



SASKEN

BSE Limited,
Dept. of Corporate Services - CRD
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai-400 001

July 21, 2021

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block - G,
Bandra Kurla Complex, Bandra (E)
Mumbai-400 051

By Web Upload

Dear Sir / Madam,

Sub: 33rd Annual General Meeting of the Company
Ref: Scrip Code 532663/ SASKEN

Please find attached Annual Report for the Financial Year 2020-21 in compliance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking you,

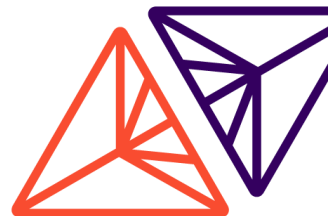
Yours faithfully
For Sasken Technologies Limited

S. Prasad
Associate Vice President & Company Secretary

Encl. as above

Sasken Technologies Limited

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CIN: L72100KA1989PLC014226 | www.sasken.com





SASKEN

2020-21 | ANNUAL REPORT

SasCan



The Sas-Can spirit

The strength of character is tested when we are challenged. This fiscal year has stress tested the human spirit of endurance. In our humble way, at Sasken, we endured, with a resolve to emerge stronger. We take pride in calling this mettle as the 'Spirit of SasCan'. This spirit is embodied in our ability to adapt and embrace the new normal. Our situational awareness and speed of response combined with the yen for continuous learning ensured that we remained valued partners for our customers. The ability to take on challenges and stay profitable despite adversity eschews our commitment to our shareholders. Our sustained efforts in ensuring the wellbeing of our employees and social responsibility programs, holds testimony to our people centricity. The 'Spirit of SasCan' permeates every Sasian and provides the fuel to serve all our stakeholders with efficacy.

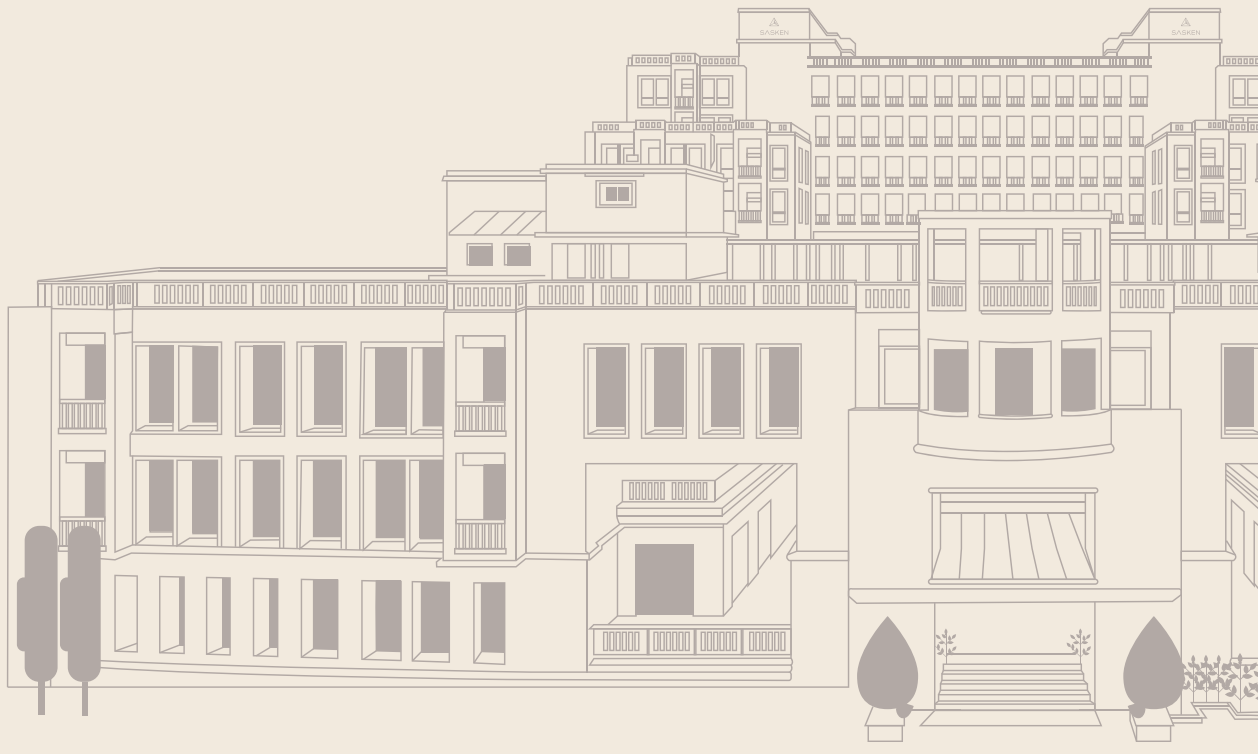


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Highlights of FY 21

₹ 44,484 lakhs

Consolidated Annual Revenue

₹ 11,455 lakhs

Consolidated PAT

1400+

Sasians

Board of Directors

Directors

Mr. Rajiv C. Mody

Chairman, Managing Director & CEO

Ms. Neeta S. Revankar

Whole Time Director & CFO

Mr. Bharat V. Patel

Director

Ms. Madhu Khatri

Director

Mr. Pranabh D. Mody

Director

Mr. Sanjay M. Shah

Director

Mr. Sunirmal Talukdar

Director

Dr. G. Venkatesh

Director

Overview

Company Secretary

Mr. S. Prasad

Statutory Auditors

M/s. MSKA & Associates
Chartered Accountants

Committees of the Board

Audit Committee
Corporate Social Responsibility Committee
Nomination and Remuneration Committee
Stakeholders Relationship Committee
Strategy, Business and Marketing Review Committee

Bankers

Citibank NA
Union Bank of India

Registered and Corporate Office

No. 139/25, Ring Road, Domlur
Bengaluru 560 071, India
CIN: L72100KA1989PLC014226



Rajiv C. Mody
Chairman, Managing Director & CEO

Message from Chairman

I am overwhelmed by the resolve to be tenacious, flexible, agile, capable and service oriented on the part of every Sasian despite the unprecedented challenges faced due to the global pandemic. A true 'SasCan' spirit. This provides me and the management team the motivation to lead & deliver with confidence.

Dear Shareholder,

It is often said that climacteric events happen once or maybe twice in every century. One such defining moment is the on-going COVID-19 pandemic. As I look back over the last twelve months, one thing is clear - those who are resilient and have the self-belief, will chart out the pathways to see the positive and emerge stronger. For Sasken, this 'can-do' spirit has kept all Sasians motivated. Our reigning motto has been to adapt, be agile, and adopt innovative methods of delivering value.

I am delighted to inform you that we have proactively and seamlessly transitioned to the new normal. Your Company was amongst the first to achieve close to a hundred percent transition to work from home/anywhere. This is a testimony to our forward thinking practises, use of technology, coordination & teamwork, and well-orchestrated enablement.

Our cross functional Emergency Response Team has been efficiently and effectively enabling the work from home transition necessitated by the pandemic.

Our first priority was to ensure the safety and well-being of employees in a proactive and transparent manner. This laid the foundation of creating a safe workplace for business continuity. Secondly, we emphasised on the creation of an effective two-way communication channel. This platform got together all stakeholders and provided a reliable & dependable means of coordination and dialogue, whilst eliminating misinformation. Thirdly, our goal was to embrace the new normal and build resilience at all levels. This included our risk assessment and preparedness, which helped us anticipate and respond to the crisis as it played out. Fourthly, our business recovery and forecasting methodology helped build a predictive model that kept it business as usual despite a vastly decentralised mode of work.

Our focus in the current financial year has been to embark on a business transformation with the aim of driving growth that is characterized by longer term annuity contracts of reasonable scale. This process has begun well and will remain our focus in the coming financial year by which we expect to have internalised this transformation. As part of this business renewal, we have a two-pronged approach to grow engagements with existing customers and win scalable business from new customers. We are making significant investments to strengthen our global sales teams who will spearhead our engagements with both our marquee and prospective customers with a single minded focus to move our relationships to the realm of strategic partnerships. As before, we recognise that our engineering capabilities in Finland in the areas of hardware & RF design including full product development is our key differentiator. We are making concerted efforts to integrate these capabilities and bring to our customers turnkey product development services.

To achieve our growth objectives, we are strengthening our front line, client partners, and solutions engineering teams at both the leadership and operational levels. Our portfolio of offerings are being enhanced and in parallel we are creating newer offerings in response to market needs. These initiatives will allow us to offer a compelling value proposition and help

scale our business. From the lens of operationalising these strategies we are creating a sense of urgency and have put in place an environment where everyone internalises that we are firm on the 'need to perform'.

Our response to the challenges in our business environment has been one of maintaining fiscal prudence by rigorously monitoring our performance both on revenue and cost fronts. However, being a company that is committed to 'people-centricity' we ensured that no jobs were lost on account of the uncertain environment in which we operate in.

DIVIDEND DATA

The Board of Directors has recommended a final dividend of Rs.15.00 per equity share for the year ended March 31, 2021. The payment is subject to approval of shareholders in the ensuing Annual General Meeting of the Company. Once approved, the cumulative dividend for the year will amount to Rs.25.00 per equity share (including interim dividend payment of Rs.10.00 declared on October 21, 2020). I trust that you would be happy to note that your Company has maintained its track record of paying dividends since its listing in 2005.

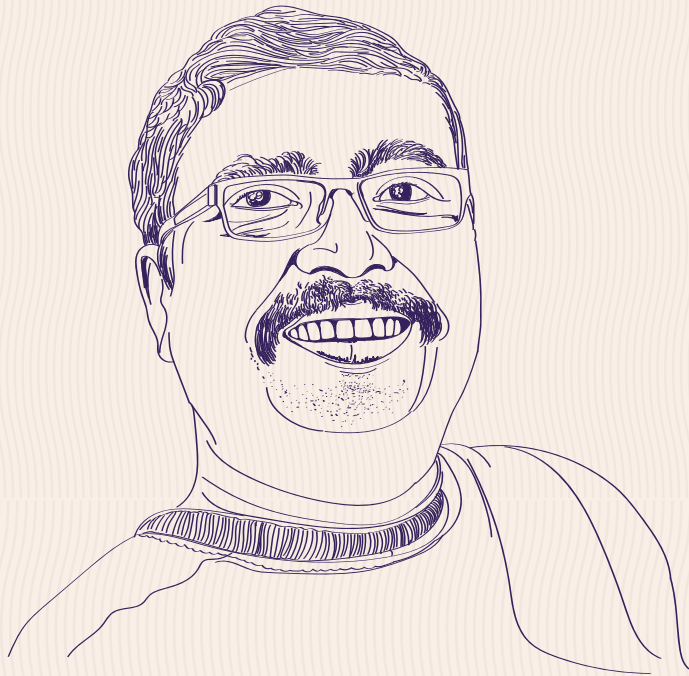
We remain cautiously optimistic and are mindful that we continue to operate in a Volatile, Uncertain, Chaotic, and Ambiguous environment also known as the VUCA world. The market recovery is not uniform across geographies and verticals which we serve; in short the environment we operate in presents us with a mixed bag. We will continue to be vigilant in terms of monitoring & mitigating risks and sharpen our business and delivery processes to be able to handle exigencies should they arise. We are confident that we have built a resilient organisation backed by sound management principles and a commitment to upholding the highest standards of ethical conduct & corporate governance. My management team and I wish to thank you for the continued confidence that you have placed in us over the last three decades and look forward to better times ahead.

Thanking you,

Rajiv C. Mody

Chairman, Managing Director, and CEO

Capability



In our journey of over three decades, we have helped launch many products. Building a product for a customer involves combining existing competencies with newly acquired ones through a process of continuous learning & experimentation. This is the seed from which innovation is born. Ensuring our capabilities remain world-class despite the enormous disruption was a priority which we took to and addressed with confidence. Our ability to deliver the critical phases of system integration, testing and product design handover for a range of satellite terminals, bears testimony to the fact that our technical capability is among the best. The result is a first-of-a-kind achievement for Team Sasken as it marked the delivery of a range of high-speed next generation satellite terminals.

Tech & Markets

Overview

Global enterprises across all the sectors we serve continue to be active consumers of both product engineering and digital services. COVID 19 has had an impact on the expenditure towards new product development and as a consequence we see that product launches have been somewhat curtailed or moved out during the last 12 months. The broad consensus is that industry recovery will be led by certain sectors and in addition via larger investments to accelerate the process of digitalization. Across the board, enterprises are focusing on business continuity, risk identification and mitigation through judicious investments in innovation and digital transformation. Thus, trade bodies and leading industry analysts such as NASSCOM and Zinnov, estimate that a majority of sectors will continue to build up their engineering spends over the next twelve to eighteen months offsetting the current softness of demand.

The pandemic has strengthened our resolve to leverage our repertoire of embedded and digital competencies and serve enterprises that strive to restore normalcy in a highly disrupted and volatile environment.

The pandemic however has accelerated the shift in the industry's focus to technology-led innovation that incorporates digitally enabled products and services across all sectors. A number of technological advancements happening at around the same time has created an environment for technology led innovation like never before. At Sasken we call this the confluence of inflexion points; the inflexion in communications, the inflexion happening in smart devices, the inflexion happening in the field of data from a perspective of Artificial Intelligence (AI) and Machine Learning (ML). It is in this changing paradigm that we work with our customers. We have successfully partnering our customers through the evolution of computing platforms from Real Time Operating Systems to Android, the evolution of connectivity from 2G to 5G, the evolution from computing

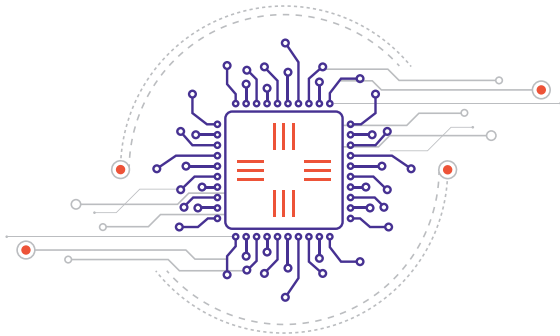
to intelligence, the evolution from native to cloud; all these stands validated in our three decade long journey.

At Sasken, we leverage our longstanding relationships with leading silicon providers, to offer our customers a compelling value proposition to profit from this world of 'Connected Living & the Experience Economy'. Our customers span multiple segments - consumer electronics, automotive electronics, industrials, satellite communications, telecommunications. As they brace for a world of 'Software Defined Everything As Service Economy', we continue to invest in strengthening & building new capabilities that will help our customers be successful. Our suite of digital capabilities has helped multiple customer develop & deploy innovative applications while partnering with cloud providers such as Amazon Web Services™ & Microsoft® Azure building both cloud & native solutions.

The pandemic has hastened the need to digitize and digitalize organisations so that they are agile, responsive, and optimally geared to succeed in the post pandemic era. In addition, the vector of digitalization is bringing to consumers and companies the ability for faster adoption of smarter services and strategic decision making that mitigates the risk of human error and intervention through the use of the vast amount of data that is readily available. Thus, companies with a digital edge will thrive and stay ahead.

Having recognised these vectors of change, we make continued efforts to stay at the forefront of developments in computing, connectivity, communication, cloud, and edge computing. The world of digital technologies leans upon advancements in areas such as Cloud, DevOps, AI, ML, data analytics, microservices, APIfication, cyber security, Blockchain, among others, to hasten the creation of pervasive digitalization. At Sasken, we continue staying ahead of the curve and have the foresight to harness these technologies to benefit our marquee customers. This engineering DNA of your Company has helped us be a strategic partner in the launch of over 200+ unique products for its customer, which ship globally.

Sectors we operate in



SEMICONDUCTOR

The semiconductor segment is expected to be among the first to rebound as the world returns to post pandemic normalcy. Semiconductor companies are therefore gearing up to be responsive to an expected surge in demand especially from segments such as wired & wireless communication, automotive and mobile computing. These pillars within the semiconductor industry are gaining pre-eminence as they form the corner stone of defining a push to 'Smart' & 'Digital'. The implications of these focal areas for semiconductor companies will augur well for the verticals of interest to us including automotive, communications, satellite and industrials.

As professionals and enterprises aggressively adopt a Work from Anywhere (WfA) model, the need for computing and information technology infrastructure gains ascendancy. This distributed WfA model requires significant investments in broadband connectivity and security. The playout in broadband is evident from an increased push in 5G networks and technologies such as Wi-Fi 6. WfA has also accelerated the demand for cloudification and investments in creating hyperscale cloud computing infrastructure.

The thrust towards wireless smart connectivity is pushing investments in a wide range of near range and wide area communication technologies.

There is also an uptick in the announcement of smartphones that support 5G though it is still in the early phases of commercial deployment. After a lull there are reports of a surge in demand for semiconductors addressing the needs of automobiles as well as off-road vehicles. Two trends that play out in the automobile sector include – a greater level of connectivity leading to Mobility as a Service (MaaS) and an increased emphasis on adoption of clean energy.

Our aspiration remains to build on our traditional strengths in the semiconductor space and expand our horizon into newer vistas with our enviable customer base. Some of the notable engagements of your Company in the semiconductor arena include the work we render for building in-vehicle infotainment and telematics solutions for market leaders. We have refreshed our engagements with one of the largest semiconductor vendors by addressing a growing customer need to support them on their semiconductor platforms running advanced operating systems such as Windows®.

Asian semiconductor companies referred to some analysts by the big 4 are making significant inroads in the top 10 global semiconductor companies. We are pleased to partner with two of the leading players in the area of smart consumer products and smart connected living.

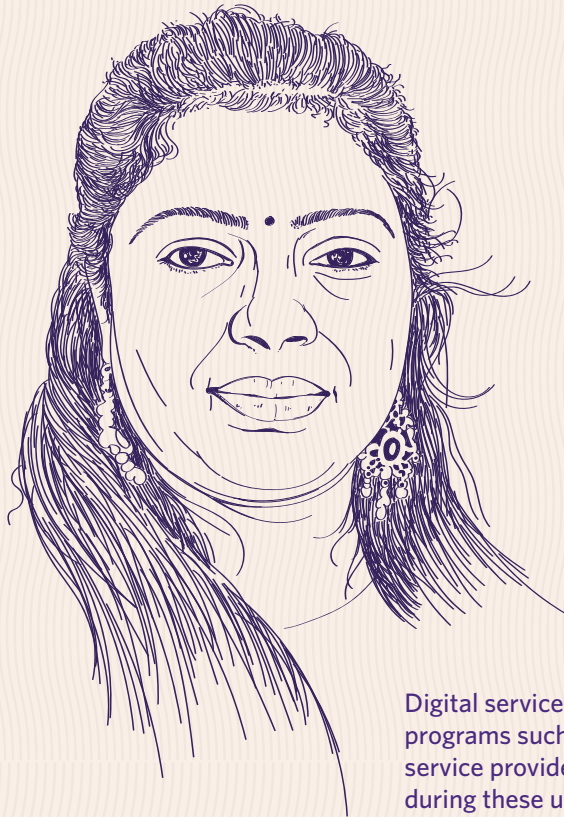


AUTOMOTIVE

Some segments within the automotive industry have been badly hit due to the pandemic. Low consumer confidence has resulted in OEMs slowing down their pace of investment in new platforms. However, in the automotive industry multiple vectors of transformation are playing out in the passenger & commercial vehicles space and the electric and/or hybrid revolution. Additionally, the adoption of computing, connectivity & software enabled systems provide leverage to offer a wide range of digital mobility services.

The overarching motivation for these technology-led innovations finally come down to providing the safest commute and contextually aware services that make commuting enjoyable & efficient in addition to being safe. Globally OEMs are taking aggressive approach to respond to the shifts in the market and invest in a platform and modular development agenda that makes them responsive to introduce new services and solutions at warp speed. Leading analysts are now beginning to predict the potential for a post pandemic resurgence as the disruptive forces at play in the

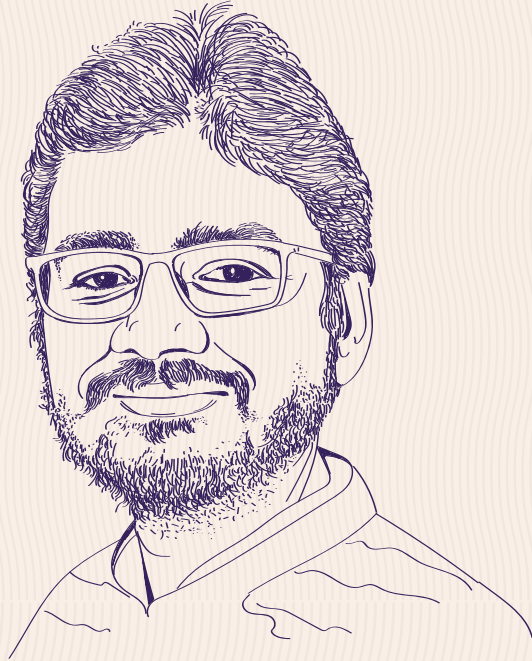
Agility



Digital services that support mission critical programs such as the needs of large transport service providers assumes greater importance during these unprecedented times. Moving resources efficiently to render essential services is at the heart of responding to any emergency. Motivated by the needs of our customer who entrusted us with managing 24/7 support for a suite of digital applications, our teams demonstrated situational awareness combined with responsiveness. The result was the establishment of seamless communication across locations, managing the safety of all employees, and migrating work from secure Offshore Development Centres (ODC) to a highly distributed WFX model.

Our pride stems from the customer's testimony - *"the ability to successfully deliver on committed milestones is a testimony a lot of hard work and agility of the team over the last couple of months despite the environment which made it even more challenging"*.

Flexibility



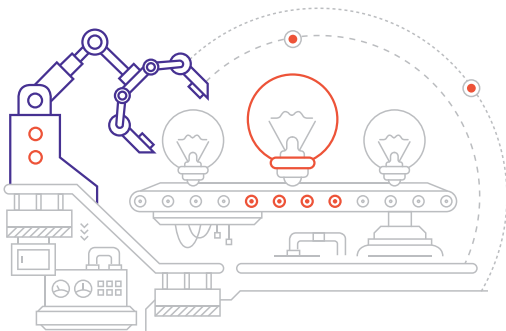
Executing complex engineering projects is a second nature for Sasken. The challenges of multi-site execution of programs with interdependencies are usually delivered in a flawless manner supported by robust processes. The disruption during the pandemic tested our ability to both adapt and adopt our practices to suit a highly volatile environment. We continued to honor customer commitments to deliver much needed Android Security Management projects for leading Japanese device makers.

Our engineers rose to the occasion, collaborated, and reconfigured their roles and responsibilities based on the situation. With agility the program managers ensured optimal work allocation, access to lab infrastructure and managed customer dependencies. Thus, the team optimally used all available vital resources through a well-coordinated rota system, ensuring that the deliverables were on time. Thereby, enhancing our customer's confidence in ensuring business continuity.

automotive industry will create greater competition thereby accentuating the need for an agile and responsive strategy to meet the shift towards MaaS.

Increased electronics in an automobile that has now captured the imagination of the industry is making OEMs ratchet up investments to offer a higher degree of personalization than ever before. The digitization of a cluster and widespread adoption of in-vehicle infotainment along with the consolidation of Electronic Control Units (ECU) is paving the way for providing a holistic personal experience to all occupants of an automobile. Multiple technologies including hypervisors, AUTOSAR, long range communications such as Long-Term Evolution (LTE) & 5G, sensor fusion, imaging are driving the Engineering Research and Development (ERnD) spends of both OEMs and their extensive tier-1 supply chains.

In the year in consideration the demand from the automotive segment as indicated above softened due to the on-going pandemic. Our long-term engagements stood in good stead and we continue to make steady progress with both tier-1s, semiconductor companies invested in the auto segment and after market players. Our engagement in the area of precision tracking and development of components of autonomous driving progressed well. We are beginning to see an increased interest in the development of telematics solutions using both LTE and 5G as the building block MaaS. OEMs are also beginning to refresh the development of in-vehicle infotainment systems that provide next-gen features using Over-the-Air Software Update (OTAS). In-vehicle infotainment systems now interwork with navigation and safety to provide predictive maintenance, characterization of driving habits and elimination of routine human intervention. The world of connected cars, cloud to car and autonomous driving has indeed dawned and with it the opportunity for disruption both in terms of technology and market opportunity for the players who drive & dominate it.



INDUSTRIALS

The need for enhancing the level of automation has received further impetus during the lockdown arising out of pandemic. The confluence of technologies that is shaping the continuous evolution of Industry 4.0 includes (a) connectivity

& computing, (b) sensors (c) analytics and intelligence, (d) enhanced levels of human machine interaction and (e) advances in manufacturing & material sciences. We continue to enhance our core capabilities while acquiring new ones in order to leverage opportunities that arise as a consequence of the above. While large enterprises are continuously modernizing or re-engineering their digital platforms, small and medium enterprises are building their own by leveraging assets in the public cloud. We are working in both these segments to enable them in their journeys to becoming truly digital.

There is an accelerated momentum to digitizing the entire traditional shop floor. Technologies such as AI & ML, mixed reality and Industrial Internet of Things (IIoT) are paving the way for the smart factory. Leading providers of products and services are focusing on building the smart factory that is capable of being flexible and responsive to changes in demand fluctuations and product portfolio. Digital solutions are enabling an enhanced Electronic Data Interchange (EDI) across the entire shop floor value chain. Advancements in the industry 4.0 are helping realize the benefits of predictive and real-time monitoring, namely — demand planning, scheduling, planning, controlling, maintenance and order management through to fulfilment. Digital technologies are helping transform the entire plant operations through extensive visualization including the creation of artifacts such as digital track & trace that help shop floor managers effortlessly manage complex manufacturing operations. Sensors integrated in equipment, humans, material handling systems, machine vision, edge computing & cloudification and extensive use of data analytics are equipping plant managers to optimize throughput and manage resources in a manner that is ecologically and economically sustainable.

We have commenced working with a company dedicated to providing digitally enabled solutions for rail track maintenance and safety. In this engagement we are providing digital insights for a European railway operator. This project will be a springboard for helping our customer build a business intelligence platform for the track maintenance industry. In another engagement, we are working with the global industrials conglomerate to build a new industrial scanner integrates cameras, machine vision, and machine learning capabilities. This project leverages our expertise in semiconductor platforms that support advanced image processing and AI capabilities. On the digital side, we are a strategic partner for a industrials powerhouse and supporting the development and enhancement of their big data and IIoT platform. We provide extensive application development and testing in an environment that uses Microsoft Azure and DevOps, ensuring Continuous Integration and Continuous Development.

We are starting to see some momentum building up for us in the Industrial Sector and we are investing to developing new solutions around Smart Products and Smart Factories.



COMMUNICATION & DEVICES

As with all sectors the pandemic has had a major influence on the communications & devices industry. The flux caused by disruption at work being delivered from a fixed physical location and restrictions on non-essential commuting has had a significant impact on the communication, network & devices. The sudden but swift delivery of WfA has necessitated the support for better connected and cyber safe devices. Additionally, there has been a surge in the need for higher bandwidth & safer communications at all levels and enhancements in cameras, display devices and peripherals such as headsets. There is also an increasing integration of mixed reality in communication devices that permits virtual experiences for multiple applications including retailing and personal & business communications.

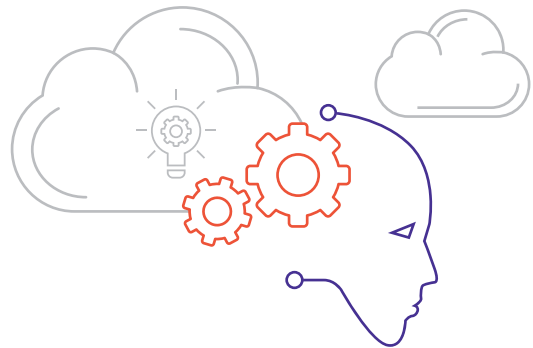
As in the previous years, integration of virtual voice assistance has become the norm due to the increasing acceptance of Natural Language Processing as a human-machine interface. Advancements in 5G are now beginning to surface in pockets as operators vie with each other to be first to market. This has resulted in a surge of investments in creating open radio access networks as 5G largely draws upon a democratized approach to network architecture. Leading semiconductor vendors have announced 5G chipsets, resulting in OEMs rushing into build 5G enabled smart devices. As mentioned in the previous report, the use cases for 5G would leverage the humongous bandwidth and low latency for applications in the realm of smart connected living. The explosion of IoT enabled devices, raises the concern of multiple points of vulnerability as noticed in the surge in cybercrime. Finally, the need for remote delivery of essential services including healthcare will shape the new world order as increasingly people work from home and the screen becomes the focus of all activities.

We continue to build on our leadership position as a reliable partner for Android based services both in consumer and enterprise device segments. In the communication network space, as part of our long-standing engagement with a European supplier of mission critical railway networks, we have delivered a Virtualised Base Station Controller and

underlying migration to a packet-based architecture. In the smart devices' arena, we are beginning to see a small spike in customer confidence. This is driven by the increasing demand for smart devices.

Our work with a leading north American satellite and defense conglomerate has culminated with the successful final delivery of all the final product. In the VSAT segment we are making progress in our engagements with a global end-to-end satellite communications service provider. We continue working with a market leader in open architecture-based network solutions for 4G & 5G. Our teams have successfully demonstrated end-to-end 5G calls on a live network built using Open Virtual Radio Access Networks.

There is an increasing surge in the interest to provide broadband services that blanket the entire globe with an emphasis on underserved and unreachable geographies. Satellite Communication promises to bridge this divide and hence is an attractive market for us. Our repeated ability to deliver complex engineering programs aimed at building new to market satellite terminals is recognised as a differentiated strength by leading players in the satellite industry.



DIGITAL SERVICES

Investments in digital is seeing a growth trajectory that is faster than ever before. The motivation for this is the unprecedented change in the business and social landscape caused by the current pandemic. While it has been long established that digital is no longer an option but a necessity, the environmental triggers have resulted in digital-centricity and a digital-first approach. Leading industry pundits continue to profess the virtues and advantages of building a resilient service and business delivery fabric that adapts to the ever-changing operational landscape.

Digital technologies are bringing together an integrated and innovative approach to synthesize the way enterprises, consumers and prosumers seamlessly interplay.

Acceleration in building a secure cyber mesh, distributed cloud and computing that supports anytime/anywhere business operation becomes more important than ever before. As in the past, hyperconnectivity fuels hyper-automation which is facilitated by the seamless transport of data and the use of real-time data driven decision making. These vectors of change bring to the fore the need for robust cybersecurity at all stages of the network from the data source to the application layer.

Enterprises continue the march to enhance digital resiliency, by a focus on building cloud-centric architecture, invest in edge acceleration technologies to strengthen their digital & hybrid delivery mechanisms. Thus, it is expected that there will be a spurt in the fully Integrated Communications & Technology (ICT) enabled enterprises. Such enterprises will provide a secure and smart work environment that ensures business connectivity and improves the ecological balance whilst supporting the delivery of location dependent essential services.

Our engagements with a leading European technology company have grown significantly over last year with our teams working on application development & maintenance, cloud migration and validation. Our teams are developing their digital platform & automated tools that are used for process control applications. We are a strategic partner to an innovative provider of digital solutions for the railway network on their onboard & offboard application development, data analytics & visualization, verification & validation and customer support. In the transportation segment our digital solutions engineering teams have made progress in delivering a variety of system resolution and enhancements for a vendor of digital solutions for European multi-transport operators.

GOING FORWARD

The pandemic has strengthened our resolve to leverage our repertoire of embedded and digital competencies and serve enterprises that strive to restore normalcy in a highly disrupted and volatile environment. The demand for integrated digital and product engineering services has surged due to the need for companies to cater to delivering solutions and services that are not tied to a context or location but yet sensitive to these parameters. Being a company with a tech DNA, adoption for us to thrive in the new normal and beyond has been natural. Continuous learning is something we have always taken pride to inculcate as a core part of our culture.

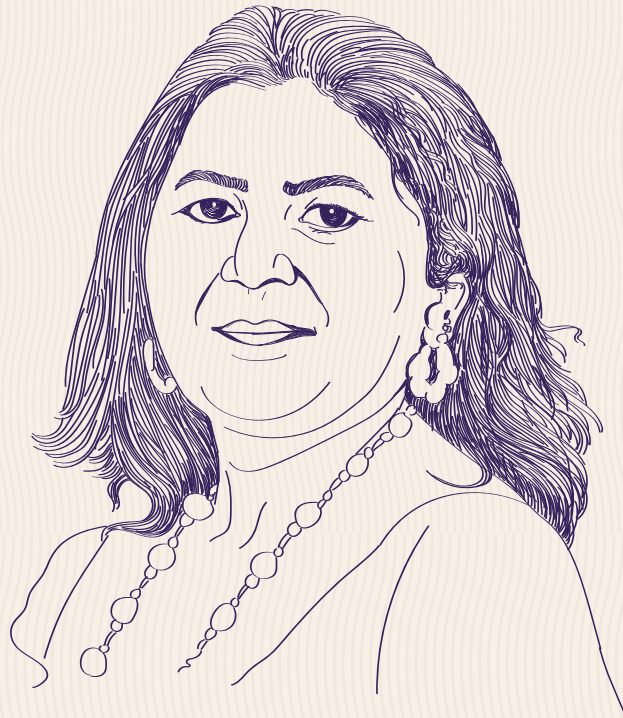
As before we make strategic investments to both strengthen and deepen our embedded quotient. Our internal investment focus has been to continue to build competencies in the arenas of 5G, blockchain, digital twins, AI/ML, computer vision & algorithms for automation needs of the verticals that we serve.

It has been a challenge to respond to the dynamics of the Volatile, Uncertain, Complex & Ambiguous (VUCA) world we operate in. In large part our focus has been to ensure that we remain relevant to our customers and remain their strategic partners in their quest to capitalize on the opportunity to provide products and services that serve their present and future needs.

We have consistently taken pride in our ability to identify patentable ideas and successfully obtain global patents. In the year gone by, we have continued this streak of being granted patents. The patents that we have filed this year include (a) a method for arriving at consensus in Permissioned Blockchain to address enterprise use cases for faster, robust, lightweight and resilient protection from security attacks such as DDoS, (b) A patent for enhancing the network security for the Internet of Things.

We stay focused on investing in technologies that our customers can commercially profit from in the near to medium term. These initiatives contribute to strengthening our brand pillars of being a company that is (a) committed to intellectual integrity, (b) tech first, and (c) world-class. We strive as always to endeavour to exceed the expectations of all stakeholders.

Spirit of Service



Remaining focused on the well-being and safety of our employees is non-negotiable for us at Sasken. While continuing to do everything possible to ensure the physical and mental well-being of Sasians, we also kept a sight on need to help society at large. We swiftly responded to the many requests by fellow Sasians for support on multiple counts such as medical assistance and repatriation. Our emergency response team worked tirelessly to render timely support to those in need. Carrying on this service orientation, we also focused on our CSR initiatives to support the needs of those impacted by COVID. We provided support for nutritional needs of health-care workers & patients and funded equipment for rapid testing of viral diseases.

These initiatives and more embody the spirit of 'Sas-Can'.

Sasken CSR

As a company we have laid emphasis on being a socially responsible corporate body. The spirit of social responsibility has percolated to all our employees whom we call 'Sasians'. We believe in undertaking social responsibility initiatives truly beyond the lens of compliance. The focus of our CSR programs as in the previous years' focuses on women empowerment through financial inclusion, educating children, inculcating good personal hygiene, promoting a clean environment, making healthcare affordable, encouraging the use of renewable energy, and conserving the rich & diverse art heritage of our nation. In addition, the ongoing pandemic has spurred us to take initiatives such as providing nutritious meals for the needy, establishing rapid testing facilities to detect viral infections which go a long way to help those unfortunately affected by COVID or other viral diseases to tide over and return to normalcy.

“Keeping the ongoing COVID-19 pandemic in mind, Sasken and the institute worked together for setting up a diagnostic testing centre. The centre uses state of the art equipment, primarily the Cartridge-based Nucleic Acid Amplification Test by GeneXpert (CBNAAT). The CBNAAT requires only one hour for testing samples to identify a plethora of ailments apart from COVID-19 such as tuberculosis, HIV, HBV, HCV etc.”

– Dr. George D'Souza
(Professor & Dean – Infectious Diseases St. John's Hospital & Research Institute, Bengaluru)

DIGITAL ENABLED FINANCIAL INCLUSION

Sasken has sailed into the 7th year of its partnership with Self Employed Women's Association (SEWA). The pan-India organisation, SEWA, is committed to empowering rural underprivileged women by enabling them to become self-sufficient through SEWA's various outreach programmes and schemes. Sasken's m-Bachat solution has digitized SEWA's savings and credit scheme, enhancing efficiency, accuracy & trust amongst all the stakeholders of the micro-banking system. The system continues to be operational in 9 districts of Gujarat. The application supports an intuitive bilingual user interface (English and Gujarati) that can be used readily by women with low computer literacy. As of March 31, 2021, there are 27,020 members enrolled in 'm-Bachat'. The total savings collection from April 2020 to March 31, 2021 recorded in the system amounts to ₹ 1.5 Crore. Your Company's CSR team continues to be a strategic partner to SEWA in their quest to enhance the financial independence and inclusion of marginalised women. In addition, the Sasken digital development team continues to enhance the Member Management System (MMS) of SEWA which serves over 8 lakh members in 7 States & 1 Union Territory of India.

EDUCATION FOR THE UNDERPRIVILEGED

We strongly believe that the path to creating a better society is by providing universal access to education and well-being. Towards this end we continue our humble yet highly gratifying association with Guardians of Dreams Foundation, an NGO committed to providing infrastructure, education, healthcare & nutrition, caregiving and aftercare to meritorious students from an underprivileged background. In the current financial year, keeping in mind the need to help children pursue their education which is being delivered online currently, your Company provided desktops to support the needs of these children across multiple shelter homes in Bengaluru. Every October we celebrate the 'Joy of Giving' month, and this year Sasians donated generously to support and help realise the dreams of these children. Grants provided by Sasken supported 100 young achievers across centres from two southern States of India.

