

SAKSOFT LIMITED

SEBI AUDIT REPORT - CONSOLIDATED

FOR FY 2021-2022

**R.G.N. Price & Co.,
Chartered Accountants**

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

Phone : 28413633 & 28583494
E-Mail : price@rgnprice.com
Offices at : Mumbai, Bengaluru,
Kochi, Kollam & Kozhikode

Simpson's Buildings,
861, Anna Salai,
Chennai - 600 002.

26th May 2022

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF M/S SAKSOFT LIMITED

Report on the audit of Consolidated financial results

We have audited the accompanying Statement of consolidated quarterly 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 ended 31st March 2022 and the year-to-date results for the year from 1st April 2021 to 31st March 2022 attached herewith, being submitted by the holding company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations")

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements/financial information of subsidiaries or unaudited financial results certified by the Management of the subsidiary, the Statement:

1. Include the annual financial results of the following subsidiaries and a Trust:
 - a. Saksoft Inc and its two subsidiaries
 - b. Saksoft Pte Limited and its subsidiaries
 - c. Saksoft Solutions Limited and its subsidiary
 - d. ThreeSixtyLogica Testing Services Private Limited and its subsidiary
 - e. DreamOrbit Softech Private Limited and its subsidiary
 - f. Saksoft Employee Welfare Trust



2. are presented in accordance with the requirements of Regulation 33 Listing Regulations
3. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting policies generally accepted in India of the consolidated total comprehensive income (comprising of consolidated net profit and consolidated total comprehensive income and other financial information for the quarter ended 31st March 2022, and for the year ended 31st March 2022.

Basis of our opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements 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 statements 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 on the consolidated financial statements.

Management's Responsibility and Those charged with Governance for the Financial Statements

These consolidated annual financial results have been prepared on the basis of the consolidated financial statements.

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 consolidated financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, 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. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 ability of the Group 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 consolidated financial statements 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.



Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in

- i. planning the scope of our audit work and in evaluating the results of our work; and
- ii. to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company 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

1. We did not audit the financial statements of ten subsidiaries and a trust, whose financial statements reflect total assets of Rs. 4808.62 million as at 31st March 2022, total revenues of Rs.4500.84 million and net cash flows amounting to Rs.93.28 Million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.
2. We did not audit the financial information of two subsidiaries, whose financial statements reflect total assets of Rs.116.55 million as at 31st March 2022, total revenues of Rs.21.26 million and net cash flows amounting to Rs.2.24 Million for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements,



in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the unaudited financial statements certified by the Management. In our opinion and according to the information and explanations given to us by the Management, this financial statements / financial information are not material to the Group.

3. The Statement includes the results for the quarter ended 31st March 2022, being the balancing figure between the audited figures for in respect of the full financial year ended 31st March 2022 and the published unaudited year-to-date financial results up to 31st December 2021, being the end date of the third quarter of the current financial year, which was subject to limited review by us, as required under the Listing Regulations.

Our opinion on the consolidated financial results is not modified in respect of the above matters.

