.41	107.72
Cash Generated From Operations	3,207.24	4,200.52
Income tax paid	(737.92)	(536.30)
Net Cash Flow from Operating Activities	2,469.32	3,664.21
B. Cash Flow from Investing Activities:		
Purchase of Property, Plant and Equipment	(299.43)	(54.46)
Payment of lease liabilities	-	(284.82)
Purchase of Intangible assets	(5.65)	(6.73)
Interest and other Income	29.63	2.55
Sale / (Purchase) of Current Investments , (net)	(277.94)	(472.85)
Dividend income Received	14.37	13.99
Net Cash Used in Investing Activities	(539.01)	(802.32)
C. Cash Flow from Financing Activities:		
Proceeds/ (repayment) of borrowings	(1,000.00)	(190.85)
Interest and Finance charges	(86.75)	(140.72)
Dividend paid (including Dividend Distribution Tax)	(249.29)	-
Payment of lease liabilities	(198.32)	-
ESOP Exercised	19.42	-
Net Cash Used in Financing Activities	(1,514.94)	(331.57)
Net Increase in Cash and Cash Equivalents [A+B+C]	415.37	2,530.33
Cash and Cash Equivalents at the Beginning of the Year	9,000.60	4,293.25
Cash and Cash Equivalents as at End of the Year	9,415.97	6,823.58



1. The unaudited consolidated financial statements for the quarter and six months ended September 30, 2021 were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on November 11, 2021 and have been subject to limited review by the Statutory Auditors of the Company. The above results have been prepared in accordance with the Indian Accounting Standard (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 consolidated segment information has been prepared in line with the review of operating results by the Chief Operating Decision Maker (CODM) including the results of the entities which are consolidated herewith. 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 Company conducts its operations along with its subsidiaries. The Consolidated financial results are prepared in accordance with the principles and procedures for the preparation and presentation of consolidated financial results as set out in the Companies (Indian Accounting Standards) Rules, 2015, as amended. The financial results of the holding company and its subsidiaries (Saksoft Solutions Limited UK and its subsidiaries, Saksoft Inc., USA and its subsidiaries, Saksoft Pte Limited, Singapore, Three Sixty Logica Testing Services Private Limited and its subsidiary and DreamOrbit Softech Private Limited and its subsidiary), have been combined on a line by line basis by adding together, income and expenses after eliminating intra-group balances, transactions and resulting unrealised gains / losses. The Consolidated financial results are prepared by applying uniform accounting policies. The share capital has been stated net off shares held in the Saksoft employee welfare trust.
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 period ended financial results. In the preparation of the financial statements the Company has considered the possible future 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 Company, as at the date of approval of these financial results 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 could be different from management's estimates in this regard. The Company will continue to closely monitor any changes as they emerge.
6. The Code on Social security, 2020 relating to employee benefits in India has been approved by the Parliament and has also been published in Official Gazette of India, though the date on which it comes into effect is yet to be notified. The rules under this Code are also yet to be framed and notified. The Company will assess the impact of the Code when it comes into effect and will record the same, if any in the financials statements in the period in which the Code becomes effective and the related rules published.
7. Other income includes Rs.657.99 Lakhs towards forgiveness of the Paycheck Protection Program loan availed by the subsidiaries in United States which are no longer repayable and was accounted during the first Quarter ended, June 2021.
8. The Company at its Board Meeting held on 11th November 2021 has declared an interim dividend of Rs.3.00/- per equity share (30%) of face value of Rs.10 each fully paid up.
9. Tax expense includes current tax and deferred tax.

For and on behalf of the Board of Directors



Aditya Krishna

Chairman & Managing Director

Place: Chennai

Date: November 11, 2021