HEALTHCARE

The on-going pandemic has brought to the forefront the need to focus on well-being, safety, compliance to stringent guidelines to prevent the adverse effects of community spread of the deadly virus. We take pride in the small yet significant measures that your Company has taken to ameliorate the needs of especially the needy & underserved. Bangalore Baptist Hospital, a beneficiary of your Company's CSR grant continues to provide much needed medical services in the Mother Teresa primary health centre situated in the outskirts of Bengaluru predominantly in the area of COVID-19 care.

We have initiated a new partnership with St John's Hospital and Research Institute which is a renowned healthcare and teaching institution based in Bengaluru. Sasken funded the purchase of state-of-the-art equipment that uses advanced genetic techniques to expedite the testing samples to identify a variety of ailments apart from COVID-19 such as tuberculosis, HIV, HBV, HCV, etc. This technology significantly cut shorts the time taken from obtaining sample to testing to a definitive result.

Keeping in mind the challenges due to loss of income during the pandemic, your Company sponsored the distribution of over 10,000+ meals spread across the critical days of lockdown. Our partner NGO - Shrimad Rajchandra Love & Care (SRLC) served nutritious meals to doctors, healthcare workers, patients and families who were under home quarantine. Notably this initiative was driven by the active participation of a youthful community of volunteers.

We continue to support environmentally friendly initiatives in our neighbourhood. The organic waste composting unit funded by your Company is functioning seamlessly and processing an average of over 500 kilograms of compost per week. This initiative has helped in keeping the verdant surroundings free of dry leaf waste and provides usable compost. The Greater Bengaluru Metropolitan Authority distributes the compost for use in the lung spaces in the locality and to the neighborhoods.

Thus, your Company further goes well beyond meeting mandated requirements for corporate social responsibility by extending its reach through the volunteering activities of its employees. It is our belief that these practices will encourage good citizenship behaviour and leadership skills in our employees.

For a detailed and comprehensive coverage of our sustainability and corporate social responsibility initiatives please visit <https://www.sasken.com/sustainability>

Sasken People

The adage - ‘tough times don’t last, tough people do’ stood validated as we navigated the challenges posed by the pandemic in the last year with grit and the indomitable ‘Sas-Can’ spirit that is characteristic of every Sasian across the globe.

Through these unprecedented times, our sustained focus on inclusive people practices & policies over three decades of our existence ensured business continuity and workforce enablement in a turbulent environment – that impacted people, communities, and businesses globally.

We were steadfast in our commitment to secure our peoples’ needs, also in our ability to leverage technology to bridge & connect our workforce with the customers we serve each day. Through a vigilant communication network, we were able to channel employee and customer feedback to adapt our work practices for a seamless transition to a distributed workforce mode. We continued to strengthen employee experience across all employee life cycle touch points within Sasken – be it virtual hiring and onboarding, learning and upskilling, performance management, connect and reward platforms, also benefits management. And through it all we ensured workplace safety, consistent team performance and productivity. Customer endorsement of these efforts further reinforced our brand as a resilient and agile organisation. Today, our belief in the commitment and work ethic of every Sasian gives us the confidence to pursue & execute on our growth aspirations on a sustained basis.

Over the years Sasken has built a formidable reputation of being a technology leader in product engineering and digital services. The technical prowess and capability of our talent is our core strength, one which makes our talent well-respected within the industry and the customer segments we operate in. Given our established track record of nurturing and developing human capital, we continue to be an active talent scouting ground in a highly competitive marketplace. Our Management Assessment & Performance Measurement

framework - KenMAP has been acknowledged as a robust talent assessment and enablement system - both by quality circles and our customers. The KenMAP framework allows us to benchmark and continuously upskill our workforce, thereby ensuring growth for our talent and credible business outcomes for Sasken & our customers.

In the last quarter of FY21, we announced merit-based, and market aligned revision of salaries for all employees in select bands. Through this investment in an equitable, benchmarked compensation framework we were able to recognize differentiated performance, capabilities, and contribution of our talent pool. To sustain a culture of meritocracy, we continue to remain firm on the need to perform to be relevant in environment of constant disruption and change.

We take pride to ensure our workforce has role-models, desired organizational values and citizenship behaviours. Towards this, we continue to educate & encourage our people to embrace principles of ethical conduct, diversity & inclusion, be socially responsible and adopt environment friendly practices.

Thus, our ‘whole-person’ approach to attracting, growing and developing talent remains core to how we work and engage with each other. We remain committed to expanding the capacity and capability of individuals and teams at both the leadership and operational levels to fuel our growth aspirations and differentiate our brand.

Future-ready organisations are vigilant and intentional about strengthening their human capital. To deliver on the promise of building a pre-eminent organization, we will continue to uphold people as our biggest source of competitive advantage. Strengthening the culture of performance & meritocracy; culture of fearlessness & trust; an equitable environment that promotes well-being & sense of purpose; an environment of growth, learning & pride - will continue to be strategic priority for Sasken in the years ahead.

As of 31st March 2021, the headcount for the Sasken group stood at 1395, and the attrition for the trailing 12 months was 21.43%.

Tenacity



The pandemic has shaken every notion of the 'normal'. Our single-minded focus was to adapt quickly to ensure business continuity. I am grateful to my team of engineers who stood united during these tough times and shouldered the responsibility to honor all customer commitments. We swung into action and worked with our customer to enable secure VPN Connectivity to all associates.

While the infrastructure was being enabled, our engineers showed a commitment above and beyond customer expectations. They drove to the customer location and stayed in the car near the building. Using their laptop & secure connectivity they accessed the required resources at the customer location. Thus, they were able to perform code sync and return home to work. In Michigan, despite lockdown restrictions, the team showed a camaraderie that ensured business continuity even in such challenging times.

It has not been a comfortable journey, but I am glad that the hard work paid off.

BOARD'S REPORT

To the Shareholders,

Your Directors have pleasure in presenting the Report on the business and operations of the Company along with the Standalone and Consolidated Audited Financial Statements for the year ended March 31, 2021.

1. Financial Performance

The Standalone and Consolidated Financial Statements for the year ended March 31, 2021 forming part of this Annual Report have been prepared in accordance with Ind AS, as summarized below:

₹ in lakhs

Particulars	Consolidated for the year ended March 31		Standalone for the year ended March 31	
	2021	2020	2021	2020
Revenue	44,483.52	49,222.22	39,245.74	41,670.76
Profit Before Interest, Depreciation and Taxes	13,052.57	8,808.07	12,247.09	8,709.21
Provision for Depreciation	1,018.22	1,115.87	919.92	993.91
Earnings before Interest and Taxes	12,034.35	7,692.20	11,327.17	7,715.30
Interest	46.77	70.50	47.19	62.49
Other Income	2,961.67	3,574.89	3,334.04	3,924.18
Net Profit Before Tax	14,949.25	11,196.59	14,614.02	11,576.99
Exceptional Items	-	-	2,002.31	-
Provision for Tax	3,494.61	3,313.84	3,351.12	3,345.93
Net Profit After Tax	11,454.64	7,882.75	9,260.59	8,231.06
Other Comprehensive Income for the year	(1,036.49)	(1,972.27)	1,200.85	(2,061.39)
Total Comprehensive Income for the year	10,418.15	5,910.48	10,461.44	6,169.67
Balance of Profit brought forward	44,871.81	65,121.26	45,370.37	65,295.22
Balance available for appropriation	56,326.45	73,004.01	54,630.96	73,526.28
Dividend (Interim & Final*) on equity shares	(1,501.62)	(2,029.21)	(1,505.09)	(2,035.82)
Dividend (Special)	-	(7,508.34)	-	(7,525.44)
Dividend tax	-	(1,868.13)	-	(1,868.13)
Buy back of shares	-	(15,932.47)	-	(15,932.47)
Transfer to Retained earnings	144.05	(794.05)	144.05	(794.05)
Surplus carried to Balance Sheet	54,968.88	44,871.81	53,269.92	45,370.37

*Refer Note No. 15(h) given in Standalone Financial Statements.

On a consolidated basis, your Company's revenues from operation for FY 2020-21 have decreased by 9.6% in rupee terms from ₹ 49,222.22 lakhs in FY 2019-20 to ₹ 44,483.52 lakhs in FY 2020-21. The net profits increased from ₹ 7,882.75 lakhs in FY 2019-20 to ₹ 11,454.64 lakhs during the year, an increase of 45.3%. This has translated to a Basic Earnings per Share of ₹ 76.26 in FY 2020-21 vs. ₹ 48.57 in FY 2019-20.

2. Material changes and commitments affecting the financial position of the Company

There have been no material changes and commitments, if any, affecting the financial position of your Company which have occurred between the end of financial year of the Company to which the Financial Statements relate and date of this Report.

3. Dividend

Your Directors are pleased to recommend a final dividend of ₹ 15 per equity share of ₹ 10 each for the year under review. During the year, your Company declared an interim dividend of ₹ 10 per equity share in October 2020. This aggregates to a total dividend of ₹ 25 per equity share.

A note on transfer of shares and unclaimed dividends to Investor Education and Protection Fund has been stated in the General Shareholder Information, forming part of this Annual Report.

4. Business Outlook, Economic & Regulatory scenario and Opportunities

Sasken has tech in its DNA and has been a pioneer in the Indian IT enabled Service (ITeS) landscape. This strong mooring in technology has made us a resilient organisation. In the current financial year, we drew upon our ability to manage change to successfully navigate the unprecedented uncertainties precipitated by the global pandemic. Our goal has been to ensure business continuity while protecting the interest of all our stakeholders.

Board's Report (Contd.)

The bear grip of the pandemic has forced people to reimagine and reinvent the way we conduct ourselves socially and professionally. Commerce across all spheres and services to manufacturing has had to embrace change faster than ever before and use technology as a launchpad for business continuity.

The pandemic has impacted and decelerated the rate of business growth across most of the verticals. While the impacts have been relative and varied across segments, the first half of the fiscal year 2021 saw the brunt of the uncertainty with business demand being soft. During this period, across all segments, customers were committed to ongoing programs and deferred investments in creating newer products and services. In the second half of the financial year 2021, in some sectors there have been the green shoots of recovery and hence a readiness to reengage especially when it comes to new product development. While remedial measures to combat the COVID 19 virus such as vaccines and better preventive measures are in place, the second wave of the pandemic has somewhat increased the uncertainty in the business environment.

We take pride in the concerted efforts that we have put in place to establish a cross functional team who tirelessly worked to ensure business continuity. Within a matter of four weeks from the announcement of a total lockdown, over 98% of our workforce was digitally & securely enabled to Work from Anywhere. We put in place mechanisms to support employees as they continued to engage in programs critical for our customers seamlessly from safe working environments of their choice, without compromising the security and confidentiality of the customers data. All necessary support for computing & secure connectivity were established by a dedicated support team. Communication channels and timely digital interventions were put in place to ensure the psychological well-being and productivity of employees. The net result of these efforts was that our customers were delighted by our ability to keep its business as usual despite the adversities.

Your Directors are of the opinion that while business will recover, there will be residual uncertainty in the short term. In response to the Volatile, Uncertain, Complex and Ambiguous (VUCA) environment, your Company continues to strengthen its resolve to deliver on its obligations to all stakeholders to the best of its ability. This resolve is backed by prudent investments in people, processes, and digital infrastructure.

Please refer to Management Discussion and Analysis Report and the Technology and Markets section forming part of this Report for further details on this segment.

5. Share Capital

The present authorized share capital of your Company stands at ₹ 55,00,00,000 comprising of 5,50,00,000 equity shares of face value of ₹ 10 each.

There is no change in the issued, subscribed and paid-up capital of the Company in this financial year and it stands at 1,50,50,871 equity shares of ₹ 10 each as at March 31, 2021.

Details of the amount to be carried to reserve are forming part of the financial statements.

6. Employees Stock Option Scheme

The requirements specified under Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 are available on the Company's website www.sasken.com/investors.

No new options were granted during the year.

7. Deposits

Your Company has neither accepted nor renewed any deposit during the year. As such, no amount of principal and / or interest is outstanding as on the Balance Sheet date.

8. Particulars of Loans, Guarantees or Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 (the Act) are given in the notes to the Financial Statements.

9. Energy Conservation, Technology Absorption and Foreign Exchange earnings and outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as Annexure A.

10. Risk Management Policy, Internal Control Systems and their adequacy

The pandemic has brought to the forefront the need to have robust methodologies to identify, assess, monitor, and mitigate risks at the level of entity and enterprise. Our risk management framework has stood the rigorous test of measuring up to ensuring business continuity, employee management and being responsive to other stakeholders despite the most unforeseen circumstances.

Board's Report (Contd.)

The management of your Company was proactive and constituted a cross-functional Committee internally named as the Emergency Response Team (ERT). Being a product engineering and digital services Company, our customer engagement model is largely driven by setting up secure ODCs (Offshore Development Centre) within Sasken offices. Each of these ODCs has its own network and security control processes, ensuring highest level of IP security for the customer. Ensuring these ODCs were fully functional as well as enabling the seamless execution of the Work from Anywhere model has been the significant contribution of this task force. The investments we have made over several years in establishing vigorous project management methodologies, underlying information technology & security systems made it possible to achieve business continuity without any disruption.

Your Company continues the best practises of risk management by systematically identifying businesses, functions & environmental risks on a continuing basis. These are also discussed in the meetings of the Audit Committee and the Board of your Company.

Your Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested by Statutory as well as Internal Auditors. Significant audit observations and actions taken thereon are reported to the Audit Committee.

The key business risks identified by your Company and mitigation plans are detailed in the Management Discussion and Analysis Report.

11. Corporate Social Responsibility

Your Company has in place a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Act. The details of the CSR Policy and the Annual Report on CSR activities as prescribed under the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014, is annexed herewith as Annexure B.

CSR activities are carried out either directly or through Sasken Foundation, which is exclusively set up for this purpose.

The focus of our CSR program in this year was mainly driven on aiding Hospitals and NGOs who were engaged in COVID related relief. Your Company also continued its focus on women empowerment, educating children and conserving the rich & diverse art heritage of our nation.

A detailed and comprehensive coverage of our sustainability and Corporate Social Responsibility initiatives is provided at www.sasken.com/sustainability and detailed in the Annual Report.

12. Vigil Mechanism / Whistle Blower Policy

Your Company has adopted a Whistle Blower Policy and has established Vigil Mechanism in line with the requirements under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) for the employees and other stakeholders to report concerns about unethical behaviour, actual or suspected fraud or violation of the Code. The Whistle Blower Policy is available at www.sasken.com/investors.

During the year, your Company has not received any complaints under the said mechanism.

13. Sexual Harassment Redressal Committee

Your Company has complied with the applicable provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, details of which is provided under the Corporate Governance Report forming part of this Report.

14. Directors

Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

Ms. Madhu Khatri (DIN: 00480442) was co-opted as an Additional Director on March 27, 2020 by the Board, as a Non-Executive Woman Independent Director and shareholders approved the appointment at the 32nd AGM of the Company held on July 29, 2020.

Mr. Sunirmal Talukdar (DIN: 00920608) was appointed as an Independent Director at the AGM held on July 20, 2016 for a term of up to 5 years effective from the date of meeting. The term of aforesaid appointment is expiring and Board has recommended to the shareholders for his re-appointment for another term of up to five years at the forthcoming AGM.

Dr. G. Venkatesh (DIN: 00092085) is a Non-executive Director of the Company at present. A proposal for his appointment as an Independent Director is being placed before the shareholders for approval.

In accordance with the provisions of the Act and in terms of the Articles of Association of the Company, Ms. Neeta S. Revankar (DIN: 00145580) is liable to retire by rotation at the forthcoming AGM and being eligible offer herself for re-appointment.

Board's Report (Contd.)

A detailed note, profile, and explanatory statement for the aforesaid appointment, re-appointment and retirement by rotation is provided in the Notice of the 33rd AGM.

14.1. Board Evaluation

Pursuant to the provisions of the Act and Regulation 17 of the Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, the directors individually and its Committees.

The Nomination & Remuneration Committee has laid down the evaluation framework for assessing the performance of Directors comprising of the following key areas:

- Attendance in meetings of the Board and its Committees.
- Quality of contribution to Board deliberations.
- Strategic perspectives or inputs regarding future growth of Company and its performance.
- Providing perspectives and feedback going beyond information provided by the management.
- Commitment to shareholder and other stakeholder interests.

14.2. Board independence

Definition of 'Independent Director' is referred in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, the following Directors are Independent:

- Mr. Bharat V. Patel
- Ms. Madhu Khatri
- Mr. Sanjay M. Shah
- Mr. Sunirmal Talukdar

14.3. Nomination & Remuneration Policy

The said policy and the composition of the Nomination & Remuneration Committee have been stated in the Corporate Governance Report.

14.4. Meetings of the Board and its Committees

The details of (a) the meetings of the Board and its Committees held during the year; and (b) composition and terms of reference of the Committees are detailed in the Corporate Governance Report.

14.5. Code of conduct

The Board has approved a Business Code of Conduct (Code) which is applicable to the Members of the Board and insiders. The Code has been posted on the Company's website www.sasken.com/investors and intranet. The Code lays down the standard of conduct which is expected to be followed by the insiders in their business dealings and in particular on matters relating to integrity in the workplace, in business practices and in dealing with stakeholders.

The Board Members and the Senior Management personnel have confirmed compliance with the Code.

15. Directors' Responsibility Statement

To the best of our knowledge and belief and according to the information and explanations obtained, your Directors make the following statements in terms of Section 134(3)(c) of the Act that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit of the Company for the year ended March 31, 2021;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis;

Board's Report (Contd.)

- proper internal financial controls to be followed by the Company were in place and that such internal financial controls were adequate and were operating effectively with no material defects; and
- systems to ensure compliance with the provisions of all applicable laws and Secretarial Standards were in place, adequate and operating effectively.

16. Subsidiary Companies & Joint Ventures

There has been no change in the nature of business of the subsidiaries, during the year under review. In accordance with Section 129(3) of the Act, your Company has prepared a Consolidated Financial Statements of the Company and all its subsidiary companies, which is forming part of the Annual Report. The Consolidated Financial Statements also reflects the contribution of subsidiary companies to the overall performance of the Company. A statement containing salient features of Financial Statements of the subsidiary companies is also included in the Annual Report.

Due to pandemic, the process for closure of two of the wholly owned subsidiaries viz. Sasken Communication Technologies (Shanghai) Co. Ltd. and Sasken Communication Technologies Mexico S.A. de C.V. has been delayed.

In accordance with third proviso of Section 136(1) of the Act, the Annual Report of the Company, containing therein its Standalone and Consolidated Financial Statements have been placed on the Company's website www.sasken.com/investors. Further, as per fourth proviso of the said section, audited annual accounts of each of the subsidiary companies have also been placed on the Company's website www.sasken.com/investors. Shareholders interested in obtaining a copy of the audited annual accounts of the subsidiary companies may write to the Company Secretary at the Company's registered office address.

The Audit Committee reviews the Consolidated Financial Statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the Audit Committee meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board.

Your Company does not have any material unlisted Indian subsidiary companies. The policy for determining 'material subsidiaries' has been disclosed on Company's website www.sasken.com/investors.

17. Auditors

17.1. Statutory Auditors and Statutory Auditors' Report

As per the provisions of Section 139 of the Act, M/s. MSKA & Associates, Chartered Accountants (ICAI Firm Registration No. 105047W) were appointed as Statutory Auditors of your Company at the 32nd AGM held on July 29, 2020, to hold office until the conclusion of the 33rd AGM in the casual vacancy caused by the resignation of M/s. B S R & Associates LLP, Chartered Accountants (ICAI Firm Registration No. 116231 W/W - 100024).

M/s. MSKA & Associates have consented to act as statutory auditors of the Company for a period of up to 5 years commencing from 33rd AGM up to 38th AGM of the Company and given a certificate in accordance with Sections 139, 141 and other applicable provisions of the Act to the effect that their appointment, if made, shall be in accordance with the conditions prescribed and that they are eligible to hold office as Statutory Auditors of the Company. As required under Regulation 33 of the Listing Regulations, Statutory Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Necessary resolution and explanatory statement thereto have been provided in the AGM notice seeking approval of shareholders.

There are no qualifications, reservations or adverse remarks made by the Statutory Auditors, in their Report.

17.2. Secretarial Auditor and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Act and Rules, Regulation 24A of the Listing Regulations and other applicable provisions framed thereunder, as amended, your Company had appointed Ms. Aarthi Gopalakrishna, Company Secretary in Practice (CP No.5645) to undertake the Secretarial Audit of the Company. The Practicing Company Secretary has submitted her Report on the Secretarial Audit conducted by her which is annexed herewith as Annexure C.

There are no qualifications, reservations, or adverse remarks in her Report.

18. Corporate Governance and General Shareholder Information

Your Company is committed towards maintaining high standards of Governance. The Report on Corporate Governance as stipulated under Schedule V of the Listing Regulations, General Shareholder Information together with a Corporate Governance Compliance Certificate from Mr. K. Rajshekar, Company Secretary in Practice (CP No.2468) confirming compliance, forms an integral part of this Report which is annexed herewith as Annexure D.

Board's Report (Contd.)

19. Management Discussion and Analysis Report

The Management Discussion and Analysis Report for the year under review, as stipulated under Schedule V of the Listing Regulations, is forming part of this Annual Report.

20. Business Responsibility Report

Your Company has embedded in its core business philosophy, the vision of societal welfare and environmental protection.

As per Regulation 34(2)(f) of the Listing Regulations, a Business Responsibility Report forms an integral part of this Report which is annexed herewith as Annexure E.

The Business Responsibility Report is forming part of the Annual Report and available on the Company's website www.sasken.com/investors.

21. Related Party Transactions

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. None of the Directors has any pecuniary relationship or transactions with the Company.

Your Company has in place a Related Party Transactions Policy for the purpose of identification and monitoring of such transactions. This policy has been approved by the Board and is available on the Company's website www.sasken.com/investors.

Since there have been no materially significant contracts / arrangements / transactions with related parties, disclosure under Form No. AOC-2 is not applicable.

22. Significant and material orders passed by the Regulators or Courts

There are certain on-going litigations / disputes in the normal course of business. However, there are no significant and / or material orders passed by the Regulators / Courts having a material impact on the operations of the Company during the year under review.

23. Patents

Your Company has always encouraged its employees to generate intellectual property in terms of patents to derive benefits from innovations. Your Company has filed for multiple patents in both the Indian and USA PTO jurisdictions. One US patent granted to us is in the area of "Method for arriving at consensus in Permissioned Blockchain". We have a patent review pending for "Security pertaining to the Internet of Things".

A total of 60 patents have been granted to your Company till now.

24. Quality Certifications

ISO 14001:2015

Your Company is certified for ISO 14001:2015 (Environment Management System Standard). Your Company is committed to contribute towards environment management, being a responsible corporate member of the communities in which it operates. This reaffirms your Company as a responsible corporate citizen.

ISO / IEC 27001:2013

Your Company is certified for ISO / IEC 27001:2013 (Information Security Management System Standard). This is important for assuring our stakeholders (like Customers, Partners, Vendors, Investors and Employees) of our commitment in protecting their information assets and Intellectual Properties (IPs), as well as sensitizing all employees about importance of confidentiality, integrity, and availability of information assets of our stakeholders.

ISO 9001:2015

Your Company is certified for ISO 9001:2015 (Quality Management System (QMS) Standard). It helps us to establish a process framework in organization based on Plan - Do - Check - Act lifecycle and provides guidance on implementation of checks and measures to help promise quality in all our deliverables to customers (new and existing), vendors, shareholders and interested parties including regulatory bodies across various geographies in which we operate. It also helps meet statutory, regulatory and compliance requirements applicable to Sasken and its affiliate companies.

CMMI - Dev - V2.0 - ML3

On delivery excellence, your Company leverages industry best practices and standards to establish and continuously improve delivery systems and processes. Your Company has established a delivery platform called Sasken Delivery Platform (SDP). SDP is Engineering Delivery workbench (with support for various lifecycle stages) and an Integrated Project Management platform. Your Company's QMS has been formally assessed at Maturity Level 3 of the CMMI - Dev - V2.0 framework in May 2020. Sasken's processes are also compliant to requirements of technology vertical specific standards like TL9000 R5.5 / 5.0, Automotive SPICE v2.5, and Automotive Functional Safety - ISO 26262.

Board's Report (Contd.)

25. Consolidated Financial Statements

The Consolidated Financial Statements of the Company are prepared in accordance with relevant Accounting Standards (AS) issued by the Institute of Chartered Accountants of India form part of this Annual Report.

26. Annual Return

The Annual Return of the Company is available on the website of the Company www.sasken.com/investors.

27. Particulars of Employees

The information required pursuant to Section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as Annexure F.

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this Report. Further, the Report and the accounts are being sent to the Shareholders excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection and any Shareholder interested in obtaining a copy of the same may write to the Company Secretary.

28. Acknowledgement

Your Directors thank various Central and State Government Departments, Organizations and Agencies for the continued help and co-operation. The Directors also gratefully acknowledge all stakeholders of the Company viz. customers, shareholders, dealers, vendors, banks, and other business partners for the excellent support received from them during the year. The Directors appreciate and value the contribution made by every employee of the Company.

For and on behalf of the Board of Directors

Bengaluru
April 22, 2021

Rajiv C. Mody
Chairman & Managing Director

Annexure A

Energy Conservation, Technology Absorption and Foreign Exchange earnings and outgo

A) Energy Conservation - Environmental Management System

During the year 2020-21, our carbon emission was significantly reduced to 97 tonnes annually compared to 996 tonnes for the year 2019-20, which is almost 90% reduction in CO₂ emission. While lot of this reduction can be attributed to the Work from Home model adapted during the year 2020-21, our sustainability initiatives continued during the year and have yielded results.

94% of our power requirement during the year 2020-21 was fulfilled by green sources and only 6% of our power was procured from non-green sources.

We recycle almost 500KL of water every month at our registered office, which fulfils 80% of our water needs for common usage. This is possible due to our in-house effluent treatment plant. Each of the water outlets are fitted with improved version of aerators, which arrests 60% water flow compared to a normal tap there by reducing the wastage of the potable water.

Your Company stands committed to the continuous improvement of its well-integrated environmental management systems. We ensure that a dedicated team drives these initiatives under the able guidance and support of our management.

B) Research & Development

In this financial year, we have focused our R&D on some of the key technical problems being addressed by the industries we are engaging. The area of sensor fusion - an integration of cognitive and real time data has been the forefront over the last five years. We have explored this area and worked on energy efficient algorithms to integrate vision data from multiple sensors and overlay this with cognitive analysis of objects and their motion. We believe this capability will enable us to work closely with our customers and bring their solutions to the market faster.

The integration of Artificial Intelligence and Machine Learning in area of Smart Manufacturing specifically pertaining to worker safety in terms of avoiding hazards and also enforceable social distancing norms is another topic of research. We have worked on an innovative solution to use vision and associated sensors to actively monitor individuals across large areas and prevent any hazardous situation. We are in discussion with customers to take these solutions to the market.

Annexure to Board's Report (Contd.)

The deployment of Blockchain in real world systems to solve critical problems of trust, data integrity and fairness has been another area of research. In Fiscal 2021, we have worked on a method for arriving at consensus based permissioned blockchain that can address enterprise needs for a faster, robust, lightweight, and resilient means of defending against security attacks such as Distributed Denial of Service.

We have furthered our research in integration of new mechanism and tools to enhance our KenTest™ Tool. It is a framework and test engine, that integrates all the development platforms enabling automated testing of systems across all verticals. The framework allows rapid development of test vectors and automated remote testing, helping our customers cut test cycles and deploy their products faster.

C) Technology Absorption

Our knowledge in security management of open-source systems will also serve us in the automotive domain as there is an increasing disposition to build products on the Android Platform. We have built an optimized process which ensures security updates and version management of Android Systems in what we call as 'factory model'. This has resulted in multi-year contracts with customers who find this value proposition extremely compelling.

In this fiscal year, your Company's investment in the areas of 5G specifically in the area of Open Radio Access Network (ORAN) - a new emerging standard to enable interoperability radio access components has resulted in winning customer engagements for development of 4G / 5G based ORAN subsystems.

D) Foreign Exchange Earnings and Outgo

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Foreign exchange earnings	30,566.22	34,960.09
Foreign exchange expenditure	5,820.80	9,193.15

Annexure B

Annual Report on Corporate Social Responsibility (CSR) activities

1. Brief outline on CSR policy of the Company

CSR Policy of your Company encompasses its philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the community at large. This Policy is aimed at to benefit different segments of the society, specifically the deprived, under privileged and differently abled persons.

CSR Policy has been prepared pursuant to Section 135, the Companies (Corporate Social Responsibility Policy) Rules, 2014 (Rules) and Schedule VII of the Companies Act, 2013 (the Act) as amended and same is made available at the Company's website: www.sasken.com/investors.

2. The Composition of the CSR Committee

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Rajiv C. Mody	Chairman - Executive Director	6	6
2	Ms. Neeta S. Revankar	Member - Executive Director	6	5
3	Mr. Sanjay M. Shah	Member - Independent Director	6	6

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company.

www.sasken.com/investors

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Not applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required to be set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
Nil			

Annexure to Board's Report (Contd.)

6. Average net profit of the Company as per Section 135(5): ₹ 10,769.75 lakhs.
7. (a) Two percent of average net profit of the Company as per Section 135(5): ₹ 215.39 lakhs
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
 (c) Amount required to be set off for the financial year, if any: Nil
 (d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 215.39 lakhs
8. (a) CSR amount spent or unspent for the financial year

Total Amount Spent for the Financial Year (in ₹ lakhs)	Amount Unspent (in ₹ lakhs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
215.39	Nil		Nil		

- (b) Details of CSR amount spent against ongoing projects for the financial year: ₹ 40 lakhs
- (c) Details of CSR amount spent against other than ongoing projects for the financial year:

1. Amount spent by the Company

₹ in lakhs

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the Project		Project Duration	Amount allocated for the project	Amount spent in the current FY	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Regn. No.
1	Women Empowerment	(iii) empowering women	No	Gujarat	Anand and others	Yearly basis	70.89	70.89	-	No	Self Employed Women Association	-
2	Preventive healthcare - Covid Relief	(i) COVID support and relief	Yes	Karnataka	Bengaluru	One time	3.00	3.00	-	No	Guardians of Dreams Foundation	CSR00001882
3	Preventive healthcare - Covid Relief		Yes	Karnataka	Bengaluru	One time	3.00	3.00	-	No	Rotary Club of Bangalore Midtown Charitable Trust	-
4	Preventive healthcare - Covid Relief		No	Maharashtra	Mumbai	One time	3.00	3.00	-	No	Rotary Club of Bombay Queen's Necklace Charitable Trust	CSR00004403
5	Contribution for Schedule VII activities	Transfer to carry on other CSR activities covered under (i) to (ix)	Yes	PAN India		One time	95.50	95.50	-	No	Sasken Foundation	CSR00004943
		Total					175.39	175.39				

Annexure to Board's Report (Contd.)

2. Amount spent by Sasken Foundation (CSR Registration No. CSR00004943) during the year:

₹ in lakhs

Sl. No.	Name of the Entity / Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes / No)	Location of the Project		Project Duration	Amount spent during the year
1	Guardians of Dreams - CSR00001882	(ii) Promoting education	Yes	Karnataka	Bengaluru	One time	31.50
2	C.B.C.I Society for Medical Education (St. John's National Academy of Health Sciences (CSR00003309)	(i) COVID support and relief	Yes	Karnataka	Bengaluru	One time	25.00
3	Baptist Hospital (CSR00005121)		Yes	Karnataka	Bengaluru	One time	17.00
4	PM Cares Fund		No	Delhi	Delhi	One time	14.40
5	Shrimad Rajchandra Sarvamangal Trust (CSR00000266)		Yes	Karnataka	Bengaluru	One time	7.20
6	Domlur Senior Citizen Charitable Trust		Yes	Karnataka	Bengaluru	One time	2.00
7	Setting up and running of Waste composting Plant	(iv) Ensuring Environmental Sustainability	Yes	Karnataka	Bengaluru	One time	7.98
8	Association of People with Disabilities (CSR00001544)	(ii) Assistance to differently abled people from underprivileged strata of society	Yes	Karnataka	Bengaluru	One time	3.00
9	Art Mantram Trust	(v) Promotion and development of traditional arts and handicrafts	Yes	Karnataka	Bengaluru	One time	1.00
		Total					109.08

(d) Amount spent in Administrative Overheads - Nil

(e) Amount spent on Impact Assessment, if applicable - Not applicable

(f) Total amount spent for the financial year (8b+8c+8d+8e) - ₹ 215.39 lakhs

(g) Excess amount for set off, if any

Sl. No.	Particulars	Amount (₹ in lakhs)
(i)	Two percent of average net profit of the Company as per Section 135(5)	215.39
(ii)	Total amount spent for the financial year	215.39
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9.

(a) Details of Unspent CSR amount for the preceding three financial years

(₹ in lakhs)

Sl. No.	Preceding FY	Amount transferred to Unspent CSR Account under Section 135(6)	Amount spent in the reporting FY	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding FY
				Name of the Fund	Amount	Date of Transfer	
Nil							

Annexure to Board's Report (Contd.)

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s)

₹ in lakhs

Sl. No.	Name of the Entity	Item from the list of activities in Schedule VII to the Act	FY in which project was commenced	Project Duration	Total amount allocated for the project	Amount spent on the project in the reporting FY	Cumulative amount spent at the end of reporting FY	Status of the project- Completed / Ongoing
1	Art and Photography Foundation (CSR00000053)	(v) Protection of works of art and culture	2018	5 years*	640.00	40.00	540.00	Ongoing

* The contribution made in a year is based on the progress of the construction of Foundation and also within the CSR amount available with the Company for spend in a financial year.

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset wise details)
- Date of creation or acquisition of the capital asset(s) - Not Applicable
 - Amount of CSR spent for creation or acquisition of capital asset - Not Applicable
 - Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. - Not Applicable
 - Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) - Not Applicable
11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5) - Not Applicable

The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the CSR Committee

Bengaluru
April 22, 2021

Rajiv C. Mody
Chairman

Form No. MR-3

SECRETARIAL AUDIT REPORT*

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

Sasken Technologies Limited

139/25 Domlur Layout, Ring Road
Bengaluru- 560071

CIN L72100KA1989PLC014226

Authorised Capital : Rs. 5,500 Lakhs

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sasken Technologies Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **Sasken Technologies Limited** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its Officers, Agents and Authorized Representatives during the conduct of Secretarial Audit, I hereby Report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-Processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Sasken Technologies Limited** ("the Company") for the financial year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;¹
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;^{2,3}
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;⁴
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;²
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;²
- and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.⁵
 - (vi) Other Laws as applicable to the Information Technology Company that is in the business of Product Engineering and Digital Transformation:-
 1. Information Technology Act, 2000
 2. EXIM Policy of India; Policy relating to Software Technology Parks of India and its Regulations and The Special Economic Zone Act, 2005
 3. Intellectual Property Laws, namely The Indian Copyright Act, 1957; The Trade Marks Act, 1999; The Patents Act, 1970, Designs Act, 2000

Annexure to Board's Report (Contd.)

4. Environment (Protection) Act, 1986, Water (Prevention and Control of Pollution) Act, 1974; Air (Prevention and Control of Pollution) Act, 1981; e-waste (Management and Handling Rules), 2010.

I have also examined compliance with applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India;
- (ii) The Listing Agreement entered into by the Company with the National Stock Exchange of India Limited and BSE Limited;⁶

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

My opinion is based on audit evidence, explanations and information given to me during the audit and the Management Representation Letter in support of compliances in respect of the Act, Rules, Regulations, Guidelines, Standards, etc, mentioned above.

I Further Report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, Agenda and detailed Notes on Agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the Agenda items before the meeting and for meaningful participation at the Meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I Further Report That there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I Further Report That during the audit period the Company has:

- (i) Appointed of a new Statutory Auditor for One Financial Year to fill a casual vacancy due to resignation and obtained the approval of the Members for the same.
- (ii) Obtained the approval of the Members for appointment of Woman Independent Director for a period of Three years with effect from the date of the Annual General Meeting.
- (iii) Reclassified certain Members of the Promoter Group to Public Category with the approval of the Members and the Stock Exchanges.

Place : Bengaluru

Date : April 22, 2021

UDIN: F005706C000154228

AARTHI GOPALAKRISHNA

FCS # 5706

CP # 5645

Peer Review Cert # 1110/2021

* To be read with our letter annexed hereto which forms an integral part of this report.

¹ Replaced with SEBI(Prohibition of Insider Trading) Regulations, 2015.

² There were no actions necessitating compliance under these Regulations.

³ Replaced with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

⁴ Replaced with SEBI (Share Based Employee Benefits) Regulations, 2014.

⁵ Replaced with SEBI (Buy-back of Securities) Regulations, 2018.

⁶ and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Annexure to Board's Report (Contd.)

ANNEXURE

To,

The Members,

Sasken Technologies Limited

Bengaluru

My Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Bengaluru

Date : April 22, 2021

AARTHI GOPALAKRISHNA

FCS # 5706

CP # 5645

REPORT ON CORPORATE GOVERNANCE

This report is prepared in accordance with the Corporate Governance requirements specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended and Secretarial Standards issued by The Institute of Company Secretaries of India as of March 31, 2021 and the report contains the details of Corporate Governance systems and processes followed by the Company.