For R.G.N. Price & Co.,
Chartered Accountants
Firm Registration No.002785S



Mahesh Krishnan
Partner

M.No.206520

UDIN: 22206520AJPXGS2988



SAKSOFT LIMITED CIN: L72200TN1999PLC054429 Regd & Corp. Office : Global Infocity Park , 2nd Floor , Block- A , No 40 Dr MGR Salai , Kandanchavadi , Perungudi, Chennai - 600 096 , Ph: +91-44-24543500 Email : investorqueries@saksoft.co.in ; website: www.saksoft.com Statement of Audited Consolidated Financial Results for the Quarter and year Ended March 31, 2022. (Rs. In Lakhs)					
Particulars	Quarter ended 31.03.2022	Quarter ended 31.12.2021	Quarter ended 31.03.2021	Year ended 31.03.2022	Year ended 31.3.2021
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1. Income from Operations					
a. Net Sales/Income from Operations	13,909.21	12,447.06	9,744.79	48,042.98	38,580.68
b. Other Income	312.42	50.00	266.19	1,107.27	408.98
Total Income (a+b)	14,221.63	12,497.06	10,010.98	49,150.25	38,989.66
2. Expenses					
a. Employee benefits expense	5,569.40	5,422.13	4,579.21	20,953.54	18,292.06
b. Depreciation and amortisation expense	216.24	175.77	159.04	693.81	667.05
c. Support / Third party charges	5,182.75	4,203.36	2,834.00	16,394.86	11,242.22
d. Finance Costs	80.06	65.56	77.82	277.70	344.12
e. Other expenses	941.95	615.25	776.68	2,792.03	2,605.00
Total Expenses (a+b+c+d+e)	11,990.40	10,482.07	8,426.75	41,111.94	33,150.45
3. Profit before exceptional items and tax (1-2)	2,231.23	2,014.99	1,584.23	8,038.31	5,839.21
4. Exceptional Items	-	-	-	-	-
5. Profit from ordinary activities before tax (3-4)	2,231.23	2,014.99	1,584.23	8,038.31	5,839.21
6. Extraordinary Items	-	-	-	-	-
7. Net Profit before tax (5-6)	2,231.23	2,014.99	1,584.23	8,038.31	5,839.21
8. Tax Expense	476.14	521.96	332.97	1,712.16	1,294.94
9. Net Profit for the period (7-8)	1,755.09	1,493.03	1,251.26	6,326.15	4,544.27
10. Other Comprehensive Income, net of taxes					
a) (i) Items that will not be reclassified to Profit or Loss	86.95	20.30	17.82	86.94	6.86
b) (i) Items that will be reclassified to Profit or Loss	(65.19)	93.62	212.92	(56.97)	935.98
Total Other Comprehensive Income (a) + (b)	21.76	113.92	230.74	29.97	942.84
Total Comprehensive Income for the period (9+10)	1,776.85	1,606.95	1,482.00	6,356.12	5,487.11
11. Profit for the period attributable to:					
Shareholders of Saksoft Limited	1,755.09	1,493.03	1,251.26	6,326.15	4,544.27
Non-controlling interest	-	-	-	-	-
	1,755.09	1,493.03	1,251.26	6,326.15	4,544.27
12. Total Comprehensive income for the period attributable to:					
Shareholders of Saksoft Limited	1,776.85	1,606.95	1,482.00	6,356.12	5,487.11
Non-controlling interest	-	-	-	-	-
	1,776.85	1,606.95	1,482.00	6,356.12	5,487.11
13. Paid-up Equity Share Capital of Rs.10/- each	1,000.65	1,000.65	995.75	1,000.65	995.75
14.(i) Earnings Per Share (in Rs) before extraordinary items					
a) Basic	17.55	14.93	12.57	63.37	45.68
b) Diluted	16.10	13.71	11.57	58.29	42.52
	(not annualised)	(not annualised)	(not annualised)	(Annualised)	(Annualised)
items					
a) Basic	17.55	14.93	12.57	63.37	45.68
b) Diluted	16.10	13.71	11.57	58.29	42.52
	(not annualised)	(not annualised)	(not annualised)	(Annualised)	(Annualised)
Notes :					
Key Standalone financial information					
Total income	5,216.76	4,350.24	3,085.24	17,264.27	12,632.77
Profit / (Loss) before taxes	1,397.57	682.62	405.44	3,452.42	2,520.09
Profit / (Loss) after taxes	1,139.17	504.50	297.48	2,722.32	1,880.61



		(Rs. In Lakhs)	
Consolidated Statement of Assets and Liabilities		As at 31-03-2022	As at 31-03-2021
		Audited	Audited
ASSETS			
Non-Current Assets			
(a) Property, plant and equipment		1,207.64	243.01
(b) Right of Use Asset		1,666.48	826.63
(c) Goodwill on consolidation		16,650.93	14,831.19
(d) Other Intangible assets		33.81	38.50
(e) Financial Assets			
(i) Loans		-	0.25
(ii) Investments		701.48	-
(iii) Others		238.70	1,034.12
(f) Deferred Tax Assets (net)		472.47	446.70
(g) Other non-current assets		2.96	-
Sub Total Non-Current Assets		20,974.47	17,420.40
Current Assets			
(a) Financial Assets			
(i) Short term Mutual fund		1,049.33	1,045.74
(ii) Trade and other receivables		10,619.60	6,439.58
(iii) Cash and cash equivalents		7,385.67	9,000.60
(iv) Bank balances other than (ii) above		2,098.96	-
(v) Loans		7.96	168.63
(vi) Others		1,996.72	787.78
(b) Current Tax Assets (Net of provisions)			
(c) Other Current Assets		1,872.23	1,493.50
Sub Total Current Assets		25,179.53	19,100.69
Total Assets		46,154.00	36,521.09
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital		1,000.65	995.75
(b) Other equity		30,849.09	24,932.59
Sub Total Equity		31,849.74	25,928.34
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings		387.98	2,000.00
(ii) Lease liabilities		1,191.70	506.83
(iii) Other financial liabilities		488.33	-
(b) Provisions			
		624.76	540.95
Sub total Non Current Liabilities		2,692.77	3,047.78
Current liabilities			
(a) Financial liabilities			
(i) Borrowings		16.25	-
(ii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises		254.42	31.96
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,696.69	2,672.82
(iii) Lease liabilities		472.03	344.72
(iv) Other financial liabilities		703.71	905.83
(b) Other current liabilities			
(c) Provisions		6,786.51	3,051.49
		681.88	538.15
Sub Total current Liabilities		11,611.49	7,544.97
Total Equity and Liabilities		46,154.00	36,521.09