Our corporate governance is guided by 4 values, viz. L.E.A.P – Leadership, Excellence, Accountability and Passion which reflects our value system encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders.

Your Company has a Code of Conduct, the governing principle for its Directors, Employees and also a Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by insiders. Your Company is also having (a) CSR Policy; (b) Policy on Material Subsidiaries; (c) Policy on Related Party Transactions; (d) Vigil Mechanism / Whistle Blower Policy; and (e) familiarization program imparted to Independent Directors, etc. The said policies are available on the website of your Company at www.sasken.com/investors.

Board of Directors

At Sasken, it is our belief that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. The Board's actions and decisions are aligned with the Company's and its shareholders' best interests. They ensure that the Company complies with all relevant laws, regulations, governance practices, accounting and auditing standards. They identify key risk areas and key performance indicators of the Company's business and constantly monitor these factors.

The Board has an optimum combination of Executive, Non-Executive and Independent Directors who have an in-depth knowledge of business, in addition to the expertise in their areas of specialization.

The Company has defined guidelines and an established framework for the meetings of the Board and Committees. These guidelines seek to systematise the decision-making process at the meetings of the Board and Committees in an informed and efficient manner.

The Chairman, Executive Director and senior management personnel are accountable for achieving targets as well as transparent scrutiny of means and ends. They make periodic presentations to the Board on their responsibilities, performance, action taken during each quarter as well as representations required under the Company's Code of Conduct.

No Director of the Company is a member in more than 10 committees or acts as Chairperson of more than 5 committees across all listed companies, in which he / she is a director. The names and categories of Directors on the Board, their other directorships and shareholding in the Company are given below:

Name of the Director	DIN	Category	Shareholding as at March 31, 2021	No. of Directorships held*		Committees [~]	
				Public	Private	Chairman	Member
Mr. Rajiv C. Mody**	00092037	Executive	15,56,570	2	-	-	-
Mr. Bharat V. Patel	00060998	Independent	17,219	2	-	1	2
Ms. Madhu Khatri	00480442	Independent	-	1	-	-	1
Ms. Neeta S. Revankar	00145580	Executive	69,668	1	-	-	-
Mr. Pranabh D. Mody**	00035505	Non-Executive	2,87,272	1	1	-	-
Mr. Sanjay M. Shah	00375679	Independent	3,493	-	4	-	-
Mr. Sunirmal Talukdar	00920608	Independent	-	5	3	3	2
Dr. G. Venkatesh	00092085	Non-Executive	1,46,260	1	2	-	-

* Does not include directorships in Sasken Technologies Limited, foreign bodies corporate and companies incorporated under Section 8 of the Companies Act, 2013 (Act) / Section 25 of the Companies Act, 1956.

** Promoter

[~] Denotes chairmanship and membership in Audit and Stakeholders Relationship Committee of public limited companies other than Sasken Technologies Limited.

There is no inter-se relationship between the Directors.

A brief resume of the Directors, nature of their expertise in specific functional areas, etc. are available on the website of the Company.

Annexure to Board's Report (Contd.)

The Board meets at least once in every quarter and / or whenever necessary for update and to review the business performance and financial results. The Board / its Committee review the Company's annual financial plan. On an ongoing basis during the year, the Board monitors the performance of the Company as against its annual financial plan as well as resource allocation decisions made during the period. The Board also evaluates the Company's strategy and assesses progress against agreed milestones.

Independent Directors of your Company are independent of the Management and have complied with the applicable conditions of the Listing Regulations.

The Company Secretary in consultation with the Chairman and Whole Time Director & CFO drafts the agenda for each meeting, along with notes and circulate the same in advance to the Board members. All material information is incorporated in the agenda facilitating meaningful and focused discussions during the meeting. Where it is not practicable to attach any document in the agenda, the same is tabled at the meeting. Every board member is free to suggest items for inclusion in the agenda. The directors are provided free access to office and employees of the Company. Management is encouraged to invite the Company personnel to any Board meeting at which their presence and expertise would help the Board to have a full understanding of the matters being considered.

During the year 2020-21, the Board met on five occasions, i.e., on April 27, 2020, July 29, 2020, October 5, 2020, October 21, 2020, and January 20, 2021. The maximum gap between two meetings was not more than one hundred and twenty days. All members were present at all the meetings. To ensure timely resolution of issues, decisions were also taken through circulation.

Apart from the above, the Independent Directors had a separate meeting as required under Schedule IV of the Act on June 25, 2020. Details of (a) Directors' attendance in Board Meeting and (b) sitting fees paid to them for attending Board / Committee meetings are as follows:

Director	No. of Board meetings during 2020-21		Whether attended last AGM held on July 29, 2020	Sitting fee (In ₹ lakhs)*
	Held	Attended		
Mr. Rajiv C. Mody	5	5	Yes	-
Mr. Bharat V. Patel	5	5	Yes	6.00
Ms. Madhu Khatri	5	5	Yes	3.00
Ms. Neeta S. Revankar	5	5	Yes	-
Mr. Pranabh D. Mody	5	5	Yes	5.50
Mr. Sanjay M. Shah	5	5	Yes	3.00
Mr. Sunirmal Talukdar	5	5	Yes	6.00
Dr. G. Venkatesh	5	5	Yes	3.00

* Represents sitting fee paid for attending Board and other Committee meetings.

As required under Part C, Clause 2(c) of Schedule V of Listing Regulations, name of other listed entities in which Director of your Company is also a director and the category of his directorship(s) is provided below:

Name of the Director	Name of the Listed entity	Category
Mr. Rajiv C. Mody	Centum Electronics Limited	Independent Director
Mr. Sunirmal Talukdar	India Carbon Limited	Independent Director
	Clariant Chemicals (India) Limited	Independent Director
	Aditya Birla Fashion and Retail Limited	Independent Director
	Titagarh Wagons Limited	Independent Director
Ms. Madhu Khatri	Hexaware Technologies Limited	Independent Director

As required under Part C, Clause 2(h) of Schedule V of Listing Regulations, the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board is provided below:

Your Company is engaged in the highly skilled, technology intensive niche area (as more fully detailed in the "Technology & Markets" section in the first few pages of the Annual Report). The Board of your Company thus aptly consists of optimum number of Directors who have specialised and decades of relevant rich expertise in the field of Technology & Research, Management, Strategy, Sales & Marketing, Finance, Taxation, Entrepreneurship, risk mitigation, compliance, reputation management, mergers & acquisitions, etc., thereby able to function effectively.

As required under Part C, Clause 10(i) of Schedule V of Listing Regulations, Mr. K. Rajshekar, Practising Company Secretary has issued a certificate to the effect that none of the Directors of your Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI / Ministry of Corporate Affairs or any such statutory authority.

As required under Part C, Clause 10(k) of Schedule V of Listing Regulations, the details of fees paid by your Company and its subsidiaries, on a consolidated basis, to the statutory auditors and entities in the network firm / network entity of which the statutory auditor is a part, are provided in the Notes to Financial Statements forming part of this Report.

Annexure to Board's Report (Contd.)

Tenure

Except Mr. Rajiv C. Mody and Independent Directors, all other Directors of your Company are liable to retire by rotation. One-third of the said Directors are liable to retire every year and if eligible, offer themselves for re-appointment. The Board has the power to determine the tenure of the Executive Directors.

Profile

The profile of Directors who are being appointed / re-appointed at the ensuing Annual General Meeting (AGM) is given in Explanatory Statement forming part of the Notice convening the said meeting. Profile of Directors is also available on the Company's website www.sasken.com/investors.

Remuneration

Nomination & Remuneration Committee determines the compensation payable to Executive Directors, within the overall limits approved by the shareholders and in accordance with provisions of the Act. The elements of remuneration package of Executive, Non-Executive / Independent Directors are provided hereunder:

(i) Elements of remuneration package of Executive Directors

The remuneration of the Executive Directors is divided into two parts viz. Fixed Pay and Variable Performance Pay (VPP). Fixed pay is determined by the Nomination & Remuneration Committee within the limits approved by the shareholders. VPP is paid based upon the individual performance of the Directors evaluated by the Nomination and Remuneration Committee, performance of the Company, vis-à-vis goals set for that year and within the limits approved by the shareholders.

Contribution towards provident and superannuation funds is as per the Company's policy and forms part of the fixed pay. Among Executive Directors, Ms. Neeta S. Revankar is eligible for stock options. Mr. Rajiv C. Mody being Promoter Director is not eligible for stock options.

(ii) Elements of remuneration package to Non-Executive / Independent Directors

The shareholders at the AGM held on September 22, 2014, have approved payment of commission on net profits to the Non-Executive Directors at the rate not exceeding 1% of the net profits of the Company in any financial year as computed under the applicable provisions of the Act and such commission be allocated amongst them in such manner as may be decided by the Board of Directors within the limits specified therein.

The Board took into consideration the attendance and contribution made by Non-Executive Directors at Board and certain Committee Meetings; time spent by them other than at the Board / Committee meetings while arriving at the commission payable to them for the year ended March 31, 2021. Independent Directors are not eligible for stock options and no Stock Option was granted to Non-Executive Directors during the year.

The following table shows the remuneration paid to the Executive Directors in the year 2020-21 and commission payable to Non-Executive Directors for the year 2020-21:

(₹ in lakhs)

Director	Fixed Remuneration	VPP*	Commission
Mr. Rajiv C. Mody	170.00	-	-
Mr. Bharat V. Patel	-	-	16.00
Ms. Madhu Khatri	-	-	6.00
Ms. Neeta S. Revankar	129.65	121.86	-
Mr. Pranabh D. Mody	-	-	-
Mr. Sanjay M. Shah	-	-	7.00
Mr. Sunirmal Talukdar	-	-	23.00
Dr. G. Venkatesh	-	-	8.00

* VPP for the year 2019-20 paid during the year 2020-21.

Board Committees

The Board committees play a crucial role in the governance structure of the Company and are being set out to deal with specific areas / activities which concern the Company and need a closer review. Committees are set up by the Board to carry out the roles and responsibilities as defined in their Charter. These Committees prepare the groundwork for decision making and minutes of Committee meetings are placed at subsequent meeting of the Board. As of March 31, 2021, your Company has the following committees of the Board:

- Audit Committee
- Corporate Social Responsibility Committee
- Nomination and Remuneration Committee

Annexure to Board's Report (Contd.)

- (d) Stakeholders Relationship Committee
- (e) Strategy, Business and Marketing Review Committee

(a) Audit Committee

This Committee provides oversight of the Company's accounting and financial reporting processes and the audit of the Company's financial statements and assists the Board in oversight of (1) the integrity of the Company's financial statements; (2) the Company's compliance with legal and regulatory requirements; (3) the independent auditor's qualifications, independence and performance; (4) the Company's internal accounting and financial controls; and (5) Internal Controls over Financial Reporting (ICFR).

Mr. Sunirmal Talukdar is the Chairman of the Committee. Mr. Pranabh D. Mody and Mr. Bharat V. Patel are members of the Committee.

The terms of reference are as follows:

1. To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. To recommend the appointment, remuneration and terms of appointment of auditors of the Company;
3. To approve the payment to statutory auditors for any other services rendered by them;
4. To review with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - (a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) Significant adjustments made in the financial statements arising out of audit findings;
 - (e) Compliance with listing and other legal requirements relating to financial statements;
 - (f) Disclosure of any related party transactions; and
 - (g) Modified opinion(s) in the draft audit report.
5. To review with the management, the quarterly financial statements before submission to the Board for approval;
6. To review with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the agency monitoring utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. To review and monitor the auditor's independence & performance, and effectiveness of audit process;
8. To approve the transactions and any subsequent modification to transactions of the Company with related parties;
9. To scrutinize inter-corporate loans and investments;
10. To value undertakings or assets of the Company, wherever it is necessary;
11. To evaluate internal financial controls and risk management systems;
12. To review with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. To discuss with internal auditors for any significant findings and follow up there on;
15. To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. To discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

Annexure to Board's Report (Contd.)

18. To review the functioning of the Whistle Blower mechanism;
19. To approve the appointment of Chief Financial Officer (i.e., the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. To review the utilization of loans and / or advances from / investment by the holding company in the subsidiary exceeding ₹ 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.

The Committee met four times during the year, i.e. on April 27, 2020, July 28, 2020, October 20, 2020 and January 19, 2021. The maximum gap between the two meetings was not more than one hundred and twenty days. Minutes of the Committee's meetings were placed before the Board for information at its subsequent quarterly meetings. All members were present at all the meetings. To ensure timely resolution of issues, decisions were also taken through circulation.

Details of attendance at the Committee meetings are given below:

Director	No. of Meetings	
	Held	Attended
Mr. Sunirmal Talukdar	4	4
Mr. Bharat V. Patel	4	4
Mr. Pranabh D. Mody	4	4

Mr. Rajiv C. Mody, Chairman & Managing Director, Ms. Neeta S. Revankar, Whole Time Director & CFO, Statutory Auditors and Internal Auditors of the Company are permanent invitees to the Audit Committee meetings.

Mr. S. Prasad, Company Secretary acts as Secretary to the Committee.

(b) Corporate Social Responsibility Committee

Mr. Rajiv C. Mody is the Chairman of the Committee. Mr. Sanjay M. Shah and Ms. Neeta S. Revankar are members of the Committee.

The objective, vision and mission of the Corporate Social Responsibility (CSR) Policy are as follows:

1. Aligning with its vision, your Company through its CSR initiatives will continue to enhance value creation in the society and in the community in which it operates, through its services, conduct & initiatives, so as to promote sustained growth of the society and community, in fulfilment of its role as Socially Responsible Corporate, with environmental concern.
2. Ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders.
3. To directly or indirectly take up programs that benefit the communities in & around its work centres and over a period of time, enhancing the quality of life & economic wellbeing of the local populace.
4. To generate, through its CSR initiatives, a community goodwill for Sasken and help reinforce a positive & socially responsible image of Sasken as a corporate entity.

The said Policy is made available on the Company's website www.sasken.com/investors.

The Committee met six times during the year, i.e., on April 7, 2020, May 20, 2020, August 25, 2020, September 23, 2020, December 17, 2020, and March 16, 2021. The minutes of the meetings were placed before the Board for its information at its subsequent quarterly meeting. Quorum was present at all the meetings. To ensure timely resolution of issues, decisions were also taken through circulation.

Details of attendance at the Committee meetings are given below:

Director	No. of Meetings	
	Held	Attended
Mr. Rajiv C. Mody	6	6
Ms. Neeta S. Revankar	6	5
Mr. Sanjay M. Shah	6	6

(c) Nomination and Remuneration Committee

Mr. Bharat V. Patel is the Chairman of the Committee. Mr. Sunirmal Talukdar and Mr. Pranabh D. Mody are the members of the Committee.

Annexure to Board's Report (Contd.)

The objective and purpose of Nomination & Remuneration policy, including its terms of reference are as follows:

1. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
2. Oversee the identification of persons who are qualified to become a Director and who may be appointed in accordance with the criteria laid down in the Nomination & Remuneration policy of the Company.
3. Recommend to the Board, appointment and removal of Director.
4. To device a Policy on Board Diversity.
5. To work with the Chairperson to plan for CEO / Managing Director's succession including plans for interim succession in the event of an unexpected occurrence or a planned transition and submit to the Board to nominate potential successors to CEO.
6. Guide and review the remuneration of Directors & Key Managerial Personnel ensuring a balance between fixed and variable pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
7. Guide and review Remuneration Policy of the Company including Sales Incentive Plan, Variable Pay, Restricted Stock Units / stock option plans, etc.
8. Delegate such activities to the CEO / Managing Director as the Committee deems necessary and to review the actions taken by the person on such activities.

The Committee met twice during the year, i.e., on June 19, 2020, and January 19, 2021. Minutes of the Committee's meetings were placed before the Board for its information at its subsequent quarterly meeting. Quorum was present at all the meetings. Details of the attendance at the Committee meetings are given below:

Director	No. of Meetings	
	Held	Attended
Mr. Bharat V. Patel	2	2
Mr. Pranabh D. Mody	2	1
Mr. Sunirmal Talukdar	2	2

(d) Stakeholders Relationship Committee

The Committee looks into various issues relating to Investor Grievances including transfer and transmission of shares, issue of duplicate share certificates, non-receipt of dividend / Annual Report, etc. To expedite transmission of shares in physical segment and issue of duplicate share certificates, authority has been delegated to the Company Secretary.

Mr. Sanjay M. Shah is the Chairman of the Committee. Mr. Rajiv C. Mody and Dr. G. Venkatesh are the members of the Committee.

The Committee met once during the year i.e., March 15, 2021 to deliberate on the aforesaid matters. Minutes of the Committee meeting was placed before the Board for its information at its subsequent quarterly meeting. All members were present at the meeting.

Details of the attendance at the Committee meeting are given below:

Director	No. of Meetings	
	Held	Attended
Mr. Sanjay M. Shah	1	1
Mr. Rajiv C. Mody	1	1
Dr. G. Venkatesh	1	1

The shares of the Company are traded on the Stock Exchanges only in electronic form and automatically transferred on delivery in electronic form.

As on March 31, 2021, there were no shares pending for transfer. Details of number of shares transferred during the year, time taken for effecting transfers and number of complaints received, pending and resolved are given in the "General Shareholder Information" section of the Annual Report.

Mr. S. Prasad, Company Secretary acts as the Compliance Officer and Nodal Officer.

(e) Strategy, Business and Marketing Review Committee

The main objectives of this Committee are, among other things, to review the Strategic Business Plans and Annual Business Plans of the Company.

Annexure to Board's Report (Contd.)

Mr. Bharat V. Patel is the Chairman of the Committee. Mr. Pranabh D. Mody and Mr. Sunirmal Talukdar are members of the Committee.

Terms of reference are as follows:

1. Assist the Board by analysing and reviewing with the Senior Leadership Team the Strategic Business Plans and Annual Business Plans;
2. Recommend to the Board the adoption of such plans as the Senior Leadership would prepare in consultation with the Committee from time to time;
3. Bring to bear on such plans the best business practices followed by leading companies across the globe relevant to the Company's businesses;
4. Validate on behalf of the Board proposals for (i) new business venture, (ii) any investment in capital of any entity beyond prescribed limits, (iii) any mergers, acquisitions, demergers, (iv) forming new Joint Ventures or wholly owned subsidiary companies and (v) investing in any existing Joint Venture any sum beyond the Board approved limit;
5. Review on an ongoing basis the Capital Budgets and Annual Operating Plans at the end of each half year;
6. Be an aid to the Board in reviewing the performance of the Company, its subsidiaries and joint venture companies for the purposes of Quarterly Business Results;
7. Review with the Senior Management Team on a half yearly basis marketing channels engaged by the Company and advise improvements thereon; and
8. Serve in an advisory capacity on matters of importance on Strategy, Business and Marketing aspects.

The Committee met once during the year i.e., March 19, 2021 to deliberate on the aforesaid matters. Minutes of the Committee meeting was placed before the Board for its information at its subsequent quarterly meeting. All members were present at the meeting.

Details of the attendance at the Committee meeting are given below:

Director	No. of Meetings	
	Held	Attended
Mr. Bharat V. Patel	1	1
Mr. Pranabh D. Mody	1	1
Mr. Sunirmal Talukdar	1	1

(f) Sexual Harassment Redressal Committee

An Internal Complaints Committee (ICC) is constituted as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013. The Committee serves to resolve employee grievances related to sexual harassment and any other form of harassment at the workplace. The Committee comprises senior employees of the Company including representatives from HR, other locations, a counsellor and a chairperson.

The chairperson of the Committee is a woman employee holding a senior management position. The members of the Committee comprise not less than 50% woman members. One member of the team, at all times, is from a third party such as an NGO or any other individual / body of social standing competent to deal with the issue of harassment.

The meetings are held as and when required and a minimum of 3 members are required to be present to discuss the issues tabled. Terms of reference are as follows:

1. To resolve employee grievances related to sexual harassment and any other forms of harassment at the workplace.
2. Assisting the aggrieved to get appropriate information, support, and assistance in resolving the said grievance.
3. Preventing victimization for having raised a complaint or on account of being associated with a grievance.
4. Working towards closing the grievance as soon as possible after conducting the required inquiry and providing necessary resolution.

During the year, 1 complaint was received and with appropriate action taken by the ICC, it was resolved. To sensitize the employees about the measures taken to ensure a safe workplace, the Company had conducted regular awareness sessions for leaders, Managers, and all the employees through an ICC and external consultant. Several formal training sessions and open awareness programs have been conducted in the year in consideration.

Annexure to Board's Report (Contd.)

Apart from the above initiatives, any new entrant such as employees, contractors, trainees, and consultants working from our premises are mandated to go through the e-learning modules on addressing Sexual Harassment to build awareness and compliance. All employees, consultants, and contractors are mandated to go through sexual harassment e-learning sessions once a year. Training for contract staff has also been provided in vernacular language to ensure better understanding. The committee members have been supported through training and participation in conferences held on the subject of Prevention of Sexual Harassment at the workplace. Awareness campaigns have been conducted round the year using electronic media at all our facilities.

Our Company would continue to ensure that all employees are treated equally and there is no discrimination or harassment of any nature at the workplace.

A. Annual General Meeting

Details of last three AGMs of the Company are given below:

Financial Year	Date	Time	Venue
2020*	July 29, 2020	10.00 a.m.	Registered Office of the Company
2019	July 18, 2019		
2018	July 18, 2018		

*All Directors attended the last AGM held on July 29, 2020.

B. Extraordinary General Meeting

No Extraordinary General Meeting of the shareholders was held during the year 2020-21.

C. Special Resolutions

No Special Resolution was passed at the AGMs held on July 18, 2018 and July 29, 2020.

Special Resolutions passed at the AGM held on July 18, 2019 were (a) for the re-appointment of Independent Directors viz. Prof. J. Ramachandran, Mr. Bharat V. Patel and Mr. Sanjay M. Shah for a further period of up to five years effective July 18, 2019; (b) re-appointment and payment of remuneration to Mr. Rajiv C. Mody as Chairman & Managing Director for a period of up to 5 years from April 1, 2020 to March 31, 2025; and (c) re-appointment and payment of remuneration to Ms. Neeta S. Revankar as Whole Time Director & CFO for a period of up to 5 years from April 1, 2020 to March 31, 2025.

D. Postal Ballot and its procedure

No Postal Ballot was conducted during the year 2020-21 and as on the date of publication of this Annual Report, there was no proposal to pass a resolution through this mode.

Postal ballot notices (Notice) and forms are dispatched, along with postage-prepaid business reply envelopes to registered shareholders / beneficiaries. The notice is also sent by email to shareholders who have opted to receive communication through the electronic mode. The Company also publishes a notice in the newspaper declaring the details and requirements as mandated by the Act and applicable rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the shareholders as on the cut-off date. Shareholders who want to exercise their votes by physical postal ballot are requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Those using the e-voting option are requested to vote before the close of business hours on the last date of e-voting.

The scrutinizer completes his scrutiny and submits his report to the Chairman, and the consolidated results of the voting are announced by the Chairman / authorized officer. The results are displayed on Company's website www.sasken.com, Kfin Technologies Private Limited website i.e. <https://evoting.kfintech.com> and communicated to the stock exchanges. The last date for the receipt of postal ballot forms or e-voting is the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.

Other Disclosures

1. Reconciliation of Share Capital Audit

M/s. Savita Jyoti Associates, Practicing Company Secretaries carried out a share capital audit at the end of each quarter to reconcile the (a) total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL); (b) total issued; and (c) listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

Annexure to Board's Report (Contd.)

2. Related Party Transactions

All related party transactions entered during the financial year were on an arm's length basis and were in the ordinary course of business. None of the Directors has any pecuniary relationships or transactions with the Company. Details of transactions executed were placed before the Audit Committee at its each subsequent meeting.

Since there have been no materially significant contracts / arrangements / transactions with related parties, disclosure under Form AOC-2 is not applicable.

3. There are no non-compliances by the Company, penalties and strictures imposed on the Company by Stock Exchanges or SEBI or any other statutory authority, on any matter related to capital markets, during the last three years.
4. Your Company has complied with the requirements of the Stock Exchanges and SEBI on matters relating to Capital Markets, as applicable from time to time.
5. Your Company has a vigil mechanism / whistle blower policy in place since June 2004 and is revised from time to time incorporating regulatory changes. The said mechanism / policy is available on the Company's website www.sasken.com/investors. We confirm that no employee of your Company has been denied access to the Audit Committee in respect of any incident covered by the vigil mechanism / whistle blower policy.
6. The terms and conditions of appointment of independent directors are disclosed on your Company's website www.sasken.com/investors.
7. Your Company has complied with items C & E of discretionary requirements specified in Part E of Schedule II of Listing Regulations.

Means of communication

Following information as required under regulatory provisions of the Listing Regulations is displayed at Company's website www.sasken.com from time to time:

1. Details of business
2. Code of conduct of board of directors and senior management personnel
3. Details of establishment of vigil mechanism / whistle blower policy
4. Separate audited financial statements of each subsidiary of the listed entity in respect of a relevant financial year
5. Company Presentations
6. Shareholding Pattern
7. Annual Report
8. Change in Directors
9. Relevant Press Releases
10. IEPF - Details of unclaimed dividend / shares to be transferred to IEPF and other related information.
11. Announcements, Notice and outcome of the Board Meeting, advertisements, etc.
12. Such other information as required under various regulatory provisions.

The quarterly audited financial results are published in The Hindu Business Line (National daily) and in Kannada Prabha (Kannada daily). The last four quarterly results were published in the above dailies on April 30, 2020, July 30, 2020, October 22, 2020 and January 21, 2021.

All material information about your Company is promptly uploaded on www.sasken.com, communicated to Stock Exchanges where your Company's shares are listed and released to wire services and the Press as information to public at large. The Stock Exchanges disseminate our communication on their websites, viz. www.bseindia.com and www.nseindia.com.

Code of Conduct

Members of the Board and Senior Management personnel have affirmed compliance with your Company's Code of Conduct in respect of the financial year 2020-21.

Bengaluru
April 22, 2021

Rajiv C. Mody
Chairman & Managing Director

GENERAL SHAREHOLDER INFORMATION

Forthcoming Annual General Meeting

The next Annual General Meeting (AGM) of your Company will be held on Wednesday, July 21, 2021 at 10.00 am through Video Conferencing (VC) / Other Audio-Visual Means (OAVM).

As required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), particulars of the Director being appointed / re-appointed at the forthcoming AGM is given in the Annexure to the AGM Notice.

For the Financial Year 2021-22, the tentative dates of announcement of financial results and AGM (subject to change) are as follows:

- First quarter - July 21, 2021
- Second quarter - October 21, 2021
- Third quarter - January 20, 2022
- Fourth quarter - April 21, 2022
- Date of AGM - July 21, 2022

Financial Year of the Company

Your Company follows the period of April 1 to March 31, as the Financial Year.

Book closure date

Saturday, July 17, 2021 for determining the list of shareholders who are eligible for final dividend on Equity shares, if declared at the AGM.

Dividend disbursement date

On or before Monday, August 16, 2021.

Listing on Stock Exchange

Your Company's equity shares are listed on the following stock exchanges:

- BSE Limited (BSE): Scrip Code 532663
- National Stock Exchange of India Limited (NSE): Scrip Code SASKEN

ISIN: INE231F01020

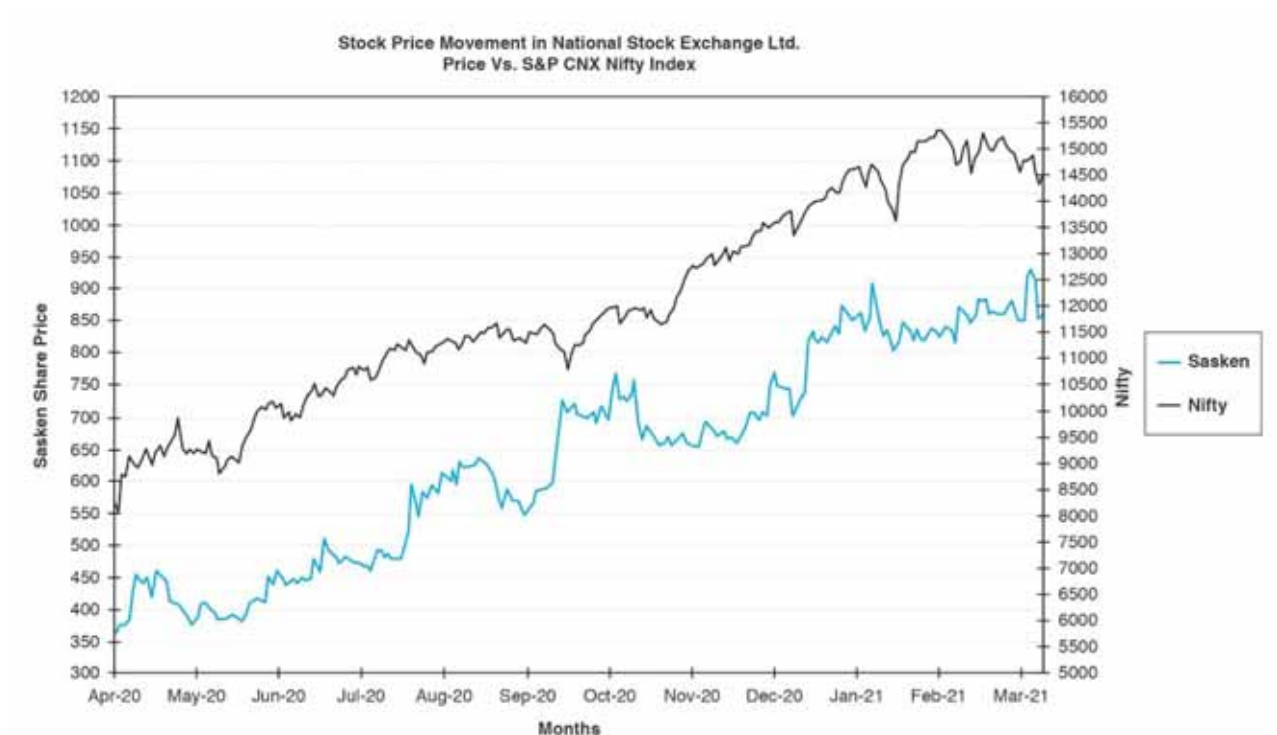
Listing fees for the year 2021-22 have been paid to both the Stock Exchanges.

Stock Market Data

The monthly high and low stock quotations during the financial year 2020-21 and performance in comparison to broad based indices are given below:

Financial Year	Price @ NSE during each month (In ₹)		CNX Nifty Index during each month		Price @ BSE during each month (In ₹)		S&P BSE Sensitive Index (Sensex) during each month	
	High	Low	High	Low	High	Low	High	Low
Apr-2020	431.69	401.82	9185.06	8939.19	468.00	357.00	33887.25	27500.79
May-2020	401.57	382.66	9312.47	9107.86	424.30	370.80	32845.48	29968.45
Jun-2020	465.61	437.14	10209.11	10010.18	551.00	406.00	35706.55	32348.10
Jul-2020	505.63	480.62	10966.39	10822.33	620.10	457.90	38617.03	34927.20
Aug-2020	621.07	593.85	11392.13	11260.97	644.00	555.50	40010.17	36911.23
Sep-2020	635.84	603.04	11415.40	11264.02	752.65	538.85	39359.51	36495.98
Oct-2020	724.02	688.78	11864.84	11710.66	794.20	644.90	41048.05	38410.20
Nov-2020	674.99	659.13	12654.10	12501.34	699.85	649.30	44825.37	39334.92
Dec-2020	748.67	717.27	13597.66	13442.10	850.00	658.00	47896.97	44118.10
Jan-2021	865.46	827.63	14394.89	14194.15	927.55	792.50	50184.01	46160.46
Feb-2021	845.69	818.36	15066.64	14834.46	887.00	793.15	52516.76	46433.65
Mar-2021	890.36	852.68	14956.19	14719.28	945.00	807.85	51821.84	48236.35

Annexure to Board's Report (Contd.)



Details for correspondence

Company	Registrar and Share Transfer Agent (RTA) (Relating to share certificates, dividend, change of address, transfer of shares, unclaimed dividends, etc.)
Company Secretary and Compliance Officer, Sasken Technologies Limited, 139/25, Ring Road, Domlur, Bengaluru - 560 071. Tel: +91 80 6694 3000 Fax: +91 80 2535 1133 / 2535 1309 E-mail: investor@sasken.com ; cosec@sasken.com	Kfin Technologies Private Limited Selenium, Tower B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032. Toll Free No.: 1-800-309-4001; Fax: +91 40 2300 1153 Contact Person: Mr. Ganesh Chandra Patro, Senior Manager E-mail: einward.ris@kfintech.com

Office Location

Location of Company's offices are given on the inside cover page of the Annual Report and are also available on your Company's website.

Distribution of Shareholding as at March 31, 2021

No. of equity shares held	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
1 - 5,000	21,966	99.25	24,64,716	16.38
5,001 - 10,000	65	0.29	4,81,764	3.20
10,001 - 20,000	45	0.20	6,14,946	4.09
20,001 - 30,000	17	0.08	4,23,354	2.81
30,001 - 40,000	3	0.01	99,480	0.66
40,001 - 50,000	3	0.01	1,44,509	0.96
50,001 - 1,00,000	8	0.04	5,26,374	3.50
1,00,001 & Above	25	0.11	1,02,95,728	68.41
Total	22,132	100.00	1,50,50,871	100.00

Annexure to Board's Report (Contd.)

Shareholding Pattern as at March 31, 2021

Category	No. of shares	%
Promoters & Promoter Group	60,92,147	40.48
Public Shareholding:		
Financial Institutions / Banks / NBFCs / Clearing Members & Mutual Funds	30,672	0.20
Foreign Portfolio Investors	31,65,918	21.03
Bodies Corporate	2,10,224	1.40
Trust	182	0.00
Non-Resident Indians / Foreign Nationals	10,02,899	6.66
Directors & Relatives (other than Promoter Directors)	2,38,721	1.59
Investor Education and Protection Fund	22,767	0.15
Indian Public & Others	42,55,097	28.27
Non - Promoters & Non - Public shareholding:		
Sasken Employees Welfare Trust	32,244	0.21
Total	1,50,50,871	100.00

Details of complaints

Description	Received	Cleared
Non - receipt of Dividend	27	27

There were no valid requests pending for share transfers as at March 31, 2021.

Details of Unclaimed Dividend / Shares transferred / to be transferred to Investor Education and Protection Fund (IEPF) Authority

Pursuant to the Section 124(6) of the Companies Act, 2013 read with Rules framed thereunder, any dividend amount that remains unclaimed in the Unpaid Dividend Account of the Company for a period of seven (7) years from the date of its transfer to the said account has to be transferred to IEPF administered by the Central Government.

Company Secretary acts as the Nodal Officer of the Company.

During FY21

The unclaimed (a) final dividend for the year 2012-13; (b) interim dividend for the year 2013-14; and (c) Special dividend for the year 2013-14 have been transferred to IEPF within the statutory time period.

Further, following 4,976 shares held under 73 Folios have been transferred to the designated IEPF Authority Demat Account held with CDSL.

Shares held in	Number of Folios	Number of Shares
CDSL	17	465
NSDL	47	3,095
Physical	9	1,416
Total	73	4,976

Detailed description of shares transferred to IEPF along with procedure for claiming refund of shares and unclaimed dividend from the IEPF Authority is uploaded on the website of your Company www.sasken.com/investors. Shareholders may also contact Company Secretary of the Company or RTA for claiming the same.

During FY22

(a) Unclaimed dividends

Shareholders who have not encashed dividends on or after 3rd Interim Dividend 2013-14 declared on April 25, 2014 may please submit details of such unclaimed dividend in the form available on your Company's website www.sasken.com/investors and send it to the RTA along with the following documents for processing the said claim:

- 1) Self - attested copy of address ID proof viz. Aadhaar card / Passport / Driving License / Bank Passbook (if it is a Passbook, please ensure that your photograph is affixed, name and address is clearly mentioned on it and duly certified by the issuing Bank);
- 2) Self - attested copy of PAN card;
- 3) Cancelled cheque leaf with your name printed on the face of cheque or Bank Passbook (wherein your account number, IFSC / MICR, name and address are clearly mentioned);

Annexure to Board's Report (Contd.)

(b) Shares pertaining to unclaimed dividend account

Shares of which dividend amounts have remained unclaimed from 3rd Interim Dividend 2013-14 onwards for seven (7) consecutive years or more will be transferred to IEPF.

Details of such shareholders and shares due for transfer to IEPF are available on Company's website www.sasken.com/investors. Your Company will be (a) communicating details thereof to the concerned shareholders individually whose shares are liable to be transferred to IEPF for taking appropriate actions; (b) publishing a notice in a national and vernacular daily and (c) uploading the details of such shareholders on the website of the Company.

Other information useful for Shareholders

- (a) As mandated by the Listing Regulations, your Company has designated investor@sasken.com as the exclusive E-mail ID for redressal of investor complaints. Investors are urged to make use of this facility.
- (b) Shareholders may note that as per the requirement of Regulation 40(9) of the Listing Regulations, your Company has obtained half-yearly certificates from Practising Company Secretary for due compliance of share transfer formalities and filed the same with the Stock Exchanges.
- (c) Dematerialization requests duly completed in all respects are normally processed within 7 days from the date of their receipt.
- (d) Pursuant to SEBI circular dated April 20, 2018 shareholders whose ledger folios do not have or having incomplete details with regard to PAN and Bank particulars are required to compulsorily furnish the same to the RTA or the Company for registration in the folio.
- (e) In view of amendments to the Listing Regulations vide SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018, effective April 1, 2019, requests for effecting transfer of shares of the Company shall not be processed unless the shares are held in the dematerialized form with a depository, except in case of transmission or transposition of shares.
- (f) Shareholders holding shares in physical form are requested to notify the Company in writing, any change in their address and Bank Account details under the signature of sole / first joint holder. Beneficial owners of shares in electronic form are requested to send their instructions regarding change of name, address, bank details, nomination, etc. directly to their Depository Participants (DP) as the same are maintained by the DP.
- (g) SEBI has mandated submission of Permanent Account Number (PAN) by every participant in the securities market. Shareholders holding shares in electronic form are, therefore, requested to furnish PAN details to their DP, if not already provided. Shareholders holding shares in physical form are required to mandatorily submit the following to RTA:
 - copy of their PAN, if not already provided; and
 - copy of the PAN card of the transferee(s), shareholder(s) surviving joint holder(s) / legal heir(s) while obtaining the services of transposition, transmission and issue of duplicate share certificates.

Procedure for claiming refund of shares and unclaimed dividend from the IEPF Authority i.e. after shares / unclaimed dividend are transferred by the Company

Once shares / unclaimed dividends are transferred by the Company to the IEPF Authority, shareholders may still claim refund of shares and unclaimed dividends from IEPF by making an application to them in web-Form IEPF-5 available on www.iepf.gov.in. The provisions of the Act relating to IEPF, IEPF Rules and notifications are available on the aforesaid website.

Dematerialization of shares

Equity Shares of your Company can be traded on Stock Exchanges only in electronic form. As of March 31, 2021, about 99% of the shares of your Company are held in electronic form. Considering the advantages of scripless trading including enhanced marketability of shares, shareholders holding shares in physical form are requested to dematerialize their shareholding and thereafter update their bank account with their respective DPs to enable us to serve and communicate better.

Outstanding GDRs / ADRs / Warrants / Convertible Instruments

The Company has not issued GDRs or ADRs. There are no outstanding warrants or any convertible instruments.

National Automated Clearing House / Mandates / Bank Details

Reserve Bank of India has introduced National Automated Clearing House through which the Banks are able to make the dividend pay-out almost instantly into the bank account of shareholders. Shareholders are requested to update their 15-digit banking account number with RTA (for shares held in physical form) or to their respective DPs (for shares held in electronic form), so that the dividends when declared and paid by the Company will be directly credited to their account. This will mitigate the chances of possible delays / loss in transit while sending the dividend warrant / cheques by post.

Annexure to Board's Report (Contd.)

General

- (a) Non-resident shareholders are requested to notify at the earliest:
- change in their residential status on return to India for permanent settlement;
 - particulars of their NRE Bank Account with a bank in India, if not furnished earlier;
 - E-mail address, if any, to the Company / RTA.
- (b) In case of loss / misplacement of share certificates, investors should immediately lodge a FIR / Complaint with the police and inform the Company / RTA along with a copy of FIR / acknowledged copy of complaint.
- (c) Shareholder(s) of the Company who have multiple accounts in identical name(s) or holding more than one Share Certificate in the same name under different Ledger Folio(s) are requested to write to the Company for consolidation of such Folio(s) with the relevant share certificates.
- (d) Nomination in respect of shares – Section 72 of the Act provides facility for making nominations by shareholders in respect of their holding of all securities. Such nomination greatly facilitates transmission of shares from the deceased shareholder to his / her nominee without having to go through the process of obtaining Succession Certificate / Probate of the Will, etc. It would therefore be in the best interests of the shareholders holding shares in physical form registered as a sole holder to make such nominations. Please write to the Company Secretary for a nomination form.
- (e) Shareholders holding shares in electronic form are advised to contact their DP for making nominations.
- (f) Some of the shareholders have not yet exchanged their old share certificates for the new ones, necessitated on the consolidation of share capital processed by the Company in July 2004 (i.e., consolidation of two old shares of ₹ 5 each into one new share of ₹ 10). Such holders are advised to send the old share certificates immediately so that new share certificates can be sent. Please contact us at cosec@sasken.com for any assistance required in this behalf or for dematerialization of shares. It is needless to mention that the old share certificate(s) cannot be submitted for dematerialization.
- (g) Shareholders are requested to quote and register their e-mail IDs, telephone / fax numbers for receiving prompt communication and notification from the Company / RTA.
- (h) Shareholders are informed that by the operation of the Act, a notice may be sent through e-mail as a text or as an attachment to e-mail or as a notification providing electronic link or Uniform Resource Locator (URL) for accessing such notice. Shareholders are advised to update their e-mail IDs with their DPs. All future communication of the Company to shareholders who have registered their e-mail IDs with their DPs or Company will be sent only by way of e-mail. Shareholders are requested to check their e-mails at regular intervals. Such communication will also be made available on the Company's website www.sasken.com.
- (i) Shareholders are also informed that under the Act, the Company's obligation shall be satisfied when it transmits the e-mail and the Company shall not be held responsible for a failure in transmission beyond its control. If a shareholder entitled to receive notice fails to provide or update relevant e-mail address to the Company or to the DP as the case may be, the Company shall not be in default for not delivering notice via e-mail.
- (j) Register e-mail address
- Many of the shareholders have supported us in our green initiative by registering their e-mail address with the Company / DP. We look forward for continued support from shareholders, who have not so far updated, by registering their e-mail address with the Company / DPs. This will help them in receiving all communications from the Company electronically at their registered e-mail addresses on time and avoid loss due to postal delay / non-receipt. This will also save a lot of paper, reduce carbon footprint and save enormous amount of postage expenses to your Company.
- Shareholders holding shares in (a) Electronic Form are requested to update their e-mail address with their respective DPs; and (b) Physical Form are requested to send an e-mail to cosec@sasken.com / einward.ris@kfintech.com to know the process for updation of particulars in Folio and dematerialization of shares.
- (k) We solicit suggestions for improving our investor services.
- (l) Important Information
- Shareholders may note that the Income Tax Act, 1961, (the IT Act) as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 1, 2020 shall be taxable in the hands of shareholders. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of dividend. To enable us to determine the appropriate TDS rate as applicable, shareholders are requested to submit the documents in accordance with the provisions of the IT Act.

Annexure to Board's Report (Contd.)

For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows:

Shareholders having valid PAN and linked to their Folio	10% or as notified by the Government of India
Shareholders not having PAN / valid PAN or it is not linked to their Folio	20% or as notified by the Government of India

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during Financial Year 2021-22 does not exceed ₹ 5,000 and in cases where shareholders provide Form 15G / Form 15H (applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit such other document as prescribed under the IT Act to claim a lower / Nil withholding tax. PAN is mandatory for shareholders providing Form 15G / 15H or such other document as prescribed under the IT Act and they have to provide estimate of income receivable during the year.

Further for tax exempted entities, TDS will be deducted as per captioned notified rates. They can furnish certificate under Section 197 obtained from Income tax department to get the benefit of lower rate of TDS.

For non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the shareholder if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA, non-resident shareholders will have to provide the following:

- Copy of the PAN card allotted by the Indian Income Tax authorities duly attested by the shareholder.
- Copy of Tax Residency Certificate (TRC) for the FY 2021-22 obtained from the revenue authorities of the country of tax residence, duly attested by shareholder.
- Self-declaration in Form 10F.
- Self-declaration by the shareholder of having no permanent establishment in India in accordance with the applicable tax treaty.
- Self-declaration of beneficial ownership by the non-resident shareholder.
- Such other document(s) as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by shareholder.

In case of Foreign Institutional Investors / Foreign Portfolio Investors, tax will be deducted under Section 196D of the IT Act @ 20% (plus applicable surcharge and cess).

The aforesaid documents / declarations / forms, etc. to be sent on the following mail ID of our RTA einward.ris@kfintech.com with a copy to us at investor@sasken.com.

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To

The Members of
Sasken Technologies Limited

I have examined all the relevant records of Sasken Technologies Limited ('the Company') for the purpose of certifying compliance of conditions of Corporate Governance as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Obligations') for the period from 1st April, 2020 to 31st March, 2021. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I Certify that the Company has complied with the conditions of Corporate Governance as stipulated in:

- Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E Schedule V of the Listing Regulations.
- paragraphs C and E of Discretionary requirements specified Part E of Schedule II of the Listing Regulations.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Bengaluru

Date : April 22, 2021

UDIN:F004078C000154327

RAJSHEKAR

Practicing Company Secretary

FCS 4078, CP No. 2468

BUSINESS RESPONSIBILITY REPORT

Committed to the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, Company reports on the nine principles of the guidelines as its Business Responsibility Report (BRR), in its Annual Report.

Our Business Responsibility Report includes our responses to questions on our practices and performance on key principles defined by Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, covering topics across environmental, social and governance perspectives. We have provided cross-references to the reported data within the main sections of this Annual Report for all aspects that are material to us and our stakeholders.

Section A: General information about the Company

1. Corporate Identity Number (CIN) of the Company: *L72100KA1989PLC014226*
2. Name of the Company: *Sasken Technologies Limited*
3. Registered address: *139/25, Domlur Ring Road, Bengaluru-560071, India*
4. Website: *www.sasken.com*
5. E-mail id: *investor@sasken.com*
6. Financial Year reported: *April 1, 2020, to March 31, 2021.*
7. Sector(s) that the Company is engaged in (industrial activity code-wise): *Information Technology*
8. List three key products / services that the Company manufactures / provides (as in Balance Sheet):
 - *Services: Product engineering & Digital Services*
 - *Products: Not applicable*
9. Total number of locations where business activity is undertaken by the Company
The company has five development centres in India and two in Finland. We also have Sales offices in Japan and USA (California and Texas). Please refer to our website for details: <https://www.sasken.com/contact-us>
 - (a) Number of International Locations (Provide details of major 5)
Please refer to 'Contact Details' section of the Annual Report for complete list of locations.
 - (b) Number of National Locations
Please refer to 'Contact Details' section of the Annual Report for complete list of locations.
10. Markets served by the Company – Local / State / National / International:
North America, United Kingdom, Europe, Asia Pacific.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (in ₹): *1,505.09 lakhs*
2. Total Turnover (in ₹): *39,245.74 lakhs*
3. Total profit after taxes (in ₹): *9,260.59 lakhs*
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): *2%*
5. List of activities in which expenditure in 4 above has been incurred:
 - (a) *women-centric financial inclusion;*
 - (b) *education for the underprivileged;*
 - (c) *healthcare for the needy;*
 - (d) *environmental protection.*

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company / Companies?
Yes. The Company has 4 wholly-owned overseas subsidiaries.

Annexure to Board's Report (Contd.)

2. Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).

Yes, to the extent required by local regulations.

3. Do any other entity / entities (e.g., suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%].

No.

SECTION D: BR INFORMATION

1. Details of Director(s) responsible for implementation of the BR policy(ies) and BR Head:

1. *DIN Number: 00092037*
2. *Name: Rajiv C. Mody*
3. *Designation: Chairman & Managing Director*
4. *Telephone Number: 080 6694 3000*
5. *E-Mail ID: cosec@sasken.com*

2. The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

- P1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
- P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
- P3 Businesses should promote the wellbeing of all employees
- P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
- P5 Businesses should respect and promote human rights
- P6 Businesses should respect, protect, and make efforts to restore the environment
- P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
- P8 Businesses should support inclusive growth and equitable development
- P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner

3. Principle-wise (as per NVGs) BR Policy / policies

- (a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7*	P8
1	Do you have a policy(ies) for	Y	Y	Y	Y	Y	Y	N	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	N	Y
3	Does the policy conform to any national / international standards?	Y	Y	Y	Y	Y	Y	N	Y
4	Has the policy been approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	N	Y
5	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	N	Y
6	Indicate the link for the policy to be viewed online?***	Y	Y	Y	Y	Y	Y	N	Y
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	N	Y
8	Does the Company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	N	Y

Annexure to Board's Report (Contd.)

No.	Questions	P1	P2	P3	P4	P5	P6	P7*	P8
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	N	Y
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	N	Y

* The Company does not attempt to influence public and regulatory policies directly. It participates in policy deliberations by industry bodies like NASSCOM, and so any influence is only through such participation.

** **Website links to our policies:** <https://www.sasken.com/investors>

Whistle Blower Policy:

<https://www.sasken.com/sites/default/files/investors/announcements/documents/Whistle%20Blower%20Policy.pdf>

Integrity Policy:

<https://www.sasken.com/sites/default/files/quarterly-results/documents/Business%20code%20of%20conduct%20for%20all%20Saskens.pdf>

Corporate Social Responsibility Policy, Corporate Sustainability Policy, Environment Health and safety Policy and Equal opportunity and No Discrimination Policy statement:

https://www.sasken.com/sites/default/files/Sasken_Q-S-E_Policy.pdf

<https://www.sasken.com/sustainability>

<https://www.sasken.com/sites/default/files/investors/announcements/documents/CSR%20Policy.pdf>

- (b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options) -

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8
1	The Company has not understood the Principles								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles							Y	
3	The Company does not have financial or manpower resources available for the task								
4	It is planned to be done within next 6 months								
5	It is planned to be done within the next 1 year								
6	Any other reason (please specify)							Y	

* Company business is not directly engaged in influencing public and regulatory policy.

4. Governance related to Business Responsibility

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

Annually.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

We published Business Responsibility Report as part of Annual Report and said Annual Report is uploaded on the website of the Company: <https://www.sasken.com/investors/annual-reports>.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. (a) Does the policy relating to ethics, bribery and corruption cover only the Company?

No.

- (b) Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

Yes.

Please refer to the document <https://www.sasken.com/sites/default/files/quarterly-results/documents/Business%20code%20of%20conduct%20for%20all%20Saskens.pdf> for further details.

Annexure to Board's Report (Contd.)

- How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the year under review, we have received 27 stakeholders' complaints pertaining to Non - receipt of Dividend. As of March 31, 2021, no stakeholder complaints were pending for resolution.

Principle 2

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

Except for the consumption of power for our business needs, as a software company the nature of our work does not involve any practises that are adverse to the environment. Please refer to our sustainability page <https://www.sasken.com/sustainability> for additional details.

- For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional):

(a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

During the year 2020-21, our carbon emission was significantly reduced to 97 tonnes annually compared to 996 tonnes for the year 2019-20, which is almost 90% reduction in CO₂ emission.

94% of our power requirement during the year 2020-21 was fulfilled by green source and only 6% of our power was procured from non-Green sources.

We recycle almost 500KL of water every month at our registered office, which fulfils 80% of our water need for common usage (like rest room, gardening, cleaning, etc.). This is possible due to our in-house effluent treatment plant. Each of the water outlets are fitted with improved version of Aerators, which arrests 60% water flow compared to a normal tap thereby reducing the wastage of the potable water.

For further details, please refer to our sustainability report: <https://www.sasken.com/sustainability>.

- Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

No, we do not have a policy for sustainable sourcing. As a services company, human resources form the largest part of our investments. The Company follows an equal opportunity talent-hiring policy.

- Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

To the extent possible, the Company always encourages the procurement of needs such as consumables from local vendors.

- Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

- We have an annualized plan to recycle e-waste. (Example: Desktop, Laptops, Light fittings, used furniture, etc.) These are donated to underprivileged schools and NGOs who in turn take up rural education support.*

- In the year 2020-21, we have donated approx. 54 Desktops, CFL light fittings for 106 schools.*

Principle 3

- Please indicate the total number of employees as at March 31, 2021.

Total headcount is 1,395 (excluding consultants, contractors, trainees, etc.)

- Please indicate the total number of employees hired on temporary / contractual / casual basis.

Business Entity	Consultants	Contractors	Directors	Guest	Permanent/ Fixed-term	Trainees	Grand Total
Sasken Inc., USA		3			3		6
Sasken India US Branch		8			28		36
Sasken India Germany branch		1					1
Sasken India Japan branch	1				7		8
Sasken India Sweden branch							

Annexure to Board's Report (Contd.)

Business Entity	Consultants	Contractors	Directors	Guest	Permanent/ Fixed-term	Trainees	Grand Total
Sasken India UK Branch							
Sasken Finland Oy, Finland		1			71		72
Sasken India	6	46	8	6	1,284	4	1,354
Grand Total	7	59	8	6	1,393	4	1,477

- Please indicate the Number of permanent women employees: 436
- Please indicate the Number of permanent employees with disabilities: 6
- Do you have an employee association that is recognized by management? No
- What percentage of your permanent employees is members of this recognized employee association? Not applicable
- Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour / forced labour / involuntary labour	Nil	Nil
2	Sexual harassment	1	Nil
3	Discriminatory employment	Nil	Nil

- What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

	Behavioural	eLearning InfoSec		POSH		eLearning POSH	
	No.*	No.*	%	No.*	%	No.*	%
(a) Permanent Employees	2,450	1,260	74%	354	72%	1,238	74%
(b) Permanent Women Employees	1,039	389	23%	137	28%	385	23%
(c) Casual / Temporary / Contractual Employees	13	47	3%	-	-	46	3%
(d) Employees with Disabilities	-	-	-	-	-	-	-

* Reflects the attendance of participants in multiple training programs imparted during the year.

Principle 4

- Has the Company mapped its internal and external stakeholders? Yes
- Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders? Yes
- Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

We have worked with the Spastic Society of India to employ people with special needs. The range of our employees with special needs include cognitive impairment, physical disability and hearing impairment. Many of these employees have been with the Company for over 5 years.

Principle 5

- Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

We endorse the importance of human rights at all levels at all times and right from inception. Accordingly, our policies are uniform and cover the parent organisation and subsidiaries. Our operations, functions, people, contractors, supply chain partners, etc. are all a part of our philosophy on human rights.

- How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

We have received 27 investor complaints pertaining to non-receipt of Dividend and resolved the same during the year. There are no investor complaints pending as on March 31, 2021.

Annexure to Board's Report (Contd.)

Principle 6

1. Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?

Our policies are applicable to the Company and its subsidiaries and in principle extends to the external ecosystem / supply chain.

2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for web-page, etc.

Yes. We take measures to contribute towards offsetting Global Warming. For details, please refer to our sustainability page at <https://www.sasken.com/sustainability>.

3. Does the Company identify and assess potential environmental risks? Y/N

Yes. We do maintain EMPs (Environmental Management Program) chalked out in each area of business and ensure that the same is met every year and is constantly improved upon.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Yes, we file environment compliance report to Karnataka State Pollution Control Board every year. This is followed by inspection from the local authorities. We are certified for ISO 14001:2015 and comply to organization environmental goals.

5. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web-page, etc.

Yes. We take measures to contribute towards clean technology & energy efficient initiatives. For details, please refer to our sustainability page at <https://www.sasken.com/sustainability>.

6. Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?

Yes, the emissions and waste generation are well within the permissible limits.

7. Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.

Nil.

Principle 7

1. Is your Company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with:

Yes, NASSCOM

2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)

No.

Principle 8

1. Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes. These are implemented through our CSR undertakings as directed by the CSR Committee of the Board. Please refer to our CSR page for further details.

2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?

Yes. CSR initiatives are undertaken through in-house team and Sasken Foundation, a Trust formed in 2017 for undertaking CSR initiatives of the Company. Please refer to our CSR page at <https://www.sasken.com/csr/> for further details.

Annexure to Board's Report (Contd.)

3. Have you done any impact assessment of your initiative?

Impact assessment is not applicable to the Company in line with the provisions laid under Companies Act, 2013 and rules thereto. The CSR Committee and the management counterparts in the beneficiary organisation meet periodically to review the objectives and accomplishments of our CSR interventions. We have operationalised program review mechanisms that continually assess how these initiatives are progressing, identify, and charter new areas to work.

4. What is your Company's direct contribution to community development projects: Amount in INR and the details of the projects undertaken?

During FY21, we have spent about ₹ 215.39 lakhs on various initiatives. Please refer Annexure B to Board's Report for further details.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Our programs are designed and built with a long-term view and sustainability. A testimony to this is most of our initiatives have long term benefit for the society they cater. Our internal teams and the beneficiary organisation work closely to ensure that they deliver the intended benefits to the members of the community.

Principle 9

1. What percentage of customer complaints / consumer cases are pending as on the end of financial year?

None.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A. /Remarks (additional information)

Not applicable.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

None.

4. Did your Company carry out any consumer survey / consumer satisfaction trends?

Yes. Customer centricity is core to Sasken Values. To measure effectiveness of our Deliverables to Customer Organization, our Operational Excellence Function conducts periodic Customer Satisfaction Surveys. Periodicity for conducting the survey is, Milestone based or post project closure or once in 6 months. The survey results in appreciation for good work our Project team does and at the same time, gives us opportunity to apply corrective actions in our Project delivery processes. This leads to continuous improvement at Organization level and help achieve Customer delight.

The outcome of these surveys results in analytics which are presented to Top management on Monthly and Quarterly basis.

PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- i. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Name	Designation	Ratio
Mr. Rajiv C. Mody	Chairman & Managing Director	16.46
Mr. Bharat V. Patel	Independent Director	-
Ms. Madhu Khatri	Independent Director	-
Ms. Neeta S. Revankar	Whole Time Director & CFO	24.36
Mr. Pranabh D. Mody	Non - Executive Director	-
Mr. Sanjay M. Shah	Independent Director	-
Mr. Sunirmal Talukdar	Independent Director	-
Dr. G. Venkatesh	Non - Executive Director	-
Mr. S. Prasad	Associate Vice President & Company Secretary	4.20

- ii. The percentage increase in remuneration of each director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:

Name	Designation	% Increment
Mr. Rajiv C. Mody	Chairman & Managing Director	-
Mr. Bharat V. Patel	Independent Director	-
Ms. Madhu Khatri	Independent Director	-
Ms. Neeta S. Revankar	Whole Time Director & CFO	96.12 [#]
Mr. Pranabh D. Mody	Non - Executive Director	-
Mr. Sanjay M. Shah	Independent Director	-
Mr. Sunirmal Talukdar	Independent Director	-
Dr. G. Venkatesh	Non - Executive Director	-
Mr. S. Prasad	Associate Vice President & Company Secretary	8.82 [#]

[#] There is no increment in salary during FY21. The increase is on account of pay-out of variable pay. Please refer to CG Report for breakup of salary.

- iii. The percentage increase in the median remuneration of employees in the financial year:

The median remuneration of the employees in the financial year was increased by 8.68%. The calculation of % Increase in Median Remuneration is done based on comparable employees.

- iv. The number of permanent employees on the rolls of the Company:

There were 1,321 permanent employees on rolls as on March 31, 2021.

- v. Average percentiles increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The employees have got an average increase of 6.13%. There is no change in Key Managerial Personnel remuneration of FY 21 over FY 20. The increase is due to pay-out of variable pay which is linked to profits of the Company.

- vi. Affirmation that the remuneration is as per the remuneration policy of the company:

Yes, it is as per the total rewards philosophy of the Company.

Note: Remuneration means Total salary (fixed + variable pay) at target 100%; excludes gratuity, stock options, if any and insurance premiums but includes Company contribution of PF.

The year at a Glance - Consolidated (Non GAAP)

For the year	31-Mar-21		31-Mar-20	
	₹ Crores	Million US \$	₹ Crores	Million US \$
Export Sales	289.55	39.19	339.57	47.09
Domestic Sales	155.29	21.02	152.65	21.16
Total Sales	444.84	60.21	492.22	68.25
Other Income and Exchange gain / (loss)	29.62	4.01	35.75	4.96
Profit Before Interest, Taxes, Depreciation and Amortisation (PBIDTA)	130.53	17.67	88.08	12.21
PBIDTA as a Percentage of Revenue	29.3%	29.3%	17.9%	17.9%
Profit before exceptional items	149.49	20.23	111.97	15.53
Exceptional items	-	-	-	-
Profit / (Loss) Before Taxes (PBT)	149.49	20.23	111.97	15.53
Profit/ (Loss) After Tax (PAT)	114.55	15.50	78.83	10.93
Earnings Per Share ... Basic (in ₹ / US\$) ¹	76.26	1.03	48.57	0.67
Earnings Per Share ... Diluted (in ₹ / US\$) ¹	76.26	1.03	48.57	0.67
Equity Dividend Percentage (including Interim Dividends, Special dividend)	100%	100%	625%	625%
Equity Dividend Amount (including Interim Dividends)	15.02	2.03	95.61	13.26
Investment in Fixed Assets (Gross)	60.96	8.33	71.48	9.45
PBT as a Percentage of Average Net Worth	29%	29%	19%	19%
PAT as a Percentage of Average Net Worth	22%	22%	13%	13%
Revenue Per Person Year ²	0.30	0.04	0.29	0.04
At the end of the year				
Total Assets	564.55	77.16	475.46	62.83
Fixed Assets (net)	33.93	4.64	44.56	5.89
Working Capital	112.36	15.36	79.21	10.47
Investment	412.37	56.36	339.68	44.89
Other Assets	5.89	0.81	12.01	1.59
Net Worth	564.55	77.16	475.46	62.83

¹ Face value of ₹ 10 per share

² Quarterly average of all employees including the support staff, numbers are in ₹ Crores & US \$ Mio

Notes : 1) To facilitate comparison figures in US \$ have been arrived at by converting Rupee figures as follows:

- at the average conversion rate for all revenue items
- at the closing rate for all Balance Sheet items

2) Previous year figures have been re-grouped / re-arranged, wherever necessary to conform to the current year's presentation.

Financial Performance - A Seven Year Snapshot

In Retrospect - Consolidated (Non GAAP)

Amount in ₹ Crores

Particulars	2014-15	2015-16	2016-17*	2017-18*	2018-19*	2019-20*	2020-21*
1) Revenue account							
Sales / Revenue	428.01	483.17	467.28	503.02	504.31	492.22	444.84
PBIDTA	32.25	47.17	49.97	69.45	71.13	88.08	130.53
Depreciation & Amortization	11.20	6.60	6.61	6.22	6.61	11.16	10.18
PBIT & Exceptional Item	21.05	40.57	43.35	63.23	64.53	76.92	120.34
Other Income	21.94	16.20	32.77	36.43	46.02	35.75	29.62
Interest	0.14	0.19	-	-	-	0.70	0.47
Exceptional Income / (expenses)	173.33	232.94	20.25	-	-	-	-
Profit / (Loss) Before Tax (PBT)	216.18	289.53	96.38	99.66	110.55	111.97	149.49
Income Tax (Including withholding taxes and FBT)	96.62	83.23	11.69	17.23	20.13	33.14	34.95
Profit / (Loss) After Tax (PAT)	119.56	206.29	84.69	82.42	90.42	78.83	114.55
Other Comprehensive gain / (loss)	-	-	(2.34)	(4.66)	8.35	(19.73)	(10.36)
Total Comprehensive Income	-	-	82.35	77.76	98.78	59.10	104.18
Equity Dividend Amount (including Interim Dividends)	57.58	55.06	4.43	17.11	16.25	95.61	15.02
2) Capital account							
Share Capital	21.34	17.72	17.11	17.11	17.11	15.05	15.05
Share Application Money (incl. share warrants)	-	-	-	-	-	-	-
Reserves and Surplus	425.60	481.29	544.42	603.91	680.87	460.41	549.50
Loan Funds	1.11	1.19	-	-	-	-	-
Gross Block (Incl. Capital Work in Progress & Capital Advances)	435.72	464.29	43.48	49.96	59.34	71.48	60.96
Net Block (Incl. Capital Work in Progress & Capital Advances)	42.67	40.49	37.90	37.27	40.51	44.56	33.93
Investment	195.15	351.46	374.27	459.23	510.05	339.68	412.37
Deferred Tax Asset	12.76	11.40	2.93	7.34	2.69	12.01	5.89
Net Assets	197.48	96.85	146.43	117.18	144.72	79.21	112.36
							0.00
3) Other information							
Total number of Shareholders	28,410	25,458	23,793	20,993	22,696	21,344	22,132

Financial Performance - A Seven Year Snapshot (Contd.)

In Retrospect - Consolidated (Non GAAP)

Amount in ₹ Crores

Particulars	2014-15	2015-16	2016-17*	2017-18*	2018-19*	2019-20*	2020-21*
4) Ratios							
a) Profitability / Efficiency							
Sales/Total Income (%)	95%	97%	93%	93%	92%	93%	94%
PBIDTA/Total Income (%)	7%	9%	10%	13%	13%	17%	28%
EBITDA/Sales	8%	10%	11%	14%	14%	18%	29%
PBIT & Exceptional Items/Total Income (%)	5%	8%	9%	12%	12%	15%	25%
PBT/Total Income (%)	48%	58%	19%	18%	20%	21%	32%
PAT/Total Income (%)	27%	41%	17%	15%	16%	15%	24%
Return on Average Net Worth (%)	28%	44%	16%	14%	14%	13%	22%
(PAT/Average Net Worth)(%)							
Return on Average Capital Employed (pre-tax)	51%	61%	18%	17%	17%	19%	29%
(PBT+ Interest)/(Average Capital Employed)(%)							
Return on Average Capital Employed (post-tax)	28%	44%	16%	14%	14%	14%	22%
(PAT+ Interest)/(Average Capital Employed)(%)							
Sales to Average Net Working Capital	2.6	3.3	3.8	3.8	3.7	4.3	4.6
Total Revenues to Average Total Assets	0.9	0.7	0.9	0.9	0.8	0.8	0.9
Fixed Assets Turnover	10.0	11.9	12.4	13.5	12.4	11.0	13.1
b) Liquidity							
Net Working Capital to Total Assets	0.4	0.2	0.3	0.2	0.2	0.2	0.2
Average Collection Period (Days)	60	61	61	55	55	74	54
Current Ratio	2.8	1.7	1.7	1.6	2.8	1.8	2.3
c) Leverage							
Debt-Equity Ratio	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest Cover	151.8	214.8	-	-	-	109.1	257.3
Total Assets / Net Worth	1.0	1.0	1.0	1.0	1.0	1.0	1.0
d) Growth							
Growth in Sales (%)	-7%	13%	-3%	8%	0%	-2%	-10%
Growth in PBITDA (%)	-40%	46%	6%	39%	2%	24%	48%
Net profit Growth (%)	132%	73%	-59%	-3%	10%	-13%	45%

* Figures for the FY 2016-17 upto 2020-21 are as per the Ind AS. Figures for the earlier years are as per erstwhile AS.

Independent Auditor's Report

To the Members of Sasken Technologies Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Sasken Technologies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the Key Audit Matter was addressed in our audit
<p>Revenue recognition from fixed price contracts</p> <p>Revenue from fixed price contracts is recognized using percentage of completion method ("POC") where performance obligations are satisfied over time. The POC method involves computation of actual cost incurred till date and estimation of total future cost to be incurred towards remaining performance obligations, which involves following factors:</p> <ul style="list-style-type: none"> i. there is an inherent uncertainty around the estimation of total cost to complete the contract given the customized nature of the contracts. ii. the estimation of total cost to complete the contract involves significant judgement throughout the period of contract and is subject to revision as the contract progresses based on latest available information and also involves critical estimates to make provision for onerous contract, if any; iii. At year end a significant amount of contract assets (unbilled revenue) and contract liabilities (unearned revenue) related to each contract is to be identified. <p>In respect of fixed price contracts, the estimation of total cost to complete the contract is a critical estimate and hence this has been identified as a key audit matter.</p>	<p>Our audit procedures related to estimation of total cost to complete the contract for fixed price contracts included following, among others:</p> <ul style="list-style-type: none"> i. Obtained an understanding of the systems, processes and controls implemented by the Company with respect to estimation of future cost to completion, estimation of provision for onerous contract, measurement of unbilled revenue, unearned revenue and the total contract revenue on its completion. ii. Tested the operating effectiveness of key internal controls over approval and recording of revenues in respect of samples selected of fixed price contracts. iii. Evaluated the governance process and review controls over estimation of future cost to complete the contracts. iv. Involved information technology ('IT') specialists to assess the design and operating effectiveness of key application controls relating to revenue recognition, wherein testing of application controls include testing of automated controls, system generated reports and system reconciliations. v. We performed below substantive audit procedures for samples selected of fixed price contracts: <ul style="list-style-type: none"> a. Evaluated the contractual terms to identify the performance obligation and assessed the basis of revenue recognition; b. Checked the approval for estimates of cost to completion by authorised personnel of the Company; c. Compared the status of delivery of the milestones and customer acceptances with the agreed timelines as per the contract to identify possible delays in achieving the milestones which require changes in estimated cost to complete the contract. d. Performed inquiries with delivery/project managers to corroborate the status of project. e. Carried out a retrospective assessment of costs incurred with estimated costs to identify any significant variation and checked whether those variations have been considered in estimating the remaining costs to complete the contract. f. Checked the mathematical accuracy of the calculation of revenue using the ratio of actual costs incurred to estimated costs.

Independent Auditor's Report (Contd.)

Key Audit Matter	How the Key Audit Matter was addressed in our audit
	<ul style="list-style-type: none"> g. Verified the accuracy of the actual cost incurred in respect of fixed price contracts. h. Ensured that the revenue in foreign currency is recognised applying the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. i. Checked the adequacy of provision in respect of onerous contracts.
<p>Impairment of investment in Subsidiaries</p> <p>The carrying value of investment in wholly owned subsidiaries in the standalone financial statements amounting to INR 2,047 lakhs, has been assessed for impairment, in accordance with Ind AS 36 - Impairment of assets, on account of identification of impairment indicators. Refer Note 6 to the standalone financial statements.</p> <p>To assess if there is impairment in the investment, management conducted impairment tests, annually or whenever changes in circumstances or events indicate that, the carrying amount of such investment may not be recoverable. An impairment loss is recognized if the recoverable amount is lower than the carrying value. The recoverable amount is estimated by calculating the value in use, basis valuation conducted by management factoring future business plans and such valuation report / future business plans which are reviewed and approved by the Audit Committee / Board of Directors of the Company. The estimation of recoverable amount is subjective due to the inherent uncertainty and high level of judgement involved in the use of key assumptions such as projected revenue growth, operating margins, discount rates and terminal growth, etc.</p> <p>In view of the above and based on materiality considerations, the above has been identified as a key audit matter.</p>	<p>Our audit procedures included the following, among others:</p> <ul style="list-style-type: none"> i. We understood the Company's process for identification of indicators for impairment and evaluated the Company's internal controls over its impairment assessment of investment in subsidiaries. We understood the key assumptions applied by the management such as revenue growth, operating margins, discount rates and terminal growth rates in determining impairment; ii. We involved valuation specialists for evaluating and testing the key assumptions and methodologies used by the management in their valuation workings; and iii. We assessed the appropriateness and adequacy of disclosures made in the standalone financial statements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is 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.

Independent Auditor's Report (Contd.)

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

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

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

Other Matter

The standalone financial statements of the Company for the year ended March 31, 2020, were audited by another auditor whose report dated April 27, 2020 expressed an unmodified opinion on those statements.

Our opinion is not modified in respect of above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at March 31, 2021, on its financial position in its standalone financial statements - Refer Note 33 to the standalone financial statements;
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses during the year ended March 31, 2021.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021.
3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No.105047W

Debashis Dasgupta

Partner

Membership No. 053681

UDIN: 21053681AAAAAG8360

Place: Bengaluru

Date: April 22, 2021

Annexure A to the Independent Auditor's Report

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SASKEN TECHNOLOGIES LIMITED

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

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

- Identify and assess the risks of material misstatement of the 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 Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No.105047W

Debashis Dasgupta

Partner

Membership No. 053681

UDIN: 21053681AAAAAG8360

Place: Bengaluru

Date: April 22, 2021

Annexure B to the Independent Auditor's Report

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SASKEN TECHNOLOGIES LIMITED FOR THE YEAR ENDED MARCH 31, 2021

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report]

- i. In respect of fixed assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified once in a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. During the current year, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The Company is involved in the business of rendering services. Accordingly, the provisions stated in paragraph 3(ii) of the Order are not applicable to the Company.
- iii. The Company has granted unsecured loans to two parties covered in the register maintained under Section 189 of the Act.
 - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the rate of interest and other terms and conditions on which the loans have been granted to the parties listed in the register maintained under Section 189 of the Act are not, prima facie, prejudicial to the interest of the Company.
 - (b) In case of the loans granted to the parties listed in the register maintained under Section 189 of the Act, schedule of repayment of principal and payment of interest have been stipulated and the borrowers have been regular in the payment of the principal and interest.
 - (c) There are no amounts overdue for more than ninety days in respect of the loans granted to parties listed in the register maintained under Section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, in respect of loans, investments, guarantees and security made.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.
- vi. The provisions of sub-section (1) of Section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the business activities of the Company. Accordingly, the provisions stated in paragraph 3(vi) of the Order are not applicable to the Company.
- vii. In respect of statutory dues:
 - (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and any other statutory dues applicable to it.
 - (b) According to the information and explanations given to us, no undisputed dues in respect of provident fund, employees' state insurance, income-tax, goods and service tax, duty of custom, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.
 - (c) According to the information and explanation given to us and examination of records of the Company, there are no dues of provident fund, employees state insurance, goods and service tax, duty of customs and other statutory dues which have not been deposited on account of any dispute. The outstanding dues of income-tax and service tax which have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount ₹ (In lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income tax Act, 1961	Income Taxes and Interest	3.05	AY 2004-05	Income tax Appellate Tribunal	Not applicable
Income tax Act, 1961	Income Taxes and Interest	80.23	AY 2009-10	Commissioner of Income Tax (Appeals)	Not applicable

Annexure B to the Independent Auditor's Report (Contd.)