Consolidated Statement of Cash flow		
Particulars	(Rs. In Lakhs)	
	Year ended 31-Mar-2022	Year ended 31-Mar-2021
	Audited	Audited
A. Cash Flow from Operating Activities:		
Profit before tax:	8,038.31	5,839.21
Adjustments for:		
Depreciation & amortisation	693.81	667.05
Expenses on employee stock based compensation	46.54	49.66
Interest and other Income	(88.66)	(23.91)
Dividend Income	(29.37)	(31.83)
Interest and Finance charges	277.70	344.12
Net actuarial gain / loss on defined benefit plan	50.26	9.17
Unrealised Derivatives	18.63	9.90
PPP Loan waiver written off	(671.18)	-
Profit on sale of PPE	(2.41)	-
Operating Profit before Working Capital / Other Changes	8,333.63	6,863.37
(Increase) / Decrease in Trade receivables	(4,180.02)	320.18
(Increase) / Decrease in Other Assets	(1,335.77)	(317.16)
Increase / (Decrease) in Trade Payables	246.33	410.03
Increase / (Decrease) in Other liabilities	5,487.38	709.49
Increase / (Decrease) in Provisions	172.20	417.45
Cash Generated From Operations	8,723.75	8,403.36
Income tax paid	(1,712.00)	(1,425.76)
Net Cash Flow from Operating Activities	7,011.75	6,977.60
B. Cash Flow from Investing Activities:		
Purchase of Property, Plant and Equipment	(1,936.13)	(697.20)
Payment of lease liabilities	4.91	-
Purchase of Intangible assets	(21.43)	(9.46)
Interest and other Income	88.66	23.91
Sale / (Purchase) of Current Investments , (net)	(3.63)	(494.30)
Payment towards acquisition of business and (Increase)/Decrease on account of goodwill on consolidation	(2,333.17)	-
Dividend income Received	29.37	31.83
Net Cash Used in Investing Activities	(4,171.42)	(1,145.22)
C. Cash Flow from Financing Activities:		
Proceeds/ (repayment) of borrowings	(1,595.77)	(554.46)
Interest and Finance charges	(277.70)	(344.39)
Dividend paid (including Dividend Distribution Tax)	(549.48)	(248.94)
ESOP Exercised	66.65	22.76
Net Cash Used in Financing Activities	(2,356.30)	(1,125.03)
Net Increase in Cash and Cash Equivalents [A+B+C]	484.03	4,707.35
Cash and Cash Equivalents at the Beginning of the Period	9,000.60	4,293.25
Cash and Cash Equivalents as at End of the Period	9,484.63	9,000.60



1. The audited consolidated financial statements for the quarter and year ended March 31, 2022 were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on May 26, 2022 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 Standard (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2016 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 at its Board Meeting held on 26th May 2022 has proposed a final dividend of Rs.3.00/- per equity share (30%) of face value Rs.10 each fully paid up subject to approval of the shareholders at the ensuing Annual General Meeting. This is in addition to the interim dividend of Rs. 3.00/- per share declared in November 2021.
4. 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).
5. Saksoft Pte. a wholly owned subsidiary of Saksoft Limited acquired the entire shareholding of MC Consulting Pte. Singapore effective February 2022 making it a wholly owned subsidiary of Saksoft Pte. and a step down subsidiary of Saksoft Limited.
6. 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 and its subsidiaries, 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.
7. The results for the quarter ended March 31, 2022 are the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures for the nine months ended December 31, 2021 which were subject to limited review by the statutory auditors of the company.
8. 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: May 26, 2022