Name of the statute	Nature of dues	Amount ₹ (In lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income tax Act, 1961	Income Taxes and Interest	856.66	AY 2011-12	Not applicable	Order giving effects pending with Assessing officer
Income tax Act, 1961	Income Taxes and Interest	34.00	AY 2011-12	Commissioner of Income Tax (Appeals)	Not applicable
Income tax Act, 1961	Income Taxes and Interest	2,727.42	AY 2011-12	Commissioner of Income Tax (Appeals)	Not applicable
Income tax Act, 1961	Income Taxes and Interest	203.39	AY 2012-13	Income tax Appellate Tribunal	Not applicable
Income tax Act, 1961	Income Taxes and Interest	450.49	AY 2013-14	Income tax Appellate Tribunal	Not applicable
Income tax Act, 1961	Income Taxes and Interest	72.91	AY 2013-14	Commissioner of Income Tax (Appeals)	Not applicable
Income tax Act, 1961	Income Taxes and Interest	202.17	AY 2014-15	Commissioner of Income Tax (Appeals)	Not applicable
Income tax Act, 1961	Income Taxes and Interest	6,627.95	AY 2016-17	Income tax Appellate Tribunal	Not applicable
Income tax Act, 1961	Income Taxes and Interest	1,406.42	AY 2017-18	Commissioner of Income Tax (Appeals)	Not applicable
Income tax Act, 1961	Income Taxes and Interest	108.57	AY 2017-18	Commissioner of Income Tax (Appeals)	Not applicable
Income tax Act, 1961	Income Taxes and Interest	1,275.73	AY 2018-19	Commissioner of Income Tax (Appeals)	Not applicable
Income tax Act, 1961	Income Taxes and Interest	56.11	AY 2018-19	High Court	Not applicable
Income tax Act, 1961	Income Taxes and Interest	32.52	AY 2018-19	Commissioner of Income Tax (Appeals)	Not applicable
Income tax Act, 1961	Income Taxes and Interest	47.57	AY 2019-20	High Court	Not applicable
Service Tax Rules, 1994	Service Tax and Penalty	2,467.94	FY 2005-07	The Customs Excise and Service Tax Appellate Tribunal	Not applicable
Service Tax Rules, 1994	Service Tax and Penalty	114.60	FY 2007-09	The Customs Excise and Service Tax Appellate Tribunal	Not applicable
Service Tax Rules, 1994	Service Tax and Penalty	123.84	FY 2009-11	The Customs Excise and Service Tax Appellate Tribunal	Not applicable
Service Tax Rules, 1994	Service Tax and Penalty	15.51	FY 2009-14	The Customs Excise and Service Tax Appellate Tribunal	Not applicable
Service Tax Rules, 1994	Service Tax and Penalty	131.97	FY 2014-15	The Customs Excise and Service Tax Appellate Tribunal	Not applicable
Service Tax Rules, 1994	Service Tax and Penalty	6,725.02	FY 2015-17	Commissioner of Central tax	Not applicable

Annexure B to the Independent Auditor's Report (Contd.)

- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions stated in paragraph 3 (ix) of the Order are not applicable to the Company.
- x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
- xvi. In our opinion, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No.105047W

Debashis Dasgupta

Partner

Membership No. 053681

UDIN: 21053681AAAAAG8360

Place: Bengaluru

Date: April 22, 2021

Annexure C to the Independent Auditor's Report

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SASKEN TECHNOLOGIES LIMITED

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report]

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Sasken Technologies Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Annexure C to the Independent Auditor's Report (Contd.)

Opinion

In our opinion, the Company has, in all material respects, internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No.105047W

Debashis Dasgupta

Partner

Membership No. 053681

UDIN: 21053681AAAAAG8360

Place: Bengaluru

Date: April 22, 2021

Standalone Balance Sheet

(Amount in ₹ lakhs, except share and per share data, unless otherwise stated)

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	4	3,294.45	4,218.37
Capital work-in-progress		0.72	9.85
Intangible assets	5	18.19	9.70
Financial assets			
Investments	6	36,215.18	25,090.15
Long term loan		201.92	201.92
Other financial assets	7	90.66	264.70
Deferred tax assets (net)	25	662.56	1,236.34
Other tax assets		4,100.65	5,838.93
Other non-current assets	8	0.55	-
Total non-current assets		44,584.88	36,869.96
Current assets			
Financial assets			
Investments	9	7,069.13	10,673.55
Trade receivables	10	5,916.11	8,207.83
Cash and cash equivalents	11	678.90	1,130.07
Other bank balances	12	3,015.70	15.78
Loan to Subsidiary		-	951.98
Unbilled receivables		1,331.90	1,297.27
Derivative assets		495.15	-
Other financial assets	13	627.42	468.51
Contract assets		1,645.88	617.01
Other current assets	14	579.17	859.49
Total current assets		21,359.36	24,221.49
TOTAL ASSETS		65,944.24	61,091.45
EQUITY AND LIABILITIES			
Equity			
Share capital	15	1,505.09	1,505.09
Other equity		55,369.46	46,434.70
Total equity		56,874.55	47,939.79
Liabilities			
Non-current liabilities			
Lease liability		-	324.06
Provisions	16	626.81	1,299.68
Total non-current liabilities		626.81	1,623.74
Current liabilities			
Financial liabilities			
Trade payables	17		
Total outstanding dues to micro and small enterprises		3.75	1.57
Total outstanding dues to creditors other than micro and small enterprises		1,170.21	1,369.89
Other financial liabilities	18	2,363.16	2,069.24
Derivative liabilities		-	890.17
Deferred revenue		84.01	532.12
Other current liabilities	19	1,741.08	1,535.80
Provisions	20	978.80	843.32
Income tax liabilities (net)	25	2,101.87	4,285.81
Total current liabilities		8,442.88	11,527.92
TOTAL EQUITY AND LIABILITIES		65,944.24	61,091.45

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date attached.

for MSKA & Associates

Chartered Accountants

Firm's Registration Number: 105047W

Debashis Dasgupta

Partner

Membership No.053681

Bengaluru

April 22, 2021

for and on behalf of the Board of Directors of
Sasken Technologies Limited

Rajiv C. Mody

Chairman and Managing Director

DIN: 00092037

S. Prasad

Company Secretary

Bengaluru

April 22, 2021

Neeta S. Revankar

Whole time Director and Chief Financial Officer

DIN: 00145580

Standalone Statement of Profit and Loss

(Amount in ₹ lakhs, except share and per share data, unless otherwise stated)

	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
INCOME			
Revenue from operations	21	39,245.74	41,670.76
Other income	22	3,334.04	3,924.18
Total income		42,579.78	45,594.94
EXPENSES			
Employee benefits expense	23	23,154.21	26,824.59
Finance cost		47.19	62.49
Depreciation and amortization expense	4, 5	919.92	993.91
Other expenses	24	3,844.44	6,136.96
Total expenses		27,965.76	34,017.95
Profit before exceptional items and tax		14,614.02	11,576.99
Exceptional items			
Provision for impairment of investment in subsidiaries (refer note no.35)		(2,002.31)	-
		(2,002.31)	-
Profit before tax		12,611.71	11,576.99
Tax expense			
Current income taxes	25	3,124.61	3,864.21
Deferred taxes	25	226.51	(518.28)
		3,351.12	3,345.93
Profit for the year		9,260.59	8,231.06
Other comprehensive income / (losses)			
Items that will not be reclassified subsequently to the Statement of Profit and Loss			
Remeasurement of defined benefit liability		139.12	(1,073.52)
Gain on fair value changes for investments classified as fair value through other comprehensive Income		31.08	-
Income tax relating to items that will not be reclassified subsequently to Profit and Loss	25	1.39	279.47
Net other comprehensive gain that will not be reclassified subsequently to Profit and Loss		171.59	(794.05)
Items that will be reclassified subsequently to the Statement of Profit and Loss			
Effective portion of gains / (losses) on hedging instruments in cash flow hedges	31	1,377.92	(1,820.15)
Income tax relating to items that will be reclassified to Profit and Loss	25	(348.66)	552.81
Net other comprehensive income / (losses) that will be reclassified subsequently to Profit and Loss		1,029.26	(1,267.34)
Other comprehensive income / (losses) for the period, net of income tax		1,200.85	(2,061.39)
Total comprehensive income for the period		10,461.44	6,169.67
Earnings per share (EPS)			
(Equity share of par value ₹ 10 each)			
Basic and Diluted EPS		61.53	51.41
Weighted average equity shares used in computing earnings per share (Basic and diluted)		1,50,50,871	1,60,09,355

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date attached.

for MSKA & Associates

Chartered Accountants

Firm's Registration Number: 105047W

Debashis Dasgupta

Partner

Membership No.053681

for and on behalf of the Board of Directors of

Sasken Technologies Limited

Rajiv C. Mody

Chairman and Managing Director

DIN: 00092037

Neeta S. Revankar

Whole time Director and Chief Financial Officer

DIN: 00145580

S. Prasad

Company Secretary

Bengaluru
April 22, 2021

Bengaluru
April 22, 2021

Standalone Statement of Changes in Equity

(Amount in ₹ lakhs, except share and per share data, unless otherwise stated)

A. Equity share capital									
	Balance as at April 1, 2019		Changes in equity share capital during the year				Balance as at March 31, 2020		
	1,711.01		205.92				1,505.09		
B. Other equity									
Particulars	Attributable to the owners of the Company								Total
	Reserves and surplus					Items of OCI			
	Capital reserve	Capital redemption reserve	Share based payment reserve	General reserve	Retained earnings	Cash flow hedging reserve	Fair value through OCI on debt securities	Remeasurement of defined benefit liability	
Balance as at April 1, 2019	132.00	1,315.58	55.53	1,056.29	65,295.22	611.92	-	-	68,466.54
Profit for the year	-	-	-	-	8,231.06	-	-	-	8,231.06
Buy back of shares	-	-	-	(850.36)	(15,932.47)	-	-	-	(16,782.83)
Transfer to capital redemption reserve	-	205.93	-	(205.93)	-	-	-	-	-
Other comprehensive loss (net of taxes)	-	-	-	-	-	(1,267.34)	-	(794.05)	(2,061.39)
Dividends paid (including dividend distribution tax thereon)	-	-	-	-	(11,429.39)	-	-	-	(11,429.39)
Share based payment reserve	-	-	10.71	-	-	-	-	-	10.71
Transferred to retained earnings	-	-	-	-	(794.05)	-	-	794.05	-
Balance as at March 31, 2020	132.00	1,521.51	66.24	-	45,370.37	(655.42)	-	-	46,434.70
Particulars	Attributable to the owners of the Company								Total
	Reserves and surplus					Items of OCI			
	Capital reserve	Capital redemption reserve	Share based payment reserve	General reserve	Retained earnings	Cash flow hedging reserve	Fair value through OCI on debt securities	Remeasurement of defined benefit liability	
Balance as at April 1, 2020	132.00	1,521.51	66.24	-	45,370.37	(655.42)	-	-	46,434.70
Profit for the period	-	-	-	-	9,260.59	-	-	-	9,260.59
Other comprehensive income (net of taxes)	-	-	-	-	-	1,029.26	27.54	144.05	1,200.85
Dividends paid	-	-	-	-	(1,505.09)	-	-	-	(1,505.09)
Share based payment reserve	-	-	(21.59)	-	-	-	-	-	(21.59)
Transferred to retained earnings	-	-	-	-	144.05	-	-	(144.05)	-
Balance as at March 31, 2021	132.00	1,521.51	44.65	-	53,269.92	373.84	27.54	-	55,369.46

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date attached.

for MSKA & Associates

Chartered Accountants

Firm's Registration Number: 105047W

Debashis Dasgupta

Partner

Membership No.053681

Bengaluru
April 22, 2021

for and on behalf of the Board of Directors of

Sasken Technologies Limited

Rajiv C. Mody

Chairman and Managing Director

DIN: 00092037

S. Prasad

Company Secretary

Bengaluru
April 22, 2021

Neeta S. Revankar

Whole time Director and Chief Financial Officer

DIN: 00145580

Standalone Statement of Cash Flows

(Amount in ₹ lakhs, except share and per share data, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash flows from operating activities:		
Profit before tax	12,611.71	11,576.99
Adjustments to reconcile net profit to net cash provided by operating activities		
Depreciation and amortization expense	919.92	993.91
Interest income	(573.10)	(984.15)
Dividend income	(501.41)	(1,502.69)
Net gain on sale of investments	(217.71)	(102.13)
Net gains on fair value changes on investments classified as fair value through profit and loss	(2,126.68)	(186.97)
Net Profit on sale of property, plant and equipment	(6.31)	(7.71)
Finance cost	47.19	-
Write back of unclaimed balances / provisions	(85.57)	(131.31)
Employee stock option compensation cost	(21.59)	10.71
Exchange differences on translation of assets and liabilities	(1.11)	(0.47)
Provision for impairment of investment in subsidiaries	2,002.31	-
Allowance for expected credit impaired on financial assets	18.69	-
In-effective portion of changes in fair value of cash flow hedges	(7.40)	10.88
Changes in assets and liabilities:		
Trade receivables, contract assets and unbilled revenue	1,209.53	(22.92)
Loans, other financial assets and other assets	(1,631.34)	(425.48)
Trade payables and deferred revenue	(645.61)	(22.91)
Provisions, other current financial liabilities and other current liabilities	202.60	961.62
Cash generated from operating activities	11,194.12	10,167.37
Income taxes (paid) / refund	(1,528.77)	526.85
Net cash generated from operating activities (A)	9,665.35	10,694.22
Cash flows from investing activities:		
Interest received	424.83	461.50
Dividends received	501.41	1,401.79
Proceeds from sale of property, plant and equipment	47.35	7.71
Purchase of property, plant and equipment	(198.38)	(1,424.56)
Investment in / repatriation from subsidiaries	-	377.00
Payments to acquire investments	(31,067.31)	(48,989.21)
Proceeds from sale of investments	23,912.98	66,611.27
Investment in bank deposits	(2,999.92)	(15.33)
Loan repayment from subsidiary	951.98	-
Net cash used in investing activities (B)	(8,427.06)	18,430.17
Cash flows from financing activities		
Buy-back of shares	-	(16,988.75)
Payment of lease liabilities	(185.48)	-
Dividend paid during the year	(1,505.09)	(11,429.39)
Net cash used in financing activities (C)	(1,690.57)	(28,418.14)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(452.28)	706.25
Cash and cash equivalents at the beginning of the year	1,130.07	423.36
Effect of exchange differences on translation of foreign currency cash and cash equivalents	1.11	0.46
Cash and cash equivalents at the end of the year (Refer note 11)	678.90	1,130.07

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date attached.

for **MSKA & Associates**

Chartered Accountants

Firm's Registration Number: 105047W

Debashis Dasgupta

Partner

Membership No.053681

Bengaluru

April 22, 2021

for and on behalf of the Board of Directors of

Sasken Technologies Limited

Rajiv C. Mody

Chairman and Managing Director

DIN: 00092037

S. Prasad

Company Secretary

Neeta S. Revankar

Whole time Director and Chief Financial Officer

DIN: 00145580

Bengaluru

April 22, 2021

Notes to the Standalone Financial Statements

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

1. Company overview

Sasken Technologies Limited ("Sasken" or "the Company") is a specialist in Product Engineering and Digital Transformation providing concept-to-market, chip-to-cognition R&D services to global leaders in Semiconductor, Automotive, Industrials, Smart Devices & Wearables, Enterprise Grade Devices, SatCom, and Transportation industries. For over 30 years and with multiple patents, Sasken has transformed the businesses of over a 100 Fortune 500 companies, powering over a billion devices through its services and IP.

Established in 1989, Sasken employs around 1,400 people, operating from state-of-the-art centers and offices in Bengaluru, Pune, Chennai, Kolkata and Hyderabad (India), Detroit (USA), Kaustinen and Tampere (Finland), and Beijing, Shanghai (China). Sasken also has its presence across Germany, Japan, UK, and USA. Sasken has been listed in the National Stock Exchange of India Ltd., and BSE Ltd., since its initial public offering in 2005.

2. Basis of preparation

A. Basis of preparation

These standalone financial statements have been prepared in accordance with Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, (the 'Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

Accounting policies have been applied consistently to all periods presented in these financial statements, except for the adoption of new accounting standards and amendments to the existing accounting standards, effective as of April 1, 2020, as disclosed in note 3 below.

The financial statements correspond to the classification provisions contained in Ind AS 1, "Presentation of Financial Statements". For clarity, various items are aggregated in the Statements of Profit and Loss and Balance Sheet. These items are disaggregated separately in the notes to the standalone financial statements, where applicable.

These financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts included in these financial statements are reported in INR (in ₹ lakhs), except share and per share data, unless otherwise stated.

B. Basis of measurement

These financial statements have been prepared on the historical cost convention and on an accrual basis of accounting, except for the following material items which have been measured at fair value as required by relevant Ind AS:

Items	Measurement basis
Derivative financial instruments	Fair value
Investments classified as fair value through profit or loss	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations
Stock options	Fair value

C. Use of estimates and judgments

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Assumptions and estimation of uncertainties

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have a significant effect on the amounts recognized in the financial statements are included in the following notes:

(a) Revenue recognition:

The Company uses the percentage of completion i.e. input (cost expended) method to measure progress towards completion in respect of fixed price contracts. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labor costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, recognized revenue and profit are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable.

Notes to the Standalone Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

(b) Impairment testing (non-financial assets):

Investments in subsidiaries and intangible assets are tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount of the asset or cash generating units to which these pertain is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less costs to sell. The calculation of value in use of a cash generating unit involves use of significant estimates and assumptions which includes growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

(c) Income taxes:

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

(d) Deferred taxes:

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

(e) Defined benefit plans and compensated absences:

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligation are based on remeasurement valuation using the projected unit credit method. A remeasurement valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and fair value of plan assets. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(f) Expected credit losses on financial assets:

The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

(g) Other estimates:

Fair valuation of derivative hedging instruments designated as cash flow hedges involves significant estimates relating to the occurrence of the highly probable cash flow forecast transaction.

D. Measurement of fair values:

Some of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); or

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Notes to the Standalone Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

Estimation uncertainty relating to the global health pandemic on COVID-19:

The Company has considered the recoverability of receivables including unbilled receivables, contract assets and contract costs, intangible assets, and investments, and has also considered internal and external information up to the date of approval of these standalone financial statements. The Company has analyzed the assumptions used and based on current indicators of future economic conditions; the Company expects to recover the carrying amount of these assets. The ultimate impact of the global health pandemic may turn out to be different from what it is as on the date of approval of these standalone financial statements. As the situation is continuously evolving, the Company will continue to closely monitor any material changes to future economic conditions. Such changes which have material impact on the financial statements will be factored as and when such impact becomes highly probable.

3. Significant accounting policies

(a) Property, plant and equipment (including intangible assets)

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation / amortization and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

The cost of property, plant and equipment not available for use as at each reporting date is disclosed under capital work- in-progress.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the incremental future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation and amortization

Based on an independent assessment, management has estimated the useful lives of the following classes of assets, which are lower than or equal to those indicated in Schedule II of the Companies Act, 2013. Management believes this best represents the period over which they expect to use these assets. Depreciation is provided using the straight line method (SLM), over the estimated useful life of the asset, as follows:

Assets block	Estimated useful life	Useful life as per Schedule II
Buildings	20	60
Computers	3	3
Electrical fittings	5	10
Furniture and fixtures	10	10
Office equipment	5	5
Plant and equipment	5	15

Leasehold improvements are amortized over the shorter of estimated useful life of the assets or the related lease term. Freehold land is not depreciated.

Assets with unit value of ₹ 5,000 or less are depreciated entirely in the year of acquisition.

Intangible assets are amortized over the estimated useful life (3 to 5 years), on a straight line basis.

Deposits and advances paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not available for use before such date are disclosed under capital work-in-progress.

Notes to the Standalone Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

(b) Leases

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company measures the lease liability at the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company measures the right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the Balance Sheet immediately before the date of initial application. The right-of-use assets is depreciated using the straight-line method from the date of initial application over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the Statement of Profit and Loss.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

(c) Revenue

The Company derives revenues from rendering software services, installation and commissioning services and maintenance services.

Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services.

i. Time and Material contracts

Revenue and costs relating to time and material contracts are recognized as and when the services are rendered.

ii. Fixed-price contracts

Revenue from fixed price service contracts and customized technology developments is recognized based on the percentage of completion method (POC) of accounting with contract cost incurred determining the degree of completion of the performance obligation. Revenue from maintenance contracts is recognized ratably over the term of the maintenance arrangement.

The solutions offered by the Company may include supply of third-party software. In such cases, revenue for supply of such third party software is recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognizes revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

iii. Others

Revenue from royalty is recognized when the later of the following events occurs:

- (a) the subsequent sale or usage occurs; or
- (b) the performance obligation to which some or all of the sales-based or usage-based royalty has been allocated has been satisfied (or partially satisfied).

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Notes to the Standalone Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

Contract assets are recognized when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Deferred revenue ("contract liability") is recognized when there is billings in excess of revenues. Advances received for services are reported as liabilities until all conditions for revenue recognition are met.

Interest income is recognized as it accrues in the Statement of Profit and Loss using effective interest rate method. Dividend income is recognized when the right to receive the dividend is established.

In accordance with Ind AS 37, the Company recognizes an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by geography and nature of services.

Use of significant judgements in revenue recognition:

The Company's contracts with customers include promises to transfer services to a customer. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct service promised in the contract.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

(d) Foreign currency

(i) Foreign currency transactions

Initial recognition

Transactions in foreign currency are translated into the reporting currency by applying to the foreign currency amount, the exchange rate prevailing on the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at the exchange rates prevailing at the reporting date, of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Profit and Loss and reported within foreign exchange gains/(losses), net within results of operating activities, except when deferred in other comprehensive income as qualifying cash flow hedges.

Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate on the date of the transaction.

Notes to the Standalone Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

(ii) Foreign operations

The assets and liabilities of foreign operations are translated into INR, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

(e) Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets:

On initial recognition, a financial asset is classified as measured at amortized cost or fair value through profit and loss (FVTPL) or fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI are measured at FVTPL. This includes all derivative financial assets.

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at FVTOCI	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in other comprehensive income.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Financial liabilities:

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

iii. Derecognition

Financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial liabilities:

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Notes to the Standalone Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

iv. Derivative financial instruments and hedge accounting

The Company is exposed to foreign exchange risk from monetary assets, liabilities and forecasted cash flows denominated in foreign currencies. The Company limits the effect of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The Company enters into derivative financial instruments where the counterparty is a bank.

Subsequent to initial recognition, derivative financial instruments are measured as described below:

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI and accumulated in other equity under cash flow hedging reserve. The effective portion of changes in the fair value of the derivative that is recognized in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to profit or loss.

(f) Impairment

i. Impairment of financial instruments

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 180 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible defaults over the expected life of a financial instrument.

ii. Impairment of non-financial assets

The Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. The recoverable amount of an asset or cash generating unit is the higher of its fair value less cost of disposal (FVLCD)

Notes to the Standalone Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

and its value-in-use (VIU). The VIU of long-lived assets is calculated using projected future cash flows. FVLCD of a cash generating unit is computed using turnover and earnings multiples. Impairment losses are recognized in the Statement of Profit and Loss. Impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

If at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment losses previously recognized are reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognized initially.

(g) Equity

i. Share capital and share premium

The authorized share capital of the Company as of March 31, 2021 and March 31, 2020 is ₹ 5,500 lakhs i.e. 550 lakh equity shares of ₹ 10 each, par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as share premium.

Every holder of the equity shares, as reflected in the records of the Company as of the date of the shareholders' meeting shall have one vote in respect of each share held for all matters submitted to vote in the shareholders' meeting.

ii. Capital reserve

Capital reserve amounting to ₹ 132 lakhs (March 31, 2020: ₹ 132 lakhs) is not freely available for distribution.

iii. Capital redemption reserve

Capital redemption reserve amounting to ₹ 1,521.51 lakhs (March 31, 2020: ₹ 1,521.51 lakhs) is not freely available for distribution.

iv. Retained earnings

Retained earnings comprises of the Company's undistributed earnings after taxes and is available for dividend distribution.

v. General reserve

General reserve comprises of the Company's undistributed earnings after taxes and is available for dividend distribution.

vi. Other comprehensive income

Changes in the fair value of financial instruments measured at fair value through other comprehensive income and remeasurement gains and losses on defined benefit plans are recognized in other comprehensive income (net of taxes), and presented within equity as other comprehensive income.

(a) Cash flow hedging reserve

Changes in fair value of derivative hedging instruments designated and effective as a cash flow hedge are recognized in other comprehensive income (net of taxes), and presented within equity as cash flow hedging reserve.

(b) Remeasurement gains / losses

Remeasurement gains / losses on defined benefit plans are recognized in other comprehensive income (net of taxes) and presented in within equity.

(h) Employee benefits

(a) Post-employment and pension plans

The Company's employees participate in various employee benefit plans. Pensions and other post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related remeasurement and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as an expense during the period when the employee renders service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related remeasurement and investment risks fall on the Company. The present value of the defined benefit obligations is calculated by an independent actuary using the projected unit credit method.

Notes to the Standalone Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

All remeasurement gains or losses are immediately recognized in other comprehensive income, net of taxes and permanently excluded from profit or loss. Further, the profit or loss will not include an expected return on plan assets. Instead net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of remeasurement of net defined liability or asset through other comprehensive income, net of taxes. The Company has the following employee benefit plans:

i. Gratuity

The Company provides for gratuity, a defined benefit plan covering all eligible employees. The plan provides a lump sum payment to eligible employees at retirement or on termination of employment based on the salary of the respective employee and the years of employment with the Company.

The Company contributes to gratuity funds maintained by third parties, such as insurance companies and mutual funds. The amount of contribution is determined based upon remeasurement valuations as at the period end using the projected unit credit method. Provision is made for the shortfall between the remeasurement valuation carried out as at balance sheet date as per projected unit credit method and the fair value of the plan assets with the third parties, such as insurance companies and mutual funds.

Remeasurements of the net defined benefit liability, which comprise remeasurement gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized in OCI, net of taxes. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

ii. Provident fund

Employees in India are eligible to receive provident fund benefits through a defined benefit plan in which the employees and the employer make monthly contributions to the plan. A portion of the contribution is made to the approved provident fund trust managed by the Company while the remainder of the contribution is made to the Government administered pension fund. The Provident Fund Trust guarantees a specified rate of return on such contributions. The contributions made to the trust managed by the Company is accounted for as a defined benefit plan as the Company is liable for any shortfall in the Trust's assets based on the Government specified rate of return. The contributions made to the Government administered Pension Fund is accounted for as a defined contribution plan as the Company has no obligation other than to make such contributions.

iii. Pension

In case of Germany branch, pension contributions are made as per the local laws and regulations. The Company provides for these pension benefits, a defined benefit plan, covering all eligible employees. The plan provides for various pension benefits to eligible employees at retirement or on termination of employment based on earnings of the respective employee and the years of employment with the Company. The Company contributes to a reinsured support fund maintained by an external agency. The contributions made by the employer are charged to the Statement of Profit and Loss on accrual basis. Provision is made for the shortfall between the remeasurement valuation carried out as at the year end are based on the projected unit credit method and the plan assets.

For other overseas branches, social security contributions are made as per the respective local laws and regulations. The same is charged to the Statement of Profit and Loss on an accrual basis. There are no obligations beyond the respective entity's contributions.

Remeasurements of the net defined benefit liability, which comprise remeasurement gains and losses are recognized in OCI.

iv. Superannuation

The Company contributes to a superannuation scheme, a defined contribution plan maintained by an insurance company. Such contributions are charged to the Statement of Profit and Loss on an accrual basis. The Company has no other obligations beyond its monthly contributions.

Notes to the Standalone Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

(b) Short - term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by employees.

(c) Compensated absences

The Company's employees are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognizes accumulated compensated absences based on remeasurement valuation using the projected unit credit method. Non-accumulating compensated absences are recognized in the period in which the absences occur.

Accumulated leaves, which are expected to be utilized within the next twelve months and not eligible to be carried forward to future years, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. These amounts are charged to the Statement of Profit and Loss.

(i) Income taxes

Income tax comprises current and deferred tax. It is recognized in profit or loss, except to the extent that it relates to a business combination or to an item recognized directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date and applicable for the period.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or to realize the asset and settle the liability simultaneously.

ii. Deferred tax

Deferred tax is recognized using the balance sheet approach in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets, whether unrecognized or recognized, are reviewed at each reporting date and are recognized / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Notes to the Standalone Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specific end period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset, in accordance with the provisions of the Income-tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and disclosed as part of "Deferred tax assets" in the Balance Sheet. The company reviews the MAT credit at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specific end period.

(j) Earnings per share

Basic earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares) and buy back of shares. Shares bought back are considered to have been bought back at the beginning of the year, irrespective of the date of buy back.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

(k) Provisions and contingencies

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a best estimate of such obligation.

Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. A contingent asset is neither recognized nor disclosed in the financial statements.

(l) Cash and cash equivalents

Cash and cash equivalents in the Cash Flow Statement comprise of cash at bank and in hand and short term investments with an original maturity value of three months or less. The Cash Flow Statement is prepared under the indirect method.

(m) Stock compensation expense

Measurement and disclosure of the employee share-based payment plans is done in accordance with Ind AS 102 share based payments. The Company accounts for stock compensation expense based on the fair value of the options granted, determined on the date of grant. Compensation expense is amortized over the vesting period of the option on a straight-line basis. The accounting value of the options outstanding net of the deferred compensation expense is reflected as employee stock options outstanding.

3a. Recent Indian Accounting Standards (Ind AS)

Ind AS 116 Amendment

Ind AS 116, Leases: Practical expedient which permits lessees not to account for COVID-19 related rent concessions as a lease modification. However, with respect to Ind AS 116, in case a lessee has not yet approved the financial statements for issue before the issuance of the amendments, then the same may be applied for annual reporting periods beginning on or after April 1, 2019. This amendment had no impact on this financial statement.

3b. Standards (including amendments) issued but not yet effective

There are no new standards including amendments issued but not yet effective.

Notes to the Standalone Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

4. Property, plant and equipment											
Particulars	Freehold land	Buildings	Leasehold improvements	Computers	Electrical fittings	Furniture and fixtures	Office equipment	Plant and equipment	Vehicle	Right to use - Buildings	Total
Gross carrying amount											
As at April 1, 2019	2,287.67	847.91	125.80	1,087.24	114.09	188.00	384.70	177.08	-	-	5,212.49
Additions	-	-	-	561.41	47.80	108.72	66.49	121.18	10.25	565.47	1,481.32
Disposals	-	(16.83)	-	(7.13)	-	(5.38)	(3.01)	-	-	-	(32.35)
As at March 31, 2020	2,287.67	831.08	125.80	1,641.52	161.89	291.34	448.18	298.26	10.25	565.47	6,661.46
As at April 1, 2020	2,287.67	831.08	125.80	1,641.52	161.89	291.34	448.18	298.26	10.25	565.47	6,661.46
Additions	-	11.67	-	103.98	-	6.53	42.16	-	-	-	164.34
Disposals	-	(13.38)	(84.72)	-	(32.04)	(37.63)	(15.97)	(7.61)	-	(565.47)	(756.82)
As at March 31, 2021	2,287.67	829.37	41.08	1,745.50	129.85	260.24	474.37	290.65	10.25	-	6,068.98
Accumulated depreciation											
As at April 1, 2019	-	512.11	54.17	572.60	72.36	74.69	120.89	92.54	-	-	1,499.35
Depreciation for the year	-	169.92	14.70	364.29	19.78	26.49	92.55	28.01	1.55	251.33	968.62
Disposals	-	(10.94)	(0.01)	(6.96)	-	(4.71)	(2.27)	-	-	-	(24.89)
As at March 31, 2020	-	671.09	68.86	929.93	92.14	96.46	211.17	120.55	1.55	251.33	2,443.08
As at April 1, 2020	-	671.09	68.86	929.93	92.14	96.46	211.17	120.55	1.55	251.33	2,443.08
Depreciation for the year	-	165.56	7.38	382.43	22.31	25.74	90.77	36.85	2.05	168.26	901.35
Disposals	-	(9.93)	(66.11)	-	(29.76)	(26.46)	(12.54)	(5.52)	-	(419.59)	(569.90)
As at March 31, 2021	-	826.72	10.13	1,312.36	84.69	95.75	289.40	151.88	3.60	-	2,774.53
Net carrying amount											
As at March 31, 2020	2,287.67	159.99	56.94	711.59	69.75	194.88	237.01	177.71	8.70	314.14	4,218.37
As at March 31, 2021	2,287.67	2.65	30.95	433.14	45.16	164.50	184.97	138.76	6.65	-	3,294.45

Notes to the Standalone Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

5. Intangible assets

Particulars	Computer Software	Total
Gross carrying amount		
As at April 1, 2019	123.42	123.42
Additions	17.12	17.12
Disposals	-	-
As at March 31, 2020	140.54	140.54
As at April 1, 2020	140.54	140.54
Additions	27.06	27.06
Disposals	-	-
As at March 31, 2021	167.60	167.60
Accumulated amortization		
As at April 1, 2019	105.56	105.56
Amortisation for the year	25.29	25.29
Disposals	(0.01)	(0.01)
As at March 31, 2020	130.84	130.84
As at April 1, 2020	130.84	130.84
Amortisation for the year	18.57	18.57
Disposals	-	-
As at March 31, 2021	149.41	149.41
Net carrying amount		
As at March 31, 2020	9.70	9.70
As at March 31, 2021	18.19	18.19

6. Investments

	As at March 31, 2021	As at March 31, 2020
Non-current investments		
Investments in subsidiary companies	2,047.52	4,049.83
Investments in joint ventures	-	-
Preference securities	1,500.00	1,500.00
Tax free bonds	5,396.41	5,406.58
Fixed maturity plans	3,374.07	8,616.14
Arbitrage funds	6,639.86	1,107.61
Debt ETFs - Quoted	5,375.70	1,023.53
Corporate bond funds	6,177.37	-
Non convertible debentures	701.76	-
Market linked debentures	399.45	-
Perpetual bonds	781.50	-
Equity linked funds	3,821.54	3,386.46
Total	36,215.18	25,090.15
Non-current investments		
Investments in subsidiary companies		
Sasken Communication Technologies Mexico, S.A. de C.V., Mexico		
9,600 (March 31, 2020: 9,600) equity shares of Mexican Peso 500 each, fully paid up)	176.75	176.75
Less: Provision for diminution in value of investment	(176.75)	(176.75)
	-	-

Notes to the Standalone Financial Statements (Contd.)
(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

6. Investments (Contd.)

	As at March 31, 2021	As at March 31, 2020
Sasken Communication Technologies (Shanghai) Co. Ltd., China towards equity capital, fully paid up	706.96	706.96
Less: Proceeds from capital reduction*	(377.05)	(377.05)
Less: Provision for diminution in value of investment	(282.48)	(282.48)
	47.43	47.43
Sasken Finland Oy		
20,197 (March 31, 2020: 20,197) equity shares of EUR 1 each, fully paid up	17,843.13	17,843.13
Less: Provision for diminution in value of investment	(16,418.52)	(16,418.52)
	1,424.61	1,424.61
Sasken Inc., USA		
61,887,680 (March 31, 2020: 61,887,680) equity shares of USD 0.01 each, fully paid up	6,883.93	6,883.93
Less: Provision for diminution in value of investment	(6,308.45)	(4,306.14)
	575.48	2,577.79
Total	2,047.52	4,049.83
*During the previous year, the Company has received USD 800,000 (₹ 573.20 lakhs) on account of capital reduction done by the subsidiary.		
Investments in joint ventures (Refer note 6 (A) below)		
TACO Sasken Automotive Electronics Ltd.		
5,200,403 (March 31, 2020: 5,200,403) equity shares of ₹ 10 each, fully paid up	520.04	520.04
Less: Provision for diminution in value of investment	(520.04)	(520.04)
	-	-
TACO Sasken Automotive Electronics Ltd.		
2,478,000 (March 31, 2020: 2,478,000) redeemable preference shares of ₹ 10 each, fully paid up	247.80	247.80
Less: Provision for diminution in value of investment	(247.80)	(247.80)
	-	-
Investment in unquoted preference shares		
Axiom Research Labs Private Ltd.		
424 (March 31, 2020: 424) preference shares of ₹ 10 each, fully paid up	237.06	237.06
Less: Provision for diminution in value of investment	(237.06)	(237.06)
	-	-
Investment in unquoted preference shares		
Tata Capital Limited		
150,000 (March 31, 2020: 150,000) 7.50% fully paid non-convertible Cumulative Redeemable non-participating Preference shares ("CRPS") of ₹ 1,000 each, fully paid up	1,500.00	1,500.00
Total	1,500.00	1,500.00

6(A) TACO Sasken Automotive Electronics Limited ("TSAE") (formerly known as TACO Sasken Automotive Electronics Private Limited)

The Company has a 50% interest in a joint venture company, TACO Sasken Automotive Electronics Limited (formerly known as TACO Sasken Automotive Electronics Private Limited) ("TSAE") in Pune. The shareholders of TSAE have resolved that the company be wound up voluntarily. Requisite documents have been filed with the Registrar of Companies.

Considering the closure of operations of TSAE, the Company does not expect any dividend on liquidation and hence a provision for diminution in the value of investments in TSAE amounting to ₹ 767.84 lakhs (March 31, 2020: ₹ 767.84 lakhs) has been recorded to the extent of 100% of the carrying value of the investment.

Notes to the Standalone Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

6. Investments (Contd.)

Investment in quoted tax free bonds at amortized cost

	As at March 31, 2021	As at March 31, 2020
60,400 (March 31, 2020: 60,400) 7.28% IRFC tax free bonds of ₹ 1,000 each - 15 Years	604.00	604.00
100,000 (March 31, 2020: 100,000) 7.34% IRFC tax free bonds of ₹ 1,026.80 each - 15 Years	1,018.04	1,020.03
32,000 (March 31, 2020: 32,000) 7.35% IRFC tax free bonds of ₹ 1,033.20 each - 15 Years	328.14	328.69
12,007 (March 31, 2020: 12,007) 7.39% HUDCO tax free bonds of ₹ 1,001.96 each - 15 Years	120.25	120.26
200,000 (March 31, 2020: 200,000) 7.39% HUDCO tax free bonds of ₹ 1033.75 each - 15 Years	2,051.99	2,055.53
47,500 (March 31, 2020: 47,500) 8.50% NHAI tax free bonds of ₹ 1,125 each - 15 Years	517.08	521.02
75,570 (March 31, 2020: 75,570) 7.35% NHAI tax free bonds of ₹ 1,002.49 each - 15 Years	756.91	757.05
Total	5,396.41	5,406.58

Investment in non convertible debentures at amortized cost

70 (March 31, 2020: Nil) Units of ₹ 10,02,600 each, 7.60% Tata Capital Financial Services 2030	701.76	-
Total	701.76	-

Investment in mutual funds at FVTPL

Fixed maturity plans, quoted

Nil (March 31, 2020 10,000,000) units of ₹ 11.87 each, HSBC FTS 131 - Direct Plan - Growth	-	1,153.70
Nil (March 31, 2020 11,500,000) units of ₹ 12.15 each, Tata FMP Series 53 - Scheme A - Direct Plan - Growth	-	1,356.32
14,150,000 (March 31, 2020: 14,150,000) units of ₹ 12.26 each, HSBC FTS 137 - Dir - Growth	1,734.71	1,590.52
Nil (March 31, 2020: 10,000,000) units of ₹ 12.26 each, ICICI Prudential FMP Series 82 - Plan A - Direct Plan - Growth	-	1,194.85
10,000,000 (March 31, 2020: 10,000,000) units of ₹ 11.89 each, SBI FMP - Series 7 - 1175 Days - Dir - Growth	1,189.38	1,091.00
4,499,575 (March 31, 2020: Nil) units of ₹ 10.00 each, SBI FMP - Series 42 - 1857 Days - Dir - Growth	449.98	-
Nil (March 31, 2020: 10,000,000) units of ₹ 10.92 each, UTI FTI - Series XXIX - Plan 1 - Direct - Growth	-	1,041.42
Nil (March 31, 2020: 10,000,000) units of ₹ 12.23 each, Franklin India FMP Series 2 - Plan A - Direct Plan - Growth	-	1,188.33
Total	3,374.07	8,616.14

Investment in mutual funds at FVTPL

Arbitrage funds, unquoted

7,041,394 (March 31, 2020: Nil) units of ₹ 11.47 each, Tata Arbitrage Fund - Growth - Direct Plan	807.65	-
5,651,702 (March 31, 2020: Nil) units of ₹ 30.28 each, Kotak Equity Arbitrage Fund - Growth - Direct Plan	1,711.40	-
77,05,457 (March 31, 2020: Nil) units of ₹ 26.76 each, IDFC Arbitrage Fund - Direct Growth Plan	2,061.95	-
Nil (March 31, 2020: 480,765) units of ₹ 20.93 each, Aditya Birla Sun Life Arbitrage Fund - Growth - Direct Plan	-	100.61

Notes to the Standalone Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

6. Investments (Contd.)

	As at March 31, 2021	As at March 31, 2020
13,342,336 (March 31, 2020: Nil) units of ₹ 15.43 each, HDFC Arbitrage Fund - Growth - Direct Plan	2,058.86	-
Nil (March 31, 2020: 3,464,187) units of ₹ 29.45 each, Kotak Equity Arbitrage Fund - Growth - Direct Plan	-	1,007.00
Total	6,639.86	1,107.61
<i>Equity linked funds, unquoted</i>		
467,948 (March 31, 2020: Nil) units of ₹ 42.65 each, Axis Bluechip Fund - Dir - Growth	199.58	-
3,909,049 (March 31, 2020: Nil) units of ₹ 13.12 each, Motilal Oswal S&P 500 Index Fund (MOFSP500) - Dir - Growth	512.88	-
Nil (March 31, 2020: 528,476) units of ₹ 86.76 each, Aditya Birla Sun Life Equity Fund - Dir - Dividend	-	458.51
Nil (March 31, 2020: 1,690,761) units of ₹ 25.69 each, Franklin India Equity Fund - Dir - Dividend	-	434.33
Nil (March 31, 2020: 1,926,379) units of ₹ 24.36 each, IDFC Multi Cap Fund - Dir - Dividend	-	469.27
Nil (March 31, 2020: 2,845,394) units of ₹ 19.72 each, SBI Magnum Multi Cap Fund - Dir - Dividend	-	561.06
220,000 (March 31, 2020: 200,000) units of ₹ 352.88 each, SBI ETF Nifty Next 50	776.33	478.83
450,000 (March 31, 2020: 228,000) units of ₹ 518.39 each, SBI ETF Sensex	2,332.75	984.46
Total	3,821.54	3,386.46
<i>Debt ETFs - Quoted</i>		
100,000 (March 31, 2020: 100,000) units of ₹ 1,116.98 each, Edelweiss Bharat Bond ETF - 17-April-2023	1,116.98	1,023.53
949,130 (March 31, 2020: Nil) units of ₹ 103.01 each, Nippon India ETF Nifty CPSE Bond Plus SDL - 2024 Maturity	977.72	-
225,267 (March 31, 2020: Nil) units of ₹ 1,134.37 each, Edelweiss Bharat Bond ETF - 17-April-2030	2,555.36	-
297,631 (March 31, 2020: Nil) units of ₹ 101.62 each, Nippon India ETF Nifty SDL 2026 Maturity	302.44	-
4,135,249 (March 31, 2020: Nil) units of ₹ 10.23 each, BHARAT Bond FOF - April 2025 - Dir - Growth	423.20	-
Total	5,375.70	1,023.53
<i>Corporate bond funds</i>		
11,753,101 (March 31, 2020: Nil) units of ₹ 15.27 each, IDFC Corporate Bond Fund - Direct Plan - Growth	1,794.43	-
2,682,558 (March 31, 2020: Nil) units of ₹ 35.99 each, Nippon India Floating Rate Fund - Direct Plan - Growth	965.40	-
23,994 (March 31, 2020: Nil) units of ₹ 2,097.79 each, Axis Banking and PSU Debt Fund - Direct Plan - Growth	503.34	-
2,999,850 (March 31, 2020: Nil) units of ₹ 10.11 each, Edelweiss Nifty PSU Bond Plus SDL Index Fund - 2026	303.25	-
2,331,838 (March 31, 2020: Nil) units of ₹ 25.18 each, HDFC Corporate Bond Fund - Dir - Growth	587.24	-
8,39,052 (March 31, 2020: Nil) units of ₹ 59.64 each, L&T Triple Ace Bond Fund - Direct Plan - Growth	500.40	-
5,018,680 (March 31, 2020: Nil) units of ₹ 30.35 each, Nippon India Dynamic Bond Fund - Direct Growth Plan	1,523.31	-
Total	6,177.37	-

Notes to the Standalone Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

6. Investments (contd.)

	As at March 31, 2021	As at March 31, 2020
Investment in unquoted equity shares at FVTPL		
Axiom Research Labs Private Ltd.		
5 (March 31, 2020: 5) fully paid equity shares of ₹ 10 each, fully paid up	2.80	2.80
Less: Provision for diminution in value of investment	(2.80)	(2.80)
	-	-
Investment in market linked debentures at FVTPL		
40 (March 31, 2020: NIL) REC market linked debentures of ₹ 9,98,636 each	399.45	-
Total	399.45	-
Investment in perpetual bonds at FVTOCI		
70 (March 31, 2020: Nil) Units of 10,42,000 each, 7.74% State Bank of India Perpetual Call 9 Sep 2025	781.50	-
Total	781.50	-
Other investments		
Prime Telesystems Ltd.		
392,285 (March 31, 2020: 392,285) equity shares of ₹ 10 each, fully paid up	240.00	240.00
Less: Provision for diminution in value of investment	(240.00)	(240.00)
	-	-
Aggregate amount of quoted investments and market value thereof	22,206.26	15,046.25
Aggregate amount of carrying value unquoted investments	14,008.92	10,043.90
Aggregate amount of investments	36,215.18	25,090.15
Aggregate provision for diminution in value of investments	(24,433.91)	(22,431.59)

7. Other financial assets

	As at March 31, 2021	As at March 31, 2020
Security deposits	90.33	264.49
Advances to employees	0.33	0.21
Total	90.66	264.70

8. Other non-current assets

	As at March 31, 2021	As at March 31, 2020
Capital advances	0.55	-
Total	0.55	-

9. Current investments

	As at March 31, 2021	As at March 31, 2020
Liquid mutual funds	350.04	926.16
Ultra short term funds	407.03	-
Fixed maturity plan	6,312.06	9,747.39
Total	7,069.13	10,673.56
Liquid mutual funds, unquoted at FVTPL		
372 (March 31, 2020: Nil) units of ₹ 1,087.92 each Axis Overnight Fund - Dir - Growth	4.04	-
5,507 (March 31, 2020: Nil) units of ₹ 3,247.63 each, Tata Liquid Fund - Direct Plan - Growth	178.85	-
7,309 (March 31, 2020: Nil) units of ₹ 2,284.79 each Axis Liquid Fund - Dir - Growth	166.98	-
Nil (March 31, 2020: 31,044) units of ₹ 2,983.35 each Franklin India Liquid Fund - Dir - Dly Dividend	-	926.16
5.14 (March 31, 2020 : Nil) units of ₹ 3,351.74 SBI Overnight Fund - Dir - Growth	0.17	-
Total	350.04	926.16

Notes to the Standalone Financial Statements (Contd.)
(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

9. Current investments (Contd.)

	As at March 31, 2021	As at March 31, 2020
Ultra short term funds, unquoted at FVTPL		
34,09,104 (March 31, 2020: Nil) units of ₹ 11.94 each HDFC Ultra Short Term Fund - Dir - Growth	407.03	-
Total	407.03	-
Fixed maturity plans, quoted at FVTPL		
Nil (March 31, 2020: 12,000,000) units of ₹ 12.42 each, UTI FTIF - Series XXVI - Plan 6 - Direct Plan - Growth	-	1,490.23
Nil (March 31, 2020: 10,000,000) units of ₹ 12.42 each, Invesco India FMP - Series XXIX - Plan B - Direct Plan - Growth	-	1,241.99
Nil (March 31, 2020: 10,000,000) units of ₹ 12.40 each, DSP BlackRock FMP Series 205 - 37 Direct Plan - Growth	-	1,239.85
Nil (March 31, 2020: 11,200,000) units of ₹ 12.49 each, ICICI Prudential FMP - Series 80 - 1233 days - Plan O - Direct Plan - Growth	-	1,398.68
10,000,000 (March 31, 2020: Nil) units of ₹ 12.64 each, ICICI Prudential FMP Series 82 - Plan A - Direct Plan - Growth	1,263.98	-
10,000,000 (March 31, 2020: Nil) units of ₹ 12.62 each, Franklin India FMP Series 2 - Plan A - Direct Plan - Growth	1,261.69	-
10,000,000 (March 31, 2020 Nil) units of ₹ 12.25 each, HSBC FTS 131 - Direct Plan - Growth	1,225.36	-
11,500,000 (March 31, 2020 Nil) units of ₹ 12.56 each, Tata FMP Series 53 - Scheme A - Direct Plan - Growth	1,443.86	-
10,000,000 (March 31, 2020: Nil) units of ₹ 11.17 each, UTI FTI - Series XXIX - Plan 1 - Direct - Growth	1,117.17	-
Nil (March 31, 2020 15,000,000) units of ₹ 12.44 each, Birla Sun Life FTP - Series OI - Direct Plan - Growth	-	1,865.64
Nil (March 31, 2020: 10,000,000) units of ₹ 12.65 each, Nippon India FHF 32 - Series 5 - Direct Plan - Growth	-	1,265.38
Nil (March 31, 2020: 100,000) units of ₹ 1,245.60 each, PGIM India Mutual Fund Fixed Duration FD Series AE - Direct Plan - Growth	-	1,245.62
Aggregate amount of quoted investments and market value thereof	6,312.06	9,747.39
Aggregate amount of unquoted investments	757.07	926.16
Aggregate amount of investments	7,069.13	10,673.55

10. Trade receivables

	As at March 31, 2021	As at March 31, 2020
Unsecured		
Trade receivables considered good - Unsecured	5,916.11	8,207.83
Trade receivables which have significant increase in credit risk	18.60	-
Sub-total	5,934.71	8,207.83
Less: Trade receivables - credit impaired	18.60	-
Total	5,916.11	8,207.83

The activity in the allowance for expected credit loss is presented below:

	March 31, 2021	March 31, 2020
Balance at the beginning of the year	-	-
Additions / reversals during the year, net	18.69	-
Effect of restatement	(0.09)	-
Balance at the end of the year	18.60	-

The Company's exposure to credit and currency risks, and loss allowance related to trade receivables is disclosed in note 31.

Notes to the Standalone Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

11. Cash and cash equivalents

	As at March 31, 2021	As at March 31, 2020
Balances with banks		
- Current accounts	538.62	1,006.48
- Unpaid dividend accounts	139.76	120.62
Cash on hand	0.52	2.97
Total	678.90	1,130.07

12. Other bank balances

	As at March 31, 2021	As at March 31, 2020
Bank deposit with original maturity more than 3 months but less than or equal to 12 months from the reporting date	3,000.00	-
Bank balances held as margin money / security against guarantees	15.70	15.78
Total	3,015.70	15.78
Total	3,694.60	1,145.85

13. Other financial assets, current

	As at March 31, 2021	As at March 31, 2020
Advances to employees	6.56	43.72
Accrued interest	446.35	298.13
Security deposits	125.20	70.19
Receivables from subsidiary companies:		
- Sasken Inc. USA	1.82	7.36
- Sasken Communication Technologies (Shanghai) Co. Ltd. China	47.49	49.11
Total	627.42	468.51

14. Other current assets

	As at March 31, 2021	As at March 31, 2020
Balances with government authorities	178.70	237.64
Advances to suppliers	266.16	373.09
Prepaid expenses	134.31	248.76
Total	579.17	859.49

15. Share capital

	As at March 31, 2021	As at March 31, 2020
Authorised:		
55,000,000 (March 31, 2020: 55,000,000) equity shares of ₹ 10 each	5,500.00	5,500.00
Issued, subscribed and paid up capital:		
15,050,871 (March 31, 2020 : 15,050,871) equity shares of ₹ 10 each fully paid up	1,505.09	1,505.09

(a) Reconciliation of shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2021	
	No. of shares	Amount
Equity shares		
At the beginning of the year	1,50,50,871	1,505.09
Less: Bought-back during the year	-	-
At the end of the year	1,50,50,871	1,505.09

Notes to the Standalone Financial Statements (Contd.)
(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

	As at March 31, 2020	
	No. of shares	Amount
Equity shares		
At the beginning of the year	1,71,10,114	1,711.01
Less: Bought-back during the year	(20,59,243)	(205.92)
At the end of the year	1,50,50,871	1,505.09

(b) Buy-back of equity shares

	As at March 31, 2021	As at March 31, 2020
Aggregate number of equity shares bought back by the Company during the period of five years immediately preceding the Balance sheet date.	26,68,942	63,25,502

(c) Rights, preferences and restrictions attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The holders of equity shares are entitled to receive dividend as declared from time to time. The final dividend if any proposed by the Board of Directors is subject to shareholders' approval at the ensuing Annual General Meeting. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(d) Details of shareholders holding more than 5% shares in the Company:

Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% of total shares in the class	No. of shares	% of total shares in the class
Equity shares of ₹ 10 each, fully paid-up held by:				
Rajiv Chandrakant Mody	15,56,570	10.34%	15,56,570	10.34%
Naman R. Mody	9,38,302	6.23%	9,38,302	6.23%
Gothic Corporation	9,76,166	6.49%	9,76,166	6.49%

- (e) There are no shares reserved for issue under employee stock options.
- (f) There are no bonus shares issued during the period of five years immediately preceding the balance sheet date.
- (g) The Company had issued in the past 32,244 equity options, out of which 18,539 options have lapsed due to resignation even before the vesting of it (As at March 31, 2020: 32,244) during the period of five years immediately preceding the reporting date on exercise of stock options granted under the Saskaen Employees' Share Based Incentive Plan 2016 (Plan), wherein part consideration was received in the form of employee services.
- (h) The Board in their meeting held on October 21, 2020 declared an interim dividend of ₹ 10 per share for the year ended March 31, 2021, which resulted in cash outflow of ₹ 1,505.09 lakhs. The Board in their meeting held on April 22, 2021 has proposed ₹ 15 per share as the final dividend for the year ended March 31, 2021. The payment is subject to shareholders' approval in the ensuing Annual General Meeting. The total dividend for the year ended March 31, 2021 would be ₹ 25 per share (March 31, 2020: ₹ 62.50 per share).

(i) Employee Stock Compensation

The Saskaen Employees' Share Based Incentive Plan 2016 (Plan) was duly approved and instituted in December, 2016. The Plan authorizes the Board of Directors of the Company to offer share based incentive to eligible employees of the Company and its subsidiaries. The maximum number of shares to be issued under the Plan will be 8,85,900 equity shares. The Plan is administered by the Saskaen Employees Welfare Trust.

Notes to the Standalone Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

The Company recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with *Ind AS 102 Share-Based Payment*. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

During the year ended March 31, 2021 and March 31, 2020, no stock options have been granted under the Plan. These stock options will vest after a period of 4 years from the grant date and are subject to the achievement of certain performance conditions. The charge to the income statement on account of stock compensation cost for the year ended March 31, 2021, is ₹ (21.59) lakhs (March 31, 2020 : ₹ 10.71 lakhs).

The Company has used the Black-Scholes Option Pricing Model to determine the fair value of the stock options based on which the compensation cost for the current period has been computed.

The 2016 Plan is in compliance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Details of Equity Options granted are as follows:

	As at March 31, 2021	As at March 31, 2020
Details of movement in the equity options granted during the year	Units (in Numbers)	Units (in Numbers)
Equity options outstanding at the beginning of the year	32,244	65,526
Number of options granted during the year	-	-
Options vested during the year	-	-
Options lapsed / cancelled during the year	(18,539)	(33,282)
Total number of shares to be allotted on exercise of Equity	13,705	32,244
Options outstanding at the end of the year	13,705	32,244
Options exercisable at the end of the year	Nil	Nil
Exercise price of ESOP Options outstanding at the end of the year	₹ 982	₹ 982

The fair value has been calculated using the Black Scholes Option Pricing Mode. The Assumptions used in the model on a weighted average basis at the time of grant are as follows :	Assumption values
1. Risk free interest rate	8.12%
2. Weighted average contractual life	5.50
3. Expected volatility	44.94%
4. Dividend yield	1.02%
5. Price of the underlying share in the market at the time of option grant	₹ 981.85
6. Date of grant	July 17, 2018
7. Exercise price	₹ 982

16. Provisions, non-current

	As at March 31, 2021	As at March 31, 2020
Provisions for employee benefits		
Pension	457.49	588.90
Gratuity (refer note 30)	20.50	482.44
Compensated absences	148.82	158.75
Provisions for other expenses		
Decommissioning liability	-	69.59
Total	626.81	1,299.68

Notes to the Standalone Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

17. Trade payables

	As at March 31, 2021	As at March 31, 2020
For goods, services and expenses		
Total outstanding dues to micro and small enterprises (refer note 34)*	3.75	1.57
Total outstanding dues to creditors other than micro and small enterprises	1,170.21	1,369.89
Total	1,173.96	1,371.46

* The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises has been made in the financial statements based on information received and available with the Company.

This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

18. Other financial liabilities

	As at March 31, 2021	As at March 31, 2020
Employee related payables	2,223.40	1,948.61
Unpaid dividends	139.76	120.63
Total	2,363.16	2,069.24

19. Other current liabilities

	As at March 31, 2021	As at March 31, 2020
Advances received from customers	182.53	137.05
Capital creditors	0.08	16.18
Statutory liabilities	1,558.47	1,382.57
Total	1,741.08	1,535.80

20. Provisions, current

	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
Compensated absences	934.40	831.91
Others		
Decommissioning liability	10.69	-
Warranty	33.71	11.41
Total	978.80	843.32

21. Revenue from operations

	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of software services	39,245.74	41,670.76
Total	39,245.74	41,670.76

Notes to the Standalone Financial Statements (Contd.)
(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

22. Other income

	For the year ended March 31, 2021	For the year ended March 31, 2020
Dividends from current investments	56.49	948.14
Dividends from subsidiaries	332.41	473.23
Dividends from preference shares	112.51	81.32
Net gain / (loss) on sale of current investments	44.65	42.57
Net gain on sale of non-current investments	173.06	102.13
Interest income from:		
- bank deposits	132.20	12.49
- tax free bonds	382.82	384.49
- income-tax refund	0.05	522.65
- loan to subsidiary	28.35	59.69
- non convertible debenture	24.58	-
- others	5.10	4.83
Write back of unclaimed balances / provisions	85.57	131.31
Profit on sale of property, plant and equipment	6.34	7.71
Foreign exchange (loss) / gain, net	(176.76)	958.28
Miscellaneous income	(0.01)	8.37
Net gains on fair value changes on investments classified as fair value through profit and loss	2,126.68	186.97
Total	3,334.04	3,924.18

23. Employee benefits expense

	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and bonus	21,212.33	24,528.97
Contribution to provident and other funds	1,395.34	1,512.30
Staff welfare expenses	431.55	630.22
Relocation expenses	136.58	142.39
Employee stock option compensation cost	(21.59)	10.71
Total	23,154.21	26,824.59

24. Other expenses

	For the year ended March 31, 2021	For the year ended March 31, 2020
Rent	154.47	134.85
Repairs and maintenance:		
- Plant and machinery	340.29	402.94
- Building	259.63	418.46
- Others	17.13	41.32
Communication expenses	144.60	190.15
Travel expenses	90.03	1,311.20
Electricity and water charges	231.54	417.43
Professional, legal and consultancy charges	566.27	812.30
Insurance	83.48	107.60
Contract staff cost	1,172.20	1,383.68
Software subscription charges	76.04	95.05
Training and conference expenses	6.37	(66.27)
Warranty expense (net)	22.30	9.81
Selling expenses	6.19	32.36

Notes to the Standalone Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

24. Other expenses

	For the year ended March 31, 2021	For the year ended March 31, 2020
Bad debts (net of recovery)	18.69	-
Loss on sale of property, plant and equipment	0.03	-
Auditor's remuneration:		
- Audit fees	22.00	31.00
- Other services	1.50	1.53
- Reimbursement of expenses	0.14	2.80
Rates and taxes	135.11	313.39
Directors' sitting fees and commission	120.50	101.70
Donations	-	-
Contribution towards Corporate Social Responsibility (refer note 27)	215.39	190.85
Printing and stationery	13.83	37.33
Miscellaneous expenses	146.71	167.48
Total	3,844.44	6,136.96

25. Income taxes

A. Amounts recognised in the Statement of Profit and Loss and other comprehensive income:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Income tax expense:		
Current tax	3,124.61	3,864.21
Deferred tax - origination and reversal of temporary differences	226.51	(518.28)
	3,351.12	3,345.93
Income tax included in other comprehensive income on:		
Remeasurements of the defined benefit liability	4.94	(279.47)
Net change in fair value of Investments through OCI	(3.54)	-
Net change in fair value of financial instruments through OCI	(348.66)	(552.81)
Total	3,003.85	2,513.65

B. Reconciliation of effective tax rate:

The reconciliation between the provision for income tax and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit before income tax	12,611.71	11,576.99
Enacted income tax rate in India	25.17%	34.94%
Computed expected tax expense	3,174.12	4,045.46
Effect of:		
Non-deductible expenses	71.73	101.37
Branch profit tax for the US branch	22.90	41.38
Additional provision / Reversal of provisions recorded during previous years (net)	(23.41)	394.96
Provision for Foreign Tax Credit for the current year	119.99	171.69
Increase in tax charge due to increase in fair value of investments	253.35	-
Impact of tax charge due to German pension OCI gains/losses	39.96	-
Non taxable items	(687.19)	(681.37)
Impact of deductions claimed	(111.97)	(617.59)
Tax incentives	-	(77.69)
Income chargeable at special rates, net	(26.71)	-
Def tax on ARO	14.82	-
Provision for Diminution in valuation of investments	503.94	-
Other items	(0.41)	(32.28)
Income tax expense, as above	3,351.12	3,345.93

Notes to the Standalone Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

C. Recognised deferred tax assets and liabilities

The components of deferred tax assets and liabilities are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
<i>Deferred tax assets</i>		
Property, plant and equipment (including intangible assets)	477.41	468.75
Provisions for employee benefits	228.04	233.22
Investments at fair value through profit or loss	-	97.16
Derivative liabilities	-	224.04
Re-measurement gain on gratuity	251.21	246.28
Other items	4.70	-
Total deferred tax assets	961.36	1,269.45
<i>Deferred tax liabilities</i>		
Investments at fair value through profit or loss	137.53	-
Unrealised Interest on Income Tax refund	33.09	33.11
Derivative assets	124.62	-
Fair value through OCI	3.56	-
Total deferred tax liabilities	298.80	33.11
Deferred tax asset (net)	662.56	1,236.34

D. Movement in temporary differences

Net deferred income tax asset at the beginning (a)	Balance as at April 1, 2020	Balance as at April 1, 2019
Net deferred income tax asset	1,236.34	339.78
Credit / (Charge) in the Standalone Statement of Profit and Loss during the period (b)	For the year ended March 31, 2021	For the year ended March 31, 2020
Property, Plant and equipment (including intangible assets)	8.66	(201.56)
Provisions - employee benefits	(5.19)	30.53
Investments at fair value through profit or loss	(234.69)	117.28
Unrealised interest on income tax refund	-	244.55
MAT credit entitlement	-	(131.49)
Undistributed earnings of Subsidiary Companies	-	-
Other items	4.73	4.97
	(226.49)	64.28
Credit in the other comprehensive income during the period (c)	For the year ended March 31, 2021	For the year ended March 31, 2020
Provisions - employee benefits	4.93	279.47
Fair value through OCI	(3.56)	-
Derivative liabilities / (assets)	(348.66)	552.81
	(347.29)	832.28
Net deferred income tax asset at the end of the period (d) = (a) + (b) + (c)	662.56	1,236.34

E. Income tax assets and current tax liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Income tax assets	3,679.32	5,417.62
Income tax liabilities	2,101.87	4,285.81
	1,577.45	1,131.81

Notes to the Standalone Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

Deferred taxes on unrealized foreign exchange gain / loss relating to cash flow hedges and actuarial gains / losses on defined benefit plans are recognized in other comprehensive income and presented within equity. Other than these, the change in deferred tax assets and liabilities is recorded in the Statement of Profit and Loss.

In assessing the realizability of deferred tax assets, the Company considers the extent to which it is probable that the deferred tax asset will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carryforwards become deductible. The Company considers the expected reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on this, the Company believes that it is probable that the Company will realize the benefits of these deductible differences. The amount of deferred tax asset considered realizable, however, could be reduced in the near term if the estimates of future taxable income during the carry-forward period are reduced.

The Company has provided for Income Taxes at the rates proposed in the Taxation Law (Amendment) Act 2019, for the current year ended March 31, 2021 based on the current estimates, subject to the final decision which the Company has to take before filing the Return of Income.

26. Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year. Diluted EPS is calculated by dividing the profit attributable to equity holders of the Company and the weighted average number of equity shares outstanding, after adjustment for the effects of all dilutive potential equity shares.

i. Profit attributable to equity holders of the Company

Particulars	For the year ended	For the year ended
	March 31, 2021	March 31, 2020
Profit after tax for the year	9,260.59	8,231.06
Profit attributable to equity holders of the Company for basic and dilutive earnings	9,260.59	8,231.06

ii. Weighted average number of equity shares

	For the year ended	For the year ended
	March 31, 2021	March 31, 2020
Issued ordinary shares at the beginning date	1,50,50,871	1,71,10,114
Effect of shares bought back	-	(11,00,759)
Weighted average number of shares at the end of the year	1,50,50,871	1,60,09,355
Effect of dilution	-	-
Weighted average number of equity shares for basic and diluted earnings per share	1,50,50,871	1,60,09,355
Basic and diluted earnings per share	61.53	51.41

27. Corporate Social Responsibility

Pursuant to Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities identified by the Company and monitored by CSR Committee.

- Gross amount required to be spent by the Company during the year is ₹ 215.39 lakhs (March 31, 2020 : ₹ 189.07 lakhs)
- Amount spent during the period on:

Particulars	For the year ended March 31, 2021		
	In cash	Yet to be paid in cash	Total
On purpose other than Construction / acquisition of any asset	215.39	-	215.39
	215.39	-	215.39

Particulars	For the year ended March 31, 2020		
	In cash	Yet to be paid in cash	Total
On purpose other than Construction / acquisition of any asset	190.85	-	190.85
	190.85	-	190.85

Notes to the Standalone Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

28. Segments and disaggregated revenue information

(a) Segmental information:

The Chairman and Managing Director of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, "Operating Segments." The Company operates in one segment only i.e. "Software Services". The CODM evaluates performance of the Company based on revenue and operating income from "Software Segment". Accordingly, segment information has not been separately disclosed. The Company earns revenues from customers located across different geographies, the revenues based on domicile of the customer are disclosed in Note (c) below. Assets and liabilities used in the Company's business are not identified to any of the geographies, as these are used interchangeably between geographies. The management believes that it is currently not practicable to provide disclosures relating to total assets and liabilities since a meaningful segregation of the available data is onerous.

(b) Revenue by contract type:

	For the year ended March 31, 2021	For the year ended March 31, 2020
Time and material contracts	27,334.91	28,484.44
Fixed priced contracts	11,910.83	13,186.32
Total	39,245.74	41,670.76

(c) Revenue by geography:

	For the year ended March 31, 2021	For the year ended March 31, 2020
India	12,896.63	12,216.84
North America (including Canada)	13,588.75	15,956.40
Europe (including Middle East)	5,666.11	7,451.00
Rest of the world	7,094.25	6,046.52
	39,245.74	41,670.76

1 of our customer group individually accounted for more than 10% of the revenues for the year ended March 31, 2021 (March 31, 2020 : 1 Customer Group).

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws, etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is ₹ 5,963.79 lakhs (₹ 8,232 lakhs FY 2020) out of which 100% is expected to be recognized as revenue in the next year. No consideration from contracts with customers is excluded from the amount mentioned above.

Changes in contract assets are as follows:

	March 31, 2021	March 31, 2020
Balance at the beginning of the year	617.01	1,318.79
Revenue recognized during the year	11,910.83	13,186.32
Invoices raised during the year	(10,898.40)	(13,849.96)
Translation exchange difference	16.44	(38.14)
Balance at the end of the year	1,645.88	617.01

Changes in unearned and deferred revenue are as follows:

	March 31, 2021	March 31, 2020
Balance at the beginning of the year	532.12	354.86
Revenue recognized that was included in the unearned and deferred revenue at the beginning of the year	(532.12)	(354.86)
Increase due to invoicing during the year, excluding amounts recognized as revenue during the year	84.01	532.12
Balance at the end of the year	84.01	532.12

Reconciliation of revenue recognized with the contracted price is as follows:

	March 31, 2021	March 31, 2020
Contracted price	39,245.74	41,670.76
Revenue recognized	39,245.74	41,670.76

Notes to the Standalone Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

29. Related party disclosures

(a) Following is the list of subsidiaries / controlled trust / joint ventures / other related parties of the Company:

Particulars	Country of incorporation	Ownership interest as at	
		March 31, 2021	March 31, 2020
Subsidiaries			
Sasken Communication Technologies Mexico, S.A. de C.V ('Sasken Mexico')	Mexico	100.00%	100.00%
Sasken Communication Technologies (Shanghai) Co. Ltd. ('Sasken China')	China	100.00%	100.00%
Sasken Finland Oy. ('Sasken Finland')	Finland	100.00%	100.00%
Sasken Inc. ('Sasken Inc.')	USA	100.00%	100.00%
Controlled trusts			
Sasken Foundation	India		
Sasken Employees Welfare Trust	India		
Joint ventures			
TACO Sasken Automotive Electronics Limited ('TSAE')	India	50.00%	50.00%
Other related parties		Nature of relationship	
SAS Employees Provident Fund Trust	India	Post-Employment benefit plan of Sasken	
Sasken Employees Gratuity Fund Trust	India	Post-Employment benefit plan of Sasken	
Sasken Employees Superannuation Fund Trust	India	Post-Employment benefit plan of Sasken	

(b) Following is the list of other related parties:

(i) Key Managerial Personnel ('KMP'):

Name of the related party	Relationship
Rajiv C. Mody	Chairman, Managing Director and Chief Executive Officer
Neeta S. Revankar	Whole-time Director and Chief Financial Officer
S. Prasad	Company Secretary

(ii) Parties other than KMPs:

Name of the related party	Relationship
Bharat V. Patel	Independent Director
Madhu Khatri	Independent Director
Sanjay M. Shah	Independent Director
Sunirmal Talukdar	Independent Director
Pranabh D. Mody	Non-executive Director
G. Venkatesh	Non-executive Director

(c) Related party compensation

Particulars	For the Year ended	For the Year ended
	March 31, 2021	March 31, 2020
Short term employee benefits - KMPs	884.03	467.23
Short term employee benefits - Others	120.50	101.70
Total	1,004.53	568.93

Post-employment benefits comprising gratuity and compensated absences are not disclosed as these are determined for the Company as a whole.

Notes to the Standalone Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

(d) Related party transactions other than those with key managerial personnel:

Particulars	Transactions during	
	For the Year ended March 31, 2021	For the Year ended March 31, 2020
i) Cross charges for common administrative services		
- Saskaen Finland (Travel expenses reversal ₹ 3.41 lakhs)	6.39	7.27
- Saskaen Inc.	70.18	88.88
ii) Software development services rendered to:		
- Saskaen Inc.	14.50	185.68
iii) Software Development Services procured from		
- Saskaen Finland	-	21.08
- Saskaen Inc.	40.41	102.97
iv) Interest earned on loan given to		
- Saskaen Finland	28.35	59.70
v) Dividends received from:		
- Saskaen Inc.	332.41	473.23
vi) Loans repaid:		
- Saskaen Employees Welfare Trust	-	258.88
- Saskaen Finland (based on rate as on date of actual realisation)	999.81	-
vii) Contribution towards Corporate Social Responsibility expenditure:		
- Saskaen Foundation	95.50	15.00
viii) Capital Repatriation		
- Saskaen China	-	377.04
Particulars	Balances outstanding as at	
	March 31, 2021	March 31, 2020
i) Loans outstanding from		
- Saskaen Finland	-	951.98
- Saskaen Employees Welfare Trust	201.92	201.92
ii) Amounts receivable towards reimbursement of expenses		
- Saskaen China	47.49	49.11
- Saskaen Inc.	1.82	7.36
iii) Unbilled revenue and contract assets		
- Saskaen Inc.	-	9.32
iv) Trade payables		
- Saskaen Mexico	2.09	2.17
- Saskaen China	202.00	208.92
- Saskaen Finland	-	8.06
- Saskaen Inc.	-	13.57
v) Trade receivables		
- Saskaen Inc.	-	10.42

Notes to the Standalone Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

30. Employee benefits

Defined contribution plan:

Pension Fund and superannuation :

The Company makes contributions to the Government administered pension fund, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. Further, the Company also contributes to a Superannuation Scheme, maintained by an insurance company. To the extent of such contributions, the Company has no obligation other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognized as an expense towards contributions for the March 31, 2021 ₹ 170.05 lakhs (March 31, 2020 ₹ 194.27 lakhs).

Defined benefit plan:

(a) Provident Fund

The Company also makes contributions to the approved Provident Fund Trust (SAS Employees Provident Fund Trust) managed by the Company, in respect of qualifying employees towards Provident fund, which is a defined benefit plan. The contributions made to the Trust managed by the Company is accounted for as a defined benefit plan as the Company is liable for any shortfall in the Trust's assets based on the Government specified rate of return.

The following table sets out the funded status of defined benefit provident fund plan of Sasken Technologies Limited and amount recognized in the Company's Financials statement as at March 31, 2021:

Particulars	As at March 31, 2021	As at March 31, 2020
Change in Benefit Obligation		
Benefit Obligation at the beginning	15,255.17	14,151.05
Service Cost - Employer obligation	614.82	637.57
Employee Contribution	1,138.77	1,159.88
Interest Expense	1,086.48	1,265.19
Actuarial (gain) / Loss	517.49	(196.58)
Benefits Paid including transfer in/transfer out	(1,369.88)	(1,761.94)
Benefit Obligation at the end	17,242.85	15,255.17
Total	17,242.85	15,255.17
Change in Plan assets		
Fair value of Plan asset at the beginning	14,494.33	14,196.18
Interest Income	1,064.04	1,269.12
Remeasurement*	313.06	(1,006.48)
Contributions Employee/Employer	1,738.66	1,797.45
Benefits Paid including transfer in/transfer out	(1,369.88)	(1,761.94)
FV of Plan asset at the End	16,240.21	14,494.33
Net Liability	1,002.64	760.84

* Includes unrealized loss on investment in certain bonds by the PF Trust

Amount for the year ended March 31, 2021 Recognized in the Statement of Profit & Loss and Other Comprehensive Income:

Particulars	As at March 31, 2021	As at March 31, 2020
Statement of Profit and Loss		
Company contribution to provident fund	595.83	636.63
	595.83	636.63
Remeasurement of net Defined benefit liability/(Asset)		
Actuarial (gain)/loss	554.38	(196.58)
Remeasurement - return of plan assets excluding amount included in interest Income	(313.06)	957.44
	241.32	760.84

Notes to the Standalone Financial Statements (Contd.)
(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

The Breakup of plan assets into various categories as at March 31, 2021 is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Central and State Government bonds	62.18%	51.37%
Public Sector and Private Sector banks	33.46%	41.58%
Others	4.36%	7.05%

The principal assumptions used in determining the present value obligation of interest guarantee under the deterministic approach are as follows:

	As at March 31, 2021	As at March 31, 2020
Discount rate	6.55%	6.45%
Average remaining tenure of investment portfolio	7.77 years	6.39 years
Guaranteed rate of return	8.50%	8.50%
Expected rate of return	8.05%	8.80%

The amount recognized as an expense towards contribution to this plan for the year ended March 31, 2021 aggregated to ₹ 600.15 lakhs (March 31, 2020 ₹ 638.65 lakhs), the Company has recognized ₹ 241.32 lakhs and ₹ 760.84 lakhs towards the short fall of provident fund in other comprehensive income for the period ended March 31, 2021 and March 31, 2020 respectively.

Defined benefit plan:

(b) Gratuity

The Company operates a post employment benefit plan that provides for gratuity benefit to the employees of the Company. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit. Further, in case of the branch in Germany, pension contributions are also made as per the local laws and regulations. The Company provides for these pension benefits, a defined benefit plan, covering all eligible employees.

Particulars	As at March 31, 2021	As at March 31, 2020
Defined benefit asset	2,482.87	1,814.65
Total employee benefit asset (a)	2,482.87	1,814.65
Defined benefit liability (b)	2,503.37	2,297.09
Net employee benefit liabilities / (assets) (c = b - a)	20.50	482.44
Non-current	20.50	482.44

Reconciliation of the net defined benefit liability:

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability / (asset) and its components:

Reconciliation of present value of defined benefit obligation:

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	2,297.09	2,083.95
Benefits paid	(237.39)	(291.96)
Current service cost	227.13	196.98
Interest cost	126.62	140.73
Actuarial (gains) / losses recognized in other comprehensive income		
- changes in financial assumptions	14.77	94.92
- experience adjustments	75.15	72.47
Balance at the end of the year (a)	2,503.37	2,297.09

Notes to the Standalone Financial Statements (Contd.)
(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

Reconciliation of the present value of plan assets:

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	1,814.65	2,112.29
Contributions paid into the plan	482.44	-
Benefits paid	(237.39)	(291.96)
Interest income	111.60	149.76
Return on plan assets recognized in other comprehensive income	311.57	(155.44)
Balance at the end of the year (b)	2,482.87	1,814.65
Net defined benefit liability / (asset) (c = a - b)	20.50	482.44

The Company has invested its 100% plan assets in Insurance Company for the year ended March 31, 2021 and March 31, 2020.

The amounts for the year ended March 31, 2021 and March 31, 2020 recognized in the Statement of Profit and Loss under employee benefit expense are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Service Cost	227.13	196.98
Net Interest cost	15.02	(9.03)
Net Gratuity Cost	242.15	187.95

The amounts for the year ended March 31, 2021 and March 31, 2020 recognized in the Statement of Other Comprehensive Income are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Remeasurements of the net defined benefit liability / (asset)		
Actuarial (gains) / losses	89.93	(124.56)
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability / (asset)	(311.57)	447.40
Net Gratuity Cost	(221.65)	322.84

Actuarial assumptions - defined benefit obligations

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate	6.02%	6.15%
Expected return on plan assets	6.02%	6.15%
Salary escalation rate	10.00%	10.00%
Attrition rate	20.00%	20.00%

The discount rate is based on the prevailing market yields of Indian government securities for the estimated term of the obligations. The expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations. The estimates of future salary escalations considered takes into account the inflation, seniority, promotion and other relevant factors. Attrition rate considered is the management's estimate, based on previous years' employee turnover of the Company.

As at March 31, 2021 and March 31, 2020, plan assets were primarily invested in insurer managed funds.

Notes to the Standalone Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below :

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate (1% movement)	(106.27)	(97.93)
Discount rate (-1% movement)	116.37	107.54
Future salary growth (1% movement)	100.66	92.33
Future salary growth (-1% movement)	(92.45)	(85.93)
Attrition rate (1% movement)	(25.89)	(22.85)
Attrition rate (-1% movement)	27.24	24.69

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The expected future contribution and estimated future benefit payments from the fund are as follows:

Expected contribution to the fund during the year ending March 31, 2022	279.22	476.48
Estimated benefit payments from the fund during:		
Year 1	279.22	476.48
Year 2	361.66	325.78
Year 3	336.58	305.05
Year 4	291.07	281.51
Year 5	265.55	240.94
Thereafter	905.97	846.41

(c) Pension

Particulars	As at March 31, 2021	As at March 31, 2020
Defined benefit asset	1,505.21	846.58
Total employee benefit asset (a)	1,505.21	846.58
Defined benefit liability (b)	1,962.70	1,435.48
Net employee benefit liabilities (c = b - a)	457.49	588.90
Non-current	457.49	588.90
Current	-	-

Reconciliation of the net defined benefit liability (Pension):

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability and its components:

Reconciliation of present value of defined benefit obligation:

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	1,435.48	1,321.30
Current service cost	-	-
Interest cost	35.30	31.90
Benefits paid	(0.62)	(0.55)
Actuarial losses recognised in other comprehensive income	443.64	(5.47)
Exchange losses / (gains)	48.90	88.30
Balance at the end of the year (a)	1,962.70	1,435.48

Notes to the Standalone Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

Reconciliation of the present value of the plan assets:

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	846.58	763.60
Contributions paid into the plan	10.42	8.95
Benefits paid	(0.62)	(0.55)
Expected return on plan assets	20.92	18.55
Actuarial losses recognised in other comprehensive income	602.44	-
Exchange gains/(losses)	25.47	56.03
Balance at the end of the year (b)	1,505.21	846.58
Net defined benefit asset (c = a - b)	457.49	588.90

Note: Pension is on account of Germany Branch, the actuarial valuation will be done on yearly basis.

Actuarial assumptions - defined benefit obligations

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate	1.25%	2.35%
Expected return on plan assets	1.25%	2.35%

The discount rate is based on the prevailing market yields of government securities for the estimated term of the obligations. The expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

31. Financial instruments – fair values and risk management

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The cost of unquoted investments included in Level 3 of fair value hierarchy approximate their fair value because the cost represents estimate of fair value.

A. Accounting classification and fair values

As at March 31, 2021:

Financial assets measured at fair value	Carrying amount				Fair value hierarchy			
	Fair value Hedging instruments	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3	Total
Investments (non-current)								
Investments in fixed maturity plans	-	3,374.07	-	3,374.07	3,374.07	-	-	3,374.07
Investments in arbitrage funds	-	6,639.86	-	6,639.86	6,639.86	-	-	6,639.86
Equity linked funds	-	3,821.54	-	3,821.54	3,821.54	-	-	3,821.54
Perpetual bond	-	-	781.50	781.50	-	781.50	-	781.50
Debt funds	-	5,375.70	-	5,375.70	5,375.70	-	-	5,375.70
Corporate Bond funds	-	6,177.37	-	6,177.37	6,177.37	-	-	6,177.37
Equity linked funds	-	399.45	-	399.45	399.45	-	-	399.45
Investments (current)								
Liquid funds	-	350.04	-	350.04	350.04	-	-	350.04
Ultra short term funds	-	407.03	-	407.03	407.03	-	-	407.03
Investments in fixed maturity plans	-	6,312.06	-	6,312.06	6,312.06	-	-	6,312.06
Derivative instruments	495.15	-	-	495.15	-	495.15	-	495.15
	495.15	32,857.12	781.50	34,133.77	32,857.12	1,276.65	-	34,133.77

Notes to the Standalone Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

Financial assets not measured at fair value	Carrying amount	
	Amortised cost	Total
Investments (non-current)		
Investments in preference shares	1,500.00	1,500.00
Non Convertible debentures	701.76	701.76
Investments in tax free bonds	5,396.41	5,396.41
Other financial assets (non-current)		
Security deposits	90.33	90.33
Advances to employees	0.33	0.33
Trade receivables	5,916.11	5,916.11
Cash and bank balances	3,694.60	3,694.60
Unbilled revenue	1,331.90	1,331.90
Other financial assets (current)		
Advances to employees	6.56	6.56
Accrued interest income	446.35	446.35
Security deposits	125.20	125.20
Receivable from subsidiaries	49.31	49.31
	19,258.86	19,258.86

Financial liabilities not measured at fair value	Carrying amount	
	Amortised cost	Total
Trade payables	1,173.96	1,173.96
Other financial liabilities (current)		
Employee related payments	2,223.40	2,223.40
Unpaid dividends	139.76	139.76
	3,537.12	3,537.12

The carrying amount of cash and bank balances, trade receivables, security deposits, receivable from subsidiaries, accrued interest, other advances, trade payables, employee related payables, unpaid dividends are considered to be the same as their fair values, since they are short-term in nature. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own and counterparty credit risk. The carrying amount of Non-convertible debentures, Tata Capital preference shares and tax free bonds represents the fair value of the investments.

As at March 31, 2020:	Carrying amount			Fair value hierarchy				
	Fair value Hedging instruments	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Investments (non-current)								
Investments in fixed maturity plans	-	8,616.14	-	8,616.14	8,616.14	-	-	8,616.14
Investments in arbitrage funds	-	1,107.61	-	1,107.61	1,107.61	-	-	1,107.61
Investments in equity linked funds	-	3,386.46	-	3,386.46	3,386.46	-	-	3,386.46
Investments (current)								
Debt funds	-	1,052.53	-	1,052.53	1,052.53	-	-	1,052.53
Investments in fixed maturity plans	-	7,563.61	-	7,563.61	7,563.61	-	-	7,563.61
	-	21,726.35	-	21,726.35	21,726.35	-	-	21,726.35

Notes to the Standalone Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

Financial assets not measured at fair value	Carrying amount	
	Amortized cost	Total
Investments (non-current)		
Investments in preference shares	1,500.00	1,500.00
Investments in tax free bonds	5,406.58	5,406.58
Other financial assets (non-current)		
Security deposits	264.49	264.49
Advances to employees	0.21	0.21
Trade receivables	8,207.83	8,207.83
Cash and bank balances	1,145.85	1,145.85
Unbilled revenue	1,297.27	1,297.27
Other financial assets (current)		
Advances to employees	43.72	43.72
Accrued interest income	298.13	298.13
Security deposits	70.19	70.19
Receivable from subsidiaries	56.47	56.47
	18,290.74	18,290.74

Financial liabilities measured at fair value	Fair value - hedging instruments	Carrying amount			Fair value hierarchy			
		FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3	Total
Derivative liabilities	890.17	-	-	890.17	-	890.17	-	890.17
	890.17	-	-	890.17	-	890.17	-	890.17

Financial liabilities not measured at fair value	Carrying amount	
	Amortized cost	Total
Trade payables	1,371.46	1,371.46
Other financial liabilities (current)		
Employee related payments	1,948.61	1,948.61
Unpaid dividends	120.63	120.63
	3,440.70	3,440.70

The carrying amount of cash and bank balances, trade receivables, security deposits, receivable from subsidiaries, accrued interest, other advances, trade payables, employee related payables, unpaid dividends are considered to be the same as their fair values, since they are short-term in nature. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own and counterparty credit risk. The carrying amount of Non-convertible debentures and tax free bonds represents the fair value of the investments.

Derivative instruments (assets and liabilities): The Company enters into derivative financial instruments with banks with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are foreign exchange forward contracts and foreign exchange option contracts. The most frequently applied valuation techniques include forward pricing and Black Scholes models (for option valuation), using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, and forward rate curves of the underlying. As at March 31, 2021, the changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognized at fair value.

There have been no transfers among Level 1, Level 2 and Level 3 investments during the period.

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

Notes to the Standalone Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

i. Risk management framework

The Company's principal financial liabilities comprise trade payables, other payables and unpaid dividend. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade receivables, cash and cash equivalents and unbilled revenues that derive directly from its operations.

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk for the Company pertains to investing activities. The Company's exposure to credit risk is influenced mainly by the individual characteristic of customers and counterparties to derivative instruments such as banks.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 5,916.11 lakhs and ₹ 8,207.83 lakhs as of March 31, 2021 and March 31, 2020, respectively and unbilled revenues amounting to ₹ 1,331.90 lakhs and ₹ 1,297.27 lakhs as of March 31, 2021 and March 31, 2020, respectively. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. As per Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues.

The following table gives details in respect of percentage of revenues generated from top customer and top ten customers:

	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from top 2 customers	21.52%	26.76%
Revenue from top 10 customers	66.95%	61.17%

The carrying amount of the following financial assets represents the maximum credit exposure:

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. The Company establishes an allowance for impairment that best represents its estimate of expected losses in respect of trade receivables. The Company has established a credit policy under which each new customer is analyzed individually for credit worthiness before the standard payment and delivery terms and conditions are offered. The Balance outstanding of trade receivable is less than 90 days.

Cash and bank balances

The Company held cash and bank balances of ₹ 3,694.60 lakhs at March 31, 2021 (March 31, 2020: ₹ 1,145.85 lakhs).

Derivatives

The derivatives are entered into with bank and financial institution counterparties, which are rated AA- to AAA, based on CRISIL ratings.

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has no outstanding bank borrowings. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

Notes to the Standalone Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

As at March 31, 2021:	Contractual cash flows				
	Carrying amount	Less than 1 year	1-2 years	2-4 years	4-7 years
Non-derivative financial liabilities					
Trade payables	1,173.96	1,173.96	-	-	-
Other financial liabilities (current)					
Employee related payments	2,223.40	2,223.40	-	-	-
Unpaid dividends	139.76	139.76	-	-	-
	3,537.12	3,537.12	-	-	-

As at March 31, 2020:	Contractual cash flows				
	Carrying amount	Less than 1 year	1-2 years	2-4 years	4-7 years
Non-derivative financial liabilities					
Trade payables	1,371.46	1,371.46	-	-	-
Other financial liabilities (current)					
Employee related payments	1,948.61	1,948.61	-	-	-
Unpaid dividends	120.63	120.63	-	-	-
	3,440.70	3,440.70	-	-	-

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Company is exposed to market risk primarily related to the market value of its investments. Thus, the exposure to market risk is primarily related to investing activities. The objective of market risk management is to diversify our portfolio according to nature of investments to mitigate risks.

Currency risk

The Company is exposed to currency risk on account of export of services in foreign currency. The functional currency of the Company is Indian Rupee. The summary quantitative data about the Company's exposure to currency risk from non-derivative financial instrument is as follows:

As at March 31, 2021	Amount in foreign currency lakhs			Amount in ₹ lakhs		
	Current Assets	Current Liabilities	Net receivable/ (payable)	Current Assets	Current Liabilities	Net receivable/ (payable)
Euro (EUR)	4.62	0.26	4.36	396.53	22.63	373.90
British Pound (GBP)	0.35	-	0.35	35.10	-	35.10
US Dollar (USD)	50.35	5.64	44.71	3,683.98	413.00	3,270.98
Chinese Yuan (CNY)	-	1.53	(1.53)	-	17.06	(17.06)
South Korean Won (KRW)	-	20.80	(20.80)	-	1.34	(1.34)
Taiwan Dollars (TWD)	-	3.22	(3.22)	-	8.28	(8.28)

Notes to the Standalone Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

As at March 31, 2020

Currency	Amount in foreign currency lakhs			Amount in ₹ lakhs		
	Current Assets	Current Liabilities	Net receivable/ (payable)	Current Assets	Current Liabilities	Net receivable/ (payable)
Euro (EUR)	8.68	0.24	8.44	718.48	19.69	698.79
British Pound (GBP)	0.82	0.01	0.81	76.29	0.64	75.65
Australian Dollar (AUD)	-	0.21	(0.21)	-	9.51	(9.51)
US Dollar (USD)	75.69	7.81	67.89	5,728.34	590.95	5,137.39
Singapore Dollar (SGD)	-	0.28	(0.28)	-	15.08	(15.08)
South Korean Won (KRW)	-	20.80	(20.80)	-	1.29	(1.29)

Sensitivity Analysis

A reasonably possible strengthening / (weakening) of the INR, US Dollar, Euro and all other currencies as at March 31, 2021 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in a particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
As at March 31, 2021				
USD (1% movement)	32.71	(32.71)	24.48	(24.48)
EUR (1% movement)	3.74	(3.74)	2.80	(2.80)
As at March 31, 2020				
USD (1% movement)	51.37	(51.37)	33.42	(33.42)
EUR (1% movement)	6.99	(6.99)	4.55	(4.55)

The following significant exchange rates have been applied during the year:

INR	Spot rate as at	
	March 31, 2021	March 31, 2020
USD	73.17	75.68
EUR	85.87	82.78

Hedge accounting

The Company enters into foreign exchange forward contracts and option contracts to hedge its revenue including its future receivables. As per the current policy of the Company, it takes foreign exchange forward contracts for currencies primarily denominated in the US Dollar and Euro. The Company currently does not have a foreign currency hedge in respect of its investments in subsidiaries outside India.

The following table presents the aggregate contracted principal amounts of the Company's derivative contracts outstanding:

Particulars		As at March 31, 2021	As at March 31, 2020
Designated derivative instruments			
Sell - Forward contracts	USD	487.66	(890.17)
	EUR	7.49	-
	Contract Value in USD Mio	21.95	26.64
	Contract Value in EUR Mio	0.30	-
Non-Designated derivative instruments			
Sell - Forward options	USD	-	-

Notes to the Standalone Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

The following table summarizes activity in the cash flow hedging reserve within equity related to all derivative instruments classified as cash flow hedges:

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	(655.42)	942.07
Changes in the FV of effective portion of derivatives	1,377.92	(1,263.33)
Net (gain)/loss reclassified to Statement of Profit and Loss on occurrence of hedged transactions	(222.67)	(556.83)
(Loss) / gain on cash flow hedging derivatives	1,155.24	(1,820.16)
Balance as at year end	499.82	(878.09)
Deferred tax thereon	(125.99)	222.67
Balance as at the end of the year, net of deferred tax	373.84	(655.42)

The related hedge transactions for balance is cash flow hedging reserves as of March 31, 2021 are expected to occur and be re-classified to the Statement of Profit and Loss over a period of 1 year.

As of March 31, 2021 and March 31, 2020, there were no significant gains or losses on derivative transactions or portions thereof that have become ineffective as hedges, or associated with an underlying exposure that did not occur.

32. Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to equity shareholders.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities less cash and cash equivalents. Adjusted equity comprises all components of equity, other than amounts accumulated in the hedging reserve.

The Company's policy is to keep the ratio below 2.00. The Company's adjusted net debt to equity ratio at March 31, 2021 and March 31, 2020 was as follows.

Particulars	As at March 31, 2021	As at March 31, 2020
Total liabilities	9,069.69	13,151.66
Less: Cash and cash equivalents and other bank balances	3,694.60	1,145.85
Adjusted net debt	5,375.09	12,005.81
Total equity	56,874.55	47,939.79
Less: Cash flow hedging reserve	373.84	(655.42)
Adjusted equity	56,500.71	48,595.23
Adjusted net debt to adjusted equity ratio	0.10	0.25

33. Contingent liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Bank guarantees	5.55	2.74
Income taxes* (matters pertaining to disputes on tax holiday benefits, transfer pricing and disallowance of certain expenses claimed by the Company)	16,119.48	14,905.14
Indirect taxes* (includes matters pertaining to disputes on VAT/sales tax and service tax)	9,808.88	9,808.88

*The Company is contesting the demands and based on expert advice, the management believes that its position will likely be upheld in the various appellate authorities/courts. The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's Management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial condition.

Notes to the Standalone Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

The Company has been sanctioned a non-fund-based credit facility of ₹ 40 crores by Union Bank of India and ₹ 5 crores (without any charge created in their favour) by Citibank NA. As at the reporting date, Company is in process of renewal of the facility with Union Bank of India. Of the credit facilities, the Company has utilized ₹ 5.85 lakhs with Union Bank of India on reporting date.

34. Dues to micro, medium and small enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the Micro, Small and Medium Enterprises Development Act, 2006 ('the MSMED Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2021 has been made in the standalone financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.

Particulars	As at March 31, 2021	As at March 31, 2020
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
(i) The principal amount due to suppliers registered under the MSMED Act and remaining unpaid	3.75	1.57
(ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid	-	-
(iii) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed date during the year	-	-
(iv) Interest paid, other than under Section 16 of the MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed date during the year	-	-
(v) Interest paid, under Section 16 of the MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed date during the year	-	-
(vi) Interest due and payable on March 31, 2021 towards suppliers registered under the MSMED Act, for the payments already made	-	-
(vii) Further interest remaining due and payable for earlier years	-	-

35. The Company has assessed the recoverable value of its investment in subsidiary, Saska Inc., USA for the purpose of impairment evaluation. The Company identified indicators of impairment considering the underlying cash flow projections from the operations of the subsidiary and the economic performance of the investments in the subsidiary. The Company has ascertained the recoverable value with reference to value in use computed by using discounted cash flow method. Accordingly, the Company recognized an amount of ₹ 2,002.31 lakhs as an impairment of its subsidiary as at March 31 2021. This is presented as an exceptional item in the Statement of Profit and Loss.

As per our report of even date attached.

for MSKA & Associates

Chartered Accountants

Firm's Registration Number: 105047W

Debashis Dasgupta

Partner

Membership No.053681

Bengaluru

April 22, 2021

for and on behalf of the Board of Directors of

Saska Technologies Limited

Rajiv C. Mody

Chairman and Managing Director

DIN: 00092037

S. Prasad

Company Secretary

Bengaluru

April 22, 2021

Neeta S. Revankar

Whole time Director and Chief Financial Officer

DIN: 00145580

Independent Auditor's Report

To the Members of Sasken Technologies Limited Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Sasken Technologies Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2021, and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2021, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by Institute of Chartered Accountants of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the Key Audit Matter was addressed in our audit
<p>Revenue recognition from fixed price contracts</p> <p>Revenue from fixed price contracts is recognized using percentage of completion method ("POC") where performance obligations are satisfied over time. The POC method involves computation of actual cost incurred till date and estimation of total future cost to be incurred towards remaining performance obligations, which involves following factors:</p> <ol style="list-style-type: none"> there is an inherent uncertainty around the estimation of total cost to complete the contract given the customized nature of the contracts. the estimation of total cost to complete the contract involves significant judgement throughout the period of contract and is subject to revision as the contract progresses based on latest available information and also involves critical estimates to make provision for onerous contract, if any; At year end a significant amount of contract assets (unbilled revenue) and contract liabilities (unearned revenue) related to each contract is to be identified. <p>In respect of fixed price contracts, the estimation of total cost to complete the contract is a critical estimate and hence this has been identified as a key audit matter.</p>	<p>Our audit procedures related to estimation of total cost to complete the contract for fixed price contracts included following, among others:</p> <ol style="list-style-type: none"> Obtained an understanding of the systems, processes and controls implemented by the Company with respect to estimation of future cost to completion, estimation of provision for onerous contract, measurement of unbilled revenue, unearned revenue and the total contract revenue on its completion. Tested the operating effectiveness of key internal controls over approval and recording of revenues in respect of samples selected of fixed price contracts. Evaluated the governance process and review controls over estimation of future cost to complete the contracts. Involved Information technology ('IT') specialists to assess the design and operating effectiveness of key application controls relating to revenue recognition, wherein testing of application controls include testing of automated controls, system generated reports and system reconciliations. We performed below substantive audit procedures for samples selected of fixed price contracts. <ol style="list-style-type: none"> Evaluated the contractual terms to identify the performance obligation and assessed the basis of revenue recognition; Checked the approval for estimates of cost to completion by authorized personnel of the Company; Compared the status of delivery of the milestones and customer acceptances with the agreed timelines as per the contract to identify possible delays in achieving the milestones which require changes in estimated cost to complete the contract. Performed inquiries with Delivery/Project managers to corroborate the status of project. Carried out a retrospective assessment of costs incurred with estimated costs to identify any significant variation and checked whether those variations have been considered in estimating the remaining costs to complete the contract. Checked the mathematical accuracy of the calculation of revenue using the ratio of actual costs incurred to estimated costs. Verified the accuracy of the actual cost incurred in respect of fixed price contracts. Ensured that the revenue in foreign currency is recognized applying the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Checked the adequacy of provision in respect of onerous contracts.

Independent Auditor's Report (Contd.)

Key Audit Matter	How the Key Audit Matter was addressed in our audit
<p>Fair valuation of investment</p> <p>As at March 31, 2021 the group has investment in unquoted securities and the group measures the investment at fair value through other comprehensive income as at balance sheet date in accordance with Ind AS 109 - "Financial instruments" read with Ind AS 113- "Fair value measurement".</p> <p>The investment is a Level 3 investment as per the fair value hierarchy mentioned under Ind AS 113 - "Fair value measurement". Accordingly, fair value is determined using valuation approach for which significant inputs are not readily available (Level 3 inputs). Further, there is significant judgement involved in evaluation of the inputs. The said Input / assumptions are not based on reliable market data. Refer Note 7 to the Consolidated Financial Statements.</p> <p>In view of the above and based on materiality considerations, the above has been identified as a key audit matter.</p>	<p>Our audit procedures included the following, among others:</p> <ol style="list-style-type: none"> i. Tested the design and operating effectiveness of the key controls over the accuracy of the key inputs and assumptions considered by the Holding Company with respect to the valuation of Investment in unquoted securities for the purpose of fair valuation. ii. Obtained understanding of the investee business and the market in which it operates. iii. Reviewed the fair valuation reports obtained by the management by involvement of external valuation experts and checked the accuracy and relevance of the input data used in the valuation. iv. Review by internal fair value experts (auditor's expert) in order to: <ul style="list-style-type: none"> ▪ Assess the reasonableness of the valuation approach / methodology, inputs used and assumptions applied; ▪ Assess the reasonableness of the valuation results determined by the Holding Company; v. Assessed the objectivity, independence and competence of the Holding Company's external specialists involved in the process and valuation specialists engaged by us. vi. Assessed the appropriateness, accuracy and adequacy of the related presentation and disclosures in accordance with the applicable accounting standards.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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 ability of the Group 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 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 responsible for overseeing the financial reporting process of the Group.

Independent Auditor's Report (Contd.)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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 Standards on Auditing ("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.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

Other Matter

The consolidated financial statements of the Company for the year ended March 31, 2020, were audited by another auditor whose report dated April 27, 2020 expressed an unmodified opinion on those statements.

Our Opinion is not modified in respect of above matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations as at March 31, 2021, on the consolidated financial position of the Group. Refer Note 35 to the consolidated financial statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2021.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company incorporated in India during the year ended March 31, 2021.
2. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Holding Company, to its directors is within the limits laid down under Section 197 of the Act and the rules thereunder.

For MSKA & Associates

Chartered Accountants
ICAI Firm Registration No.105047W

Debashis Dasgupta

Partner
Membership No. 053681
UDIN: 21053681AAAAAH2718

Place: Bengaluru
Date: April 22, 2021

Annexure A to the Independent Auditor's Report

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SASKEN TECHNOLOGIES LIMITED

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

As part of an audit in accordance with SAs, 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 Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements 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 financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No.105047W

Debashis Dasgupta

Partner

Membership No. 053681

UDIN: 21053681AAAAAH2718

Place: Bengaluru

Date: April 22, 2021

Annexure B to the Independent Auditor's Report

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SASKEN TECHNOLOGIES LIMITED

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the Members of Sasken Technologies Limited on the consolidated Financial Statements for the year ended March 31, 2021.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated financial statements of Sasken Technologies Limited (hereinafter referred to as "the Holding Company"), as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding company.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Annexure B to the Independent Auditor's Report (Contd.)

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company has in all material respects, internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No.105047W

Debashis Dasgupta

Partner

Membership No. 053681

UDIN: 21053681AAAAAH2718

Place: Bengaluru

Date: April 22, 2021

Consolidated Balance Sheet

(Amount in ₹ lakhs, except share and per share data, unless otherwise stated)

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	4	3,374.35	4,435.55
Capital work-in-progress		0.72	11.15
Intangible assets	5	18.19	9.70
		3,393.26	4,456.40
Equity accounted investees	6	-	-
Financial assets			
Investments	7	34,167.64	23,294.07
Other financial assets	8	136.07	314.49
Deferred tax assets (net)	26	589.14	1,201.13
Other tax assets	26	4,150.57	5,864.37
Other non-current assets	9	0.56	-
Total non-current assets		42,437.24	35,130.46
Current assets			
Financial assets			
Investments	10	7,069.13	10,673.55
Trade receivables	11	6,659.92	9,319.85
Cash and cash equivalents	12	2,075.61	1,613.37
Other bank balances	13	3,209.63	211.72
Unbilled receivables		1,698.36	1,667.14
Derivative assets		495.15	-
Other financial assets	14	589.35	420.84
Contract assets		1,974.27	2,319.07
Other current assets	15	651.48	943.77
Total current assets		24,422.90	27,169.31
TOTAL ASSETS		66,860.14	62,299.77
EQUITY AND LIABILITIES			
Equity			
Share capital	16	1,505.09	1,505.09
Other equity		54,949.84	46,040.84
Total equity		56,454.93	47,545.93
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liability		-	379.17
Provisions	17	626.81	1,299.68
Total non-current liabilities		626.81	1,678.85
Current liabilities			
Financial liabilities			
Trade payables	18		
Total outstanding dues to micro and small enterprises		3.75	1.57
Total outstanding dues to creditors other than micro and small enterprises		1,382.44	1,726.20
Other financial liabilities	19	2,363.16	2,069.24
Derivative liabilities		-	890.17
Deferred revenue		92.04	594.48
Other current liabilities	20	2,111.30	1,881.72
Provisions	21	1,594.80	1,600.27
Income tax liabilities (net)	26	2,230.91	4,311.34
Total current liabilities		9,778.40	13,074.99
TOTAL EQUITY AND LIABILITIES		66,860.14	62,299.77

The accompanying notes form an integral part of these condensed consolidated financial statements.

As per our report of even date attached.

for MSKA & Associates

Chartered Accountants

Firm's Registration Number: 105047W

Debashis Dasgupta

Partner

Membership No.053681

Bengaluru

April 22, 2021

for and on behalf of the Board of Directors of
Sasken Technologies Limited

Rajiv C. Mody

Chairman and Managing Director
DIN: 00092037

S. Prasad

Company Secretary
Bengaluru
April 22, 2021

Neeta S. Revankar

Whole time Director and Chief Financial Officer
DIN: 00145580

Consolidated Statement of Profit and Loss

(Amount in ₹ lakhs, except share and per share data, unless otherwise stated)

	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
INCOME			
Revenue from operations	22	44,483.52	49,222.22
Other income	23	2,961.67	3,574.89
Total income		47,445.19	52,797.11
EXPENSES			
Employee benefits expense	24	26,459.71	32,166.65
Finance cost		46.77	70.50
Depreciation and amortization expense	4, 5	1,018.22	1,115.87
Other expenses	25	4,971.24	8,247.50
Total expenses		32,495.94	41,600.52
Profit before tax		14,949.25	11,196.59
Tax expenses			
Current income taxes	26	3,229.89	3,867.47
Deferred taxes	26	264.72	(553.63)
		3,494.61	3,313.84
Profit for the year		11,454.64	7,882.75
Other comprehensive income / (loss)			
Items that will not be reclassified subsequently to the Statement of Profit and Loss			
Remeasurement of defined benefit liability		139.11	(1,073.52)
Gain on fair value changes for investments classified as fair value through other comprehensive Income		(2,137.59)	-
Income tax relating to items that will not be reclassified subsequently to profit and loss	26	1.39	279.46
Net other comprehensive gain that will not be reclassified subsequently to profit and loss		(1,997.09)	(794.06)
Effective portion of (gains) / losses on hedging instruments in cash flow hedges reclassified to Statement of Profit and Loss		1,377.90	(1,820.15)
Exchange differences in translating financial statements of foreign operations		(68.64)	89.13
Income tax relating to items that will be reclassified to the Statement of the Profit and Loss	26	(348.66)	552.81
Net other comprehensive income / (loss) that will be reclassified subsequently to Profit and Loss		960.60	(1,178.21)
Other comprehensive income / (loss) for the year, net of income tax		(1,036.49)	(1,972.27)
Total comprehensive income for the year, attributable to the owners of the Company		10,418.15	5,910.48
Earnings per share (EPS) (Equity share of par value ₹ 10 each)			
Basic and Diluted EPS	27	76.26	48.57
Weighted average equity shares used in computing earnings per share (Basic and diluted)		1,50,19,956	1,62,30,098

The accompanying notes form an integral part of these condensed consolidated financial statements.

As per our report of even date attached.

for MSKA & Associates

Chartered Accountants

Firm's Registration Number: 105047W

Debashis Dasgupta

Partner

Membership No.053681

Bengaluru
April 22, 2021

for and on behalf of the Board of Directors of
Sasken Technologies Limited

Rajiv C. Mody

Chairman and Managing Director

DIN: 00092037

S. Prasad

Company Secretary

Bengaluru
April 22, 2021

Neeta S. Revankar

Whole time Director and Chief Financial Officer

DIN: 00145580

Consolidated Statement of Changes in Equity

(Amount in ₹ lakhs, except share and per share data, unless otherwise stated)

A. Equity share capital		Changes in equity share capital during the year		Balance as at March 31, 2020										
	Balance as at April 1, 2019	1,711.01	205.92	1,505.09										
	Balance as at April 1, 2020	1,505.09	-	1,505.09										
B. Other equity		Attributable to the owners of the Company												
Particulars	Reserves and surplus		Items of OCI		Total									
	Capital redemption reserve	Share based payment reserve	Treasury shares	General reserve		Fair value through OCI on debt securities & other instrument in the defined benefit nature of equity	Remeasurement of defined benefit liability							
Balance as at April 1, 2019	132.00	1,315.58	55.53	(460.01)	1,122.81	65,121.26	611.57	188.36	-	-	-	-	-	68,087.10
Profit for the year	-	-	-	-	-	7,882.75	-	-	-	-	-	-	-	7,882.75
Dividend paid (including dividend distribution tax thereon)	-	-	-	-	-	(1,405.65)	-	-	-	-	-	-	-	(1,405.65)
Buy back of shares	-	-	-	221.03	(850.34)	(15,932.49)	-	-	-	-	-	-	-	(16,561.80)
Transfer to capital redemption reserve	-	205.92	-	-	(205.92)	-	-	-	-	-	-	-	-	-
Other comprehensive income (net of taxes)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends paid (including dividend distribution tax thereon)	-	-	-	-	-	-	-	-	-	-	-	-	-	(794.06)
Stock options issued during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred to retained earnings	-	-	10.71	-	-	(794.06)	-	-	-	-	-	-	-	10.71
Balance as at March 31, 2020	132.00	1,521.50	66.24	(238.98)	66.55	44,871.81	(655.77)	277.49	-	-	-	-	-	46,040.84
Particulars		Reserves and surplus		Items of OCI		Total								
Capital redemption reserve	Share based payment reserve	Treasury shares	General reserve	Fair value through OCI on debt securities & other instrument in the defined benefit nature of equity	Remeasurement of defined benefit liability	Total								
Balance as at April 1, 2020	132.00	1,521.50	66.24	(238.98)	66.55	44,871.81	(655.77)	277.49	-	-	-	-	-	46,040.84
Profit for the period	-	-	-	-	-	11,454.64	-	-	-	-	-	-	-	11,454.64
Dividend paid (including dividend distribution tax thereon)	-	-	-	-	-	(1,501.62)	-	-	-	-	-	-	-	(1,501.62)
Buyback of shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to capital redemption reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income (net of taxes)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of stocks during the year	-	-	-	14.06	-	1,029.24	-	-	-	-	-	-	-	1,029.24
Stock options issued during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2021	132.00	1,521.50	44.65	(224.92)	66.55	54,968.88	373.47	208.85	(2,141.14)	144.05	(1,036.49)	144.05	(144.05)	54,949.84

The accompanying notes form an integral part of these condensed consolidated financial statements.

As per our report of even date attached.

for MSKA & Associates

Chartered Accountants
Firm's Registration Number: 105047W

Debashis Dasgupta

Partner
Membership No.053681
Bengaluru
April 22, 2021

for and on behalf of the Board of Directors of
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Chairman and Managing Director
DIN: 00092037
Bengaluru
April 22, 2021

Neeta S. Revankar

Whole time Director and Chief Financial Officer
DIN: 00145580

S. Prasad

Company Secretary

Consolidated Statement of Cash Flows

(Amount in ₹ lakhs, except share and per share data, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash flows from operating activities:		
Profit before tax	14,949.25	11,196.59
Adjustments for:		
Depreciation and amortization expense	1,018.22	1,115.87
Dividend income	(169.00)	(1,031.17)
Interest income	(551.03)	(939.72)
Net gain on sale of investments	(217.59)	(102.13)
Net gains on fair value changes on investments classified as fair value through profit and loss	(2,126.68)	(186.97)
Net Loss / (Profit) on sale of property, plant and equipment	14.13	(7.71)
Employee stock option compensation cost	(21.59)	10.71
Exchange differences on translation of assets and liabilities	40.81	291.70
Finance charges	46.77	-
Allowance for expected credit impaired on financial assets	18.69	-
Write back of unclaimed balances / provisions	(89.57)	(131.31)
In-effective portion of changes in fair value of cash flow hedges	(7.41)	10.88
Operating profit before working capital changes	12,905.00	10,226.74
Changes in assets and liabilities:		
Trade receivables, unbilled revenue & contract assets	2,954.80	154.28
Other financial assets and other assets	(1,606.81)	(612.31)
Trade payables and deferred revenue	(738.35)	107.52
Provisions, other current financial liabilities and other current liabilities	(15.73)	785.30
Cash generated from operating activities	13,498.91	10,661.53
Income taxes refund / (paid)	(1,568.71)	539.45
Net cash generated from operating activities (A)	11,930.20	11,200.98
Cash flows from investing activities:		
Interest received	398.68	416.96
Dividends received	169.00	930.27
Proceeds from sale of property, plant and equipment	40.19	7.71
Acquisition of property, plant and equipment	(209.31)	(1,530.74)
Payments to acquire investments	(30,975.44)	(49,183.58)
Proceeds from sale of investments	23,912.98	66,611.27
Investment in bank deposits	(2,997.90)	63.71
Net cash generated from / (used in) investing activities (B)	(9,661.80)	17,315.60
Cash flows from financing activities		
Dividend paid during the year	(1,501.62)	(11,405.65)
Payment of Lease liabilities	(209.13)	-
Treasury shares sold by Trust	14.06	-
Shares bought-back during the year	-	(16,767.72)
Net cash used in financing activities (C)	(1,696.69)	(28,173.37)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	571.71	343.21
Cash and cash equivalents at the beginning of the year	1,613.37	1,472.73
Effect of exchange rate changes on cash and cash equivalents	(109.47)	(202.57)
Cash and cash equivalents at the end of the year (Refer note 12)	2,075.61	1,613.37

The accompanying notes form an integral part of these condensed consolidated financial statements.

As per our report of even date attached.

for MSKA & Associates

Chartered Accountants

Firm's Registration Number: 105047W

Debashis Dasgupta

Partner

Membership No.053681

Bengaluru

April 22, 2021

for and on behalf of the Board of Directors of

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Chairman and Managing Director

DIN: 00092037

S. Prasad

Company Secretary

Bengaluru

April 22, 2021

Neeta S. Revankar

Whole time Director and Chief Financial Officer

DIN: 00145580

Notes to the Consolidated Financial Statements

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

1. Group overview

Sasken Technologies Limited ("Sasken" or "the Company") is a specialist in Product Engineering and Digital Transformation providing concept-to-market, chip-to-cognition R&D services to global leaders in Semiconductor, Automotive, Industrials, Smart Devices & Wearables, Enterprise Grade Devices, SatCom, and Transportation industries. For over 30 years and with multiple patents, Sasken has transformed the businesses of over a 100 Fortune 500 companies, powering over a billion devices through its services and IP.

Established in 1989, Sasken employs around 1,400 people, operating from state-of-the-art centers and offices in Bengaluru, Pune, Chennai, Hyderabad and Kolkata (India), Kaustinen and Tampere (Finland), Detroit (USA), and Beijing, Shanghai (China). Sasken also has its presence across Germany, Japan, UK, and USA. Sasken has been listed in the National Stock Exchange of India Ltd., and BSE Ltd., since its initial public offering in 2005.

2. Basis of preparation

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, (the 'Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

Accounting policies have been applied consistently to all periods presented in these consolidated financial statements, except for the adoption of new accounting standards and amendments to the existing accounting standards, effective as of April 1, 2020, as disclosed in note 3 below.

The consolidated financial statements correspond to the classification provisions contained in Ind AS 1, "Presentation of Financial Statements". For clarity, various items are aggregated in the consolidated Statements of Profit and Loss and Balance Sheet. These items are disaggregated separately in the Notes to the consolidated financial statements, where applicable.

A. Functional and presentation currency

Items included in the financial statements of each of the Company's subsidiaries are measured using the currency of the primary economic environment in which these subsidiaries operate (i.e. the "functional currency"). These consolidated financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts included in these consolidated financial statements are reported in INR (₹ in lakhs), except share and per share data, unless otherwise stated.

B. Basis of measurement

These consolidated financial statements have been prepared on the historical cost convention and on an accrual basis of accounting except for the following material items which have been measured at fair value as required by relevant Ind AS.

Items	Measurement basis
Derivative financial instruments	Fair value
Investments classified as fair value through profit or loss	Fair value
Investments classified as fair value through other comprehensive income	Fair value
Net defined benefit (asset) / liability	Fair value of plan assets less present value of defined benefit obligations
Stock options	Fair value

C. Use of estimates and judgments

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Notes to the Consolidated Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

Assumptions and estimation uncertainties

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have a significant effect on the amounts recognized in these consolidated financial statements are included in the following notes:

(a) Revenue recognition:

The Group uses the percentage of completion i.e. input (cost expended) method to measure progress towards completion in respect of fixed price contracts. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labor costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, recognized revenue and profit are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable.

(b) Impairment testing (non-financial assets):

Intangible assets are tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount of the asset or cash generating units to which these pertain is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less costs to sell. The calculation of value in use of a cash generating unit involves use of significant estimates and assumptions which include growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

(c) Income taxes:

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

(d) Deferred taxes:

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Group considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

(e) Defined benefit plans and compensated absences:

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and fair value of plan assets. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(f) Expected credit losses on financial assets:

The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

(g) Other estimates:

Fair valuation of derivative hedging instruments designated as cash flow hedges involves significant estimates relating to the occurrence of the highly probable cash flow forecast transactions.

Notes to the Consolidated Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

D. Measurement of fair values :

Some of the Group's accounting policies and disclosures require measurement of fair values, for financial assets and liabilities and non-financial assets and liabilities.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); or

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Estimation uncertainty relating to the global health pandemic on COVID-19:

The Group has considered the recoverability of receivables including unbilled receivables, contract assets and contract costs, intangible assets, and investments, and has also considered internal and external information up to the date of approval of these consolidated financial statements. The Group has analyzed the assumptions used and based on current indicators of future economic conditions; the Group expects to recover the carrying amount of these assets. The ultimate impact of the global health pandemic may turn out to be different from what it is as on the date of approval of these consolidated financial statements. As the situation is continuously evolving, the Group will continue to closely monitor any material changes to future economic conditions. Such changes which have material impact on the financial statements will be factored as and when such impact becomes highly probable.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3. Significant accounting policies

(a) Basis of consolidation

Subsidiaries

The Company determines the basis of control in line with the requirements of Ind AS 110, Consolidated Financial Statements. Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries and controlled trusts are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

All intra-Group balances, transactions, income and expenses are eliminated in full on consolidation.

(b) Business combinations

Business combinations involving entities that are controlled by the Group (common control transactions) are accounted for using the pooling of interests method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts;
- The financial information in the financial statements in respect of prior periods is restated with effect from the appointed date as per the approval obtained from the requisite authorities.
- The assets and liabilities acquired are recognized at their carrying amounts. The identity of the reserves is preserved and they appear in the consolidated financial statements of the Group in the same form in which they appeared in the financial statements of the acquired entity;
- The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve.

Business combinations for transactions other than the common control transactions are accounted for using the acquisition method. The cost of an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the date of exchange by the Company. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition. Transaction costs incurred in connection with a business acquisition are expensed as incurred.

Notes to the Consolidated Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

The cost of an acquisition also includes the fair value of any contingent consideration measured as at the date of acquisition. Any subsequent changes to the fair value of contingent consideration classified as liabilities, other than measurement period adjustments, are recognized in the Statement of Profit and Loss.

(c) Property, plant and equipment (including intangible assets)

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation / amortization and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

The cost of property, plant and equipment not available for use as at each reporting date is disclosed under capital work-in-progress.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the incremental future economic benefits associated with the expenditure will flow to the Group.

iii. Depreciation and amortization

Based on an independent assessment, management has estimated the useful lives of the following classes of assets, which are lower than or equal to those indicated in Schedule II of the Companies Act 2013. Management believes this best represents the period over which they expect to use these assets. Depreciation is provided using the straight line method (SLM), over the estimated useful life of the asset, as follows:

Asset block	Estimated useful life	Useful life as per Schedule II
Buildings	20	60
Computers	3	3
Electrical fittings	5	10
Furniture and fixtures	10	10
Office equipment	5	5
Plant and equipment	5	15

Leasehold improvements are amortized over the shorter of estimated useful life of the assets or the related lease term. Freehold land is not depreciated.

Assets with unit value of ₹ 5,000 or less are depreciated entirely in the year of acquisition.

Intangible assets are amortized over the estimated useful life (3 to 5 years), on a straight line basis.

Deposits and advances paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not available for use before such date are disclosed under capital work- in-progress.

(d) Leases

The group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

Group as a lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Notes to the Consolidated Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

The Group measures the lease liability at the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The group measures the right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the Balance Sheet immediately before the date of initial application. The right-of-use assets is depreciated using the straight-line method from the date of initial application over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the Statement of Profit and Loss.

The Group has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

(e) Revenue

The Group derives revenues from rendering software services, installation and commissioning services and maintenance services.

Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those services.

i. Time and material contracts

Revenue and costs relating to time and material contracts are recognized as and when the services are rendered.

ii. Fixed-price contracts

Revenue from fixed price service contracts and customized technology developments is recognized based on the percentage of completion method (POC) of accounting with contract cost incurred determining the degree of completion of the performance obligation. Revenue from maintenance contracts is recognized ratably over the term of the maintenance arrangement.

The solutions offered by the Group may include supply of third-party software. In such cases, revenue for supply of such third party software is recorded at gross or net basis depending on whether the Group is acting as the principal or as an agent of the customer. The Group recognizes revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

iii. Others

Revenue from royalty is recognized when the later of the following events occurs:

- a) the subsequent sale or usage occurs; or
- b) the performance obligation to which some or all of the sales-based or usage-based royalty has been allocated has been satisfied (or partially satisfied).

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract assets are recognized when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Deferred revenue ("contract liability") is recognized when there is billings in excess of revenues. Advances received for services are reported as liabilities until all conditions for revenue recognition are met.

Interest income is recognized as it accrues in the Statement of Profit and Loss using effective interest rate method. Dividend income is recognized when the right to receive the dividend is established.

In accordance with Ind AS 37, the Group recognizes an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Notes to the Consolidated Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

Contracts are subject to modification to account for changes in contract specification and requirements. The Group reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation a cumulative adjustment is accounted for.

The Group disaggregates revenue from contracts with customers by geography and nature of services.

Use of significant judgements in revenue recognition:

The Group's contracts with customers include promises to transfer services to a customer. The Group assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Group uses judgement to determine an appropriate standalone selling price for a performance obligation. The Group allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct service promised in the contract.

The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

(f) Foreign currency

(i) Foreign currency transactions

Initial recognition

Transactions in foreign currency are translated into the reporting currency by applying to the foreign currency amount, the exchange rate prevailing on the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at the exchange rates prevailing at the reporting date, of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Profit and Loss and reported within foreign exchange gains / (losses), net within results of operating activities, except when deferred in other comprehensive income as qualifying cash flow hedges.

Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated on the exchange rate at the date of the transaction.

(ii) Foreign operations

For the purpose of presenting these consolidated financial statements, the assets and liabilities of the Group foreign operations that have a functional currency other than Indian rupees are translated into Indian rupees using exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and held in foreign currency translation reserve (FCTR), a component of equity. When a foreign operation is disposed, the relevant amount recognized in FCTR is transferred to the Statement of Profit and Loss as part of the profit or loss on disposal.

(g) Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Notes to the Consolidated Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

ii. Classification and subsequent measurement

Financial assets:

On initial recognition, a financial asset is classified as measured at amortized cost or fair value through profit and loss (FVTPL) or fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI are measured at FVTPL. This includes all derivative financial assets.

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss. However, see Note 3(g)(iv) for derivatives designated as hedging instruments.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Financial assets at OCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

iii. Derecognition

Financial assets:

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial liabilities:

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Group also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

iv. Derivative financial instruments and hedge accounting

The Group is exposed to foreign exchange risk from monetary assets, liabilities and forecasted cash flows denominated in foreign currencies. The Group limits the effect of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The Group enters into derivative financial instruments where the counterparty is a bank.

Derivatives are initially measured at fair value. Attributable transaction costs are recognized in Statement of Profit and Loss as cost.

Notes to the Consolidated Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

Subsequent to initial recognition, derivative financial instruments are measured as described below:

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI and accumulated in 'other equity' under cash flow hedging reserve. The effective portion of changes in the fair value of the derivative that is recognized in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to profit or loss.

(h) Impairment

i. Impairment of financial instruments

The Group recognizes loss allowances for expected credit losses on financial assets measured at amortized cost.

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 180 days or more;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible defaults over the expected life of a financial instrument.

ii. Impairment of non-financial assets

The Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. The recoverable amount of an asset or cash generating unit is the higher of its fair value less cost of disposal (FVLCD) and its value-in-use (VIU). The VIU of long-lived assets is calculated using projected future cash flows. FVLCD of a cash generating unit is computed using turnover and earnings multiples. Impairment losses are recognized in the Statement of Profit and Loss. Impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

If at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment losses previously recognized are reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognized initially.

Notes to the Consolidated Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

(i) Equity

i. Share capital and share premium

The authorized share capital of the Company as of March 31, 2021 and March 31, 2020 is ₹ 5,500 lakhs i.e. 550 lakh equity shares of ₹ 10 each. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as share premium.

Every holder of the equity shares, as reflected in the records of the Company as of the date of the shareholders' meeting shall have one vote in respect of each share held for all matters submitted to vote in the shareholders' meeting.

ii. Capital reserve

Capital reserve amounting to ₹ 132 lakhs (March 31, 2020: ₹ 132 lakhs) is not freely available for distribution.

iii. Capital redemption reserve

Capital redemption reserve amounting to ₹ 1,521.50 lakhs (March 31, 2020: ₹ 1,521.50 lakhs) is not freely available for distribution.

iv. Retained earnings

Retained earnings comprises of the Group's undistributed earnings after taxes and is available for dividend distribution.

v. General reserve

General reserve comprises of the Group's undistributed earnings after taxes and is available for dividend distribution.

vi. Other comprehensive income

Changes in the fair value of financial instruments measured at fair value through other comprehensive income, exchange differences on translation of foreign operations and remeasurement gains and losses on defined benefit plans are recognized in other comprehensive income (net of taxes), and presented within equity as other comprehensive income.

(a) Cash flow hedging reserve

Changes in fair value of derivative hedging instruments designated and effective as a cash flow hedge are recognized in other comprehensive income (net of taxes), and presented within equity as cash flow hedging reserve.

(b) Foreign currency translation reserve (FCTR)

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognized in other comprehensive income, net of taxes and is presented within equity in the FCTR.

(c) Remeasurement gains / losses

Remeasurement gains / losses on defined benefit plans are recognized in other comprehensive income (net of taxes) and presented within equity.

vii. Treasury shares

The Group has formed the Sasken Employees Welfare Trust ('the Trust') for providing share-based incentives to its employees. The Trust purchases equity shares of the Company from the market to allot them pursuant to the share-based incentive scheme. The Company consolidates the Trust and shares held by Trust are treated as treasury shares. Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the consolidated Statement of Profit and Loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in reserve. Share options exercised during the reporting period are adjusted against treasury shares.

(j) Employee benefits

(a) Post-employment and pension plans

The Group's employees participate in various employee benefit plans. Pensions and other post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Group's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does

Notes to the Consolidated Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

not hold sufficient assets to pay all employee benefits. The related remeasurement and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as an expense during the period when the employee renders service. Under a defined benefit plan, it is the Group's obligation to provide agreed benefits to the employees. The related remeasurement and investment risks fall on the Group. The present value of the defined benefit obligations is calculated by an independent actuary using the projected unit credit method.

All remeasurement gains or losses are immediately recognized in other comprehensive income, net of taxes and permanently excluded from profit or loss. Further, the profit or loss will not include an expected return on plan assets. Instead, net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of remeasurement of net defined liability or asset through other comprehensive income, net of taxes. The Group has the following employee benefit plans:

i. Gratuity

The Group provides for gratuity, a defined benefit plan covering all eligible employees. The plan provides a lump sum payment to eligible employees at retirement or on termination of employment based on the salary of the respective employee and the years of employment with the Company.

The Group contributes to gratuity funds maintained by third parties, such as insurance companies and mutual funds. The amount of contribution is determined based upon actuarial valuations as at the period end using the projected unit credit method. Provision is made for the shortfall between the actuarial valuation carried out as at balance sheet date as per projected unit credit method and the fair value of the plan assets with the third parties, such as insurance companies and mutual funds.

Remeasurements of the net defined benefit liability, which comprise remeasurement gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized in OCI, net of taxes. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period, by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

ii. Provident fund

Employees in India are eligible to receive provident fund benefits through a defined benefit plan in which the employees and the employer make monthly contributions to the plan. A portion of the contribution is made to the approved provident fund trust managed by the Group while the remainder of the contribution is made to the Government administered pension fund. The provident fund trust guarantees a specified rate of return on such contributions. While the contributions made to the trust managed by the Group is accounted for as a defined benefit plan as the Group is liable for any shortfall in the Trust's assets based on the Government specified rate of return, the contributions made to the Government administered pension fund is accounted for as a defined contribution plan as the Group has no obligation other than to make such contributions.

iii. Pension

In case of the Company's branch in Germany, pension contributions are made as per the local laws and regulations. The Group provides for these pension benefits, a defined benefit plan, covering all eligible employees. The plan provides for various pension benefits to eligible employees at retirement or on termination of employment based on earnings of the respective employee and the years of employment with the Group. The Group contributes to a reinsured support fund maintained by an external agency. The contributions made by the employer are charged to the Statement of Profit and Loss on accrual basis. Provision is made for the shortfall between the actuarial valuation carried out as at the year end, based on the projected unit credit method and the plan assets.

For other overseas branches, social security contributions are made as per the respective local laws and regulations. The same is charged to the Statement of Profit and Loss on an accrual basis. There are no obligations beyond the respective entity's contributions.

Remeasurements of the net defined benefit liability, which comprise remeasurement gains and losses are recognized in OCI.

iv. Superannuation

The Group contributes to a superannuation scheme, a defined contribution plan maintained by the Company with an insurance company. Such contributions are charged to the Statement of Profit and Loss on an accrual basis. The Group has no other obligations beyond its monthly contributions.

Notes to the Consolidated Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

(b) Short-term employee benefits

Employee benefits payable by the Group wholly within twelve months of receiving employee services are classified as short term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by employees.

(c) Compensated absences

The Group's employees are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Group measures the expected cost of compensated absences as the additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Group recognizes accumulated compensated absences based on actuarial valuation using the projected unit credit method. Non-accumulating compensated absences are recognized in the period in which the absences occur.

Accumulated leaves, which are expected to be utilized within the next twelve months and not eligible to be carried forward to future years, is treated as a short term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. These amounts are charged to the Statement of Profit and Loss.

(k) Income taxes

Income tax comprises current and deferred tax. It is recognized in profit or loss, except to the extent that it relates to a business combination or to an item recognized directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date and applicable for the period.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or to realize the asset and settle the liability simultaneously.

ii. Deferred tax

Deferred tax is recognized using the balance sheet approach, in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets, whether unrecognized or recognized, are reviewed at each reporting date and are recognized / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Notes to the Consolidated Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset, in accordance with the provisions of the Income-tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and disclosed as part of "Deferred tax assets" in the Balance Sheet. The Group reviews the MAT credit at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

(l) Earnings per share

Basic earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of ordinary shares outstanding during the period is the number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares bought back or issued during the period multiplied by a time-weighting factor. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares) and buy back of shares.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

(m) Provisions and contingencies

A provision is recognized when the Group has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a best estimate of such obligation.

Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. A contingent asset is neither recognized nor disclosed in the consolidated financial statements.

(n) Cash and cash equivalents

Cash and cash equivalents in the Cash Flow Statement comprise of cash at bank and in hand and short term investments with an original maturity value of three months or less. The Cash Flow Statement is prepared under the indirect method.

(o) Stock compensation expense

Measurement and disclosure of the employee share-based payment plans is done in accordance Ind AS 102 share based payments, issued by the Institute of Chartered Accountants of India. The Group accounts for stock compensation expense based on the fair value of the options granted, determined on the date of grant. Compensation expense is amortized over the vesting period of the option on a straight-line basis. The accounting value of the options outstanding net of the deferred compensation expense is reflected as employee stock options outstanding.

Recent amendments adopted by group:

Ind AS 116 Amendment

'Ind AS 116, Leases: Practical expedient which permits lessees not to account for COVID-19 related rent concessions as a lease modification. However, with respect to Ind AS 116, in case a lessee has not yet approved the financial statements for issue before the issuance of the amendments, then the same may be applied for annual reporting periods beginning on or after April 1, 2019. This amendment had no impact on financial statement.

3b. Standards (including amendments) issued but not yet effective

There are no new standards including amendments issued but not yet effective.

Notes to the Consolidated Financial Statements (Contd.)
(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

4. Property, plant and equipment											
Particulars	Freehold land	Buildings	Leasehold improvements	Computers	Electrical fittings	Furniture and fixtures	Office equipment	Plant and equipment	Right of use Asset-Building	Vehicles	Total
Gross carrying amount											
As at April 1, 2019	2,287.67	815.17	124.25	1,264.53	115.48	212.49	422.06	485.34	-	-	5,726.99
Additions	-	-	-	564.17	47.80	111.13	69.79	122.84	651.11	10.25	1,577.09
Disposals	-	(61.42)	-	(198.45)	(3.15)	(36.15)	(92.92)	(54.18)	-	-	(446.27)
Foreign currency translation adjustments	-	-	-	6.44	0.13	4.49	0.35	137.85	-	-	149.26
As at March 31, 2020	2,287.67	753.75	124.25	1,636.69	160.26	291.96	399.28	691.85	651.11	10.25	7,007.07
As at April 1, 2020	2,287.67	753.75	124.25	1,636.69	160.26	291.96	399.28	691.85	651.11	10.25	7,007.07
Additions	-	11.67	-	104.98	-	6.53	42.28	2.80	4.69	-	172.95
Disposals	-	(13.38)	(156.80)	(116.43)	(178.07)	(100.77)	(81.28)	(35.81)	(652.83)	-	(1,335.37)
Foreign currency translation adjustments	-	-	-	2.60	(0.05)	1.68	(0.22)	82.90	(2.97)	-	83.94
As at March 31, 2021	2,287.67	752.04	(32.55)	1,627.84	(17.86)	199.40	360.06	741.74	-	10.25	5,928.59
Accumulated depreciation											
As at April 1, 2019	-	479.37	54.18	699.31	72.46	81.96	144.29	248.30	-	-	1,779.87
Depreciation for the year	-	169.92	14.70	391.87	20.26	32.67	95.30	80.65	283.66	1.55	1,090.58
Disposals	-	(55.45)	-	(198.28)	(3.15)	(35.49)	(92.18)	(54.18)	-	-	(438.73)
Foreign currency translation adjustments	-	-	-	4.35	0.04	3.37	0.11	129.76	2.17	-	139.80
As at March 31, 2020	-	593.84	68.88	897.25	89.61	82.51	147.52	404.53	285.83	1.55	2,571.52
As at April 1, 2020	-	593.84	68.88	897.25	89.61	82.51	147.52	404.53	285.83	1.55	2,571.52
Depreciation for the year	-	165.56	7.38	401.56	22.56	29.86	92.94	92.82	184.92	2.05	999.65
Disposals	-	(9.93)	(138.16)	(111.60)	(175.16)	(82.40)	(77.24)	(33.73)	(469.02)	-	(1,097.24)
Foreign currency translation adjustments	-	-	-	2.60	0.03	2.25	0.16	77.00	(1.73)	-	80.31
As at March 31, 2021	-	749.47	(61.90)	1,189.81	(62.96)	32.22	163.38	540.62	-	3.60	2,554.24
As at March 31, 2020	2,287.67	159.91	55.37	739.44	70.65	209.45	251.76	287.32	365.28	8.70	4,435.55
As at March 31, 2021	2,287.67	2.57	29.35	438.03	45.10	167.18	196.68	201.12	-	6.65	3,374.35

Notes to the Consolidated Financial Statements (Contd.)
(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

5. Intangible assets

Particulars	Computer Software	Total
Gross carrying amount		
As at April 1, 2019	120.75	120.75
Additions	17.12	17.12
Foreign currency translation adjustments	2.71	2.71
As at March 31, 2020	140.58	140.58
As at April 1, 2020		
As at April 1, 2020	140.58	140.58
Additions	27.06	27.06
Foreign currency translation adjustments	-	-
As at March 31, 2021	167.64	167.64
Accumulated amortization		
As at April 1, 2019	102.89	102.89
Amortisation for the year	25.29	25.29
Foreign currency translation adjustments	2.70	2.70
As at March 31, 2020	130.88	130.88
As at April 1, 2020		
As at April 1, 2020	130.88	130.88
Amortisation for the year	18.57	18.57
Foreign currency translation adjustments	-	-
As at March 31, 2021	149.45	149.45
Net carrying amount		
As at March 31, 2020	9.70	9.70
As at March 31, 2021	18.19	18.19

6. Equity accounted investees

	As at March 31, 2021	As at March 31, 2020
Investment in joint ventures (Refer note 6 (A) below)		
TACO Sasken Automotive Electronics Ltd.		
5,200,403 (March 31, 2020: 5,200,403) equity shares of ₹ 10 each, fully paid up	520.04	520.04
Less: Provision for diminution in value of investment	(520.04)	(520.04)
	-	-
Other investments		
Prime Telesystems Ltd.		
392,285 (March 31, 2020 : 392,285) equity shares of ₹ 10 each, fully paid up	240.00	240.00
Less: Provision for diminution in value of investment	(240.00)	(240.00)
Investment in joint ventures (Refer note 6 (A) below)		
TACO Sasken Automotive Electronics Ltd.		
2,478,000 (March 31, 2020 : 2,478,000) redeemable preference shares of ₹ 10 each, fully paid up	247.80	247.80
Less: Provision for diminution in value of investment	(247.80)	(247.80)
	-	-

6 (A). TACO Sasken Automotive Electronics Limited ("TSAE") (formerly known as TACO Sasken Automotive Electronics Private Limited)

The Company has a 50% interest in a joint venture company, TACO Sasken Automotive Electronics Limited (formerly known as TACO Sasken Automotive Electronics Private Limited) ("TSAE") in Pune. The shareholders of TSAE have resolved that the company be wound up voluntarily. Requisite documents have been filed with the Registrar of Companies.

Notes to the Consolidated Financial Statements (Contd.)
(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

Considering the closure of operations of TSAE, the Company does not expect any dividend on liquidation and hence a provision for diminution in the value of investments in TSAE amounting to ₹ 767.84 lakhs (March 31, 2020: ₹ 767.84 lakhs) has been recorded to the extent of 100% of the carrying value of the investment.

7. Investments

	As at March 31, 2021	As at March 31, 2020
Non-current investments		
Preference securities	1,500.00	1,500.00
Tax free bonds	5,396.41	5,406.58
Fixed maturity plans	3,374.07	8,616.14
Arbitrage funds	6,639.86	1,107.61
Debt ETFs - Quoted	5,375.70	1,023.53
Corporate bond funds	6,177.37	-
Non convertible debentures	701.76	-
Market linked debentures	399.45	-
Perpetual bonds	781.50	-
Equity linked funds	3,821.52	3,386.46
Investments in Series-A preferred stock / Promissory notes (FVTOCI)	-	2,253.75
Total	34,167.64	23,294.07
Non-current investments		
Investment in unquoted preference shares		
Axiom Research Labs Private Ltd.		
424 (March 31, 2020: 424) preference shares of ₹10 each, fully paid up	237.06	237.06
Less: Provision for diminution in value of investment	(237.06)	(237.06)
Total	-	-
Tata Capital Limited		
150,000 (March 31, 2020: 150,000) 7.50% fully paid non-convertible Cumulative Redeemable non-participating Preference shares ("CRPS") of ₹ 1,000 each, fully paid up	1,500.00	1,500.00
Total	1,500.00	1,500.00
Investment in quoted tax free bonds at amortized cost		
60,400 (March 31, 2020: 60,400) 7.28% IRFC tax free bonds of ₹ 1,000 each - 15 Years	604.00	604.00
100,000 (March 31, 2020: 100,000) 7.34% IRFC tax free bonds of ₹ 1,026.80 each - 15 Years	1,018.04	1,020.03
32,000 (March 31, 2020: 32,000) 7.35% IRFC tax free bonds of ₹ 1,033.20 each - 15 Years	328.14	328.69
12,007 (March 31, 2020: 12,007) 7.39% HUDCO tax free bonds of ₹ 1,001.96 each - 15 Years	120.25	120.26
200,000 (March 31, 2020: 200,000) 7.39% HUDCO tax free bonds of ₹ 1,033.75 each - 15 Years	2,051.99	2,055.53
47,500 (March 31, 2020: 47,500) 8.50% NHAI tax free bonds of ₹ 1,125 each - 15 Years	517.08	521.02
75,570 (March 31, 2020: 75,570) 7.35% NHAI tax free bonds of ₹ 1,002.49 each - 15 Years	756.90	757.05
Total	5,396.41	5,406.58
Investment in non convertible debentures at amortized cost		
70 (March 31, 2020: Nil) Units of ₹ 10,02,600 each, 7.60% Tata Capital Financial Services 2030	701.76	-
Total	701.76	-

Notes to the Consolidated Financial Statements (Contd.)
(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

7. Investments (Contd.)

	As at March 31, 2021	As at March 31, 2020
Investment in mutual funds at FVTPL		
<i>Fixed maturity plans, quoted</i>		
Nil (March 31, 2020: 10,000,000) units of ₹ 11.87 each, HSBC FTS 131 - Direct Plan - Growth	-	1,153.70
Nil (March 31, 2020: 11,500,000) units of ₹ 12.15 each, Tata FMP Series 53 - Scheme A - Direct Plan - Growth	-	1,356.32
14,150,000 (March 31, 2020: 14,150,000) units of ₹ 12.26 each, HSBC FTS 137 - Dir - Growth	1,734.71	1,590.52
Nil (March 31, 2020: 10,000,000) units of ₹ 10.92 each, UTI FTI - Series XXIX - Plan 1 - Direct - Growth	-	1,041.42
Nil (March 31, 2020: 10,000,000) units of ₹ 12.26 each, ICICI Prudential FMP Series 82 - Plan A - Direct Plan - Growth	-	1,194.85
10,000,000 (March 31, 2020: 10,000,000) units of ₹ 11.89 each, SBI FMP - Series 7 - 1175 Days - Dir - Growth	1,189.38	1,091.00
4,499,575 (March 31, 2020: Nil) units of ₹ 10.00 each, SBI FMP - Series 42 - 1857 Days - Dir - Growth	449.98	-
Nil (March 31, 2020: 10,000,000) units of ₹ 12.23 each, Franklin India FMP Series 2 - Plan A - Direct Plan - Growth	-	1,188.33
Total	3,374.07	8,616.14
Investment in mutual funds at FVTPL		
<i>Arbitrage funds, unquoted</i>		
7,041,394 (March 31, 2020: Nil) units of ₹ 11.47 each, Tata Arbitrage Fund - Growth - Direct Plan	807.65	-
5,651,702 (March 31, 2020: Nil) units of ₹ 30.28 each, Kotak Equity Arbitrage Fund - Growth - Direct Plan	1,711.40	-
77,05,457 (March 31, 2020: Nil) units of ₹ 26.76 each, IDFC Arbitrage Fund - Direct Growth Plan	2,061.95	-
Nil (March 31, 2020: 480,765) units of ₹ 20.93 each, Aditya Birla Sun Life Arbitrage Fund - Growth- Direct Plan	-	100.61
Nil (March 31, 2020: 3,464,187) units of ₹ 29.45 each, Kotak Equity Arbitrage Fund - Growth - Direct Plan	-	1,007.00
13,342,336 (March 31, 2020: Nil) units of ₹ 15.43 each, HDFC Arbitrage Fund - Growth - Direct Plan	2,058.86	-
Total	6,639.86	1,107.61
<i>Equity linked funds, unquoted</i>		
Nil (March 31, 2020: 528,476) units of ₹ 86.76 each, Aditya Birla Sun Life Equity Fund - Dir - Dividend	-	458.51
Nil (March 31, 2020: 1,690,761) units of ₹ 25.69 each, Franklin India Equity Fund - Dir - Dividend	-	434.33
Nil (March 31, 2020: 1,926,379) units of ₹ 24.36 each, IDFC Multi Cap Fund - Dir - Dividend	-	469.27
Nil (March 31, 2020: 2,845,394) units of ₹ 19.72 each, SBI Magnum Multi Cap Fund - Dir - Dividend	-	561.06
467,948 (March 31, 2020: Nil) units of ₹ 42.65 each, Axis Bluechip Fund - Dir - Growth	199.58	-
3,909,049 (March 31, 2020: Nil) units of ₹ 13.12 each, Motilal Oswal S&P 500 Index Fund (MOFSP500) - Dir - Growth	512.88	-
220,000 (March 31, 2020: 200,000) units of ₹ 352.88 each, SBI ETF Nifty Next 50	776.31	478.83
450,000 (March 31, 2020: 228,000) units of ₹ 518.39 each, SBI ETF Sensex	2,332.75	984.46
Total	3,821.52	3,386.46

Notes to the Consolidated Financial Statements (Contd.)
(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

7. Investments (Contd.)

	As at March 31, 2021	As at March 31, 2020
<i>Debt ETFs - Quoted</i>		
100,000 (March 31, 2020: 100,000) units of ₹ 1,116.98 each, Edelweiss Bharat Bond ETF - 17-April-2023	1,116.98	1,023.53
949,130 (March 31, 2020: Nil) units of ₹ 103.01 each, Nippon India ETF Nifty CPSE Bond Plus SDL - 2024 Maturity	977.72	-
297,631 (March 31, 2020: Nil) units of ₹ 101.62 each, Nippon India ETF Nifty SDL 2026 Maturity	302.44	-
4,135,249 (March 31, 2020: Nil) units of ₹ 10.23 each, BHARAT Bond FOF - April 2025 - Dir - Growth	423.20	-
225,267 (March 31, 2020: Nil) units of ₹ 1,134.37 each, Edelweiss Bharat Bond ETF - 17-April-2030	2,555.36	-
Total	5,375.70	1,023.53
Investment in Corporate Bond Funds at FVTPL		
<i>Corporate bond funds</i>		
11,753,101 (March 31, 2020: Nil) units of ₹ 15.27 each, IDFC Corporate Bond Fund - Direct Plan - Growth	1,794.43	-
2,682,558 (March 31, 2020: Nil) units of ₹ 35.99 each, Nippon India Floating Rate Fund - Direct Plan - Growth	965.40	-
23,994 (March 31, 2020: Nil) units of ₹ 2,097.79 each, Axis Banking and PSU Debt Fund - Direct Plan - Growth	503.34	-
2,999,850 (March 31, 2020: Nil) units of ₹ 10.11 each, Edelweiss Nifty PSU Bond Plus SDL Index Fund - 2026	303.25	-
2,331,838 (March 31, 2020: Nil) units of ₹ 25.18 each, HDFC Corporate Bond Fund - Dir - Growth	587.24	-
8,39,052 (March 31, 2020: Nil) units of ₹ 59.64 each, L&T Triple Ace Bond Fund - Direct Plan - Growth	500.40	-
50,18,680 (March 31, 2020: Nil) units of ₹ 30.35 each, Nippon India Dynamic Bond Fund - Direct Growth Plan	1,523.31	-
Total	6,177.37	-
Investment in market linked debentures at FVTPL		
40 (March 31, 2020: Nil) REC market linked debentures of ₹ 9,98,636 each	399.45	-
Total	399.45	-
Investment in perpetual bonds at FVTOCI		
75 (March 31, 2020: Nil) Units of ₹ 10,42,000 each, 7.74% State Bank of India Perpetual Call 9 Sep 2025	781.50	-
Total	781.50	-
Investments in series A stock / promissory notes, unquoted, at FVTOCI		
Investments in Jana Care, Inc.- Series -A preferred stock	2,179.15	2,253.75
Less: Provision for fair valuation of Investment through other Comprehensive Income	(2,179.15)	-
Total	-	2,253.75
Based on the re-evaluation done by the management on classification of the financial instrument, it was noted that the investments in Series A Preferred Stock of Jana Care Inc., USA, have been classified inadvertently as Fair Value Through Profit and Loss instead of Fair Value Through Other Comprehensive Income. Management has changed the classification accordingly. There is no impact on account of the aforesaid change on all the periods presented in the financial statements.		
Others		
Investment in unquoted equity shares at FVTPL		
Axiom Research Labs Private Ltd.		
5 (March 31, 2020: 5) equity shares of ₹ 10 each, fully paid up	2.80	2.80
Less: Provision for diminution in value of investments	(2.80)	(2.80)
	-	-

Notes to the Consolidated Financial Statements (Contd.)
(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

7. Investments (Contd.)

	As at March 31, 2021	As at March 31, 2020
Investment in Limited Liability Partnerships at FVTPL		
Investment in Limited Liability Partnerships		
Investment in Omni Capital Fund L.L.P, a Limited Liability Partnership in USA	-	3,626.13
Less : Provision for diminution of investments	-	(3,626.13)
	-	-
Aggregate amount of quoted investments and market value thereof	22,206.26	15,046.25
Aggregate amount of carrying value of unquoted investments	11,961.38	8,247.82
Aggregate amount of investments	34,167.64	23,294.07
Aggregate provision for diminution in value of investments	(1,247.70)	(3,865.99)

8. Other financial assets

	As at March 31, 2021	As at March 31, 2020
Security deposits	135.74	314.28
Advances to employees	0.33	0.21
Total	136.07	314.49

9. Other non-current assets

	As at March 31, 2021	As at March 31, 2020
Capital advances	0.56	-
Total	0.56	-

10. Current investments

	As at March 31, 2021	As at March 31, 2020
Liquid mutual funds	350.04	926.16
Ultra short term funds	407.03	-
Fixed maturity plans	6,312.06	9,747.39
Total	7,069.13	10,673.55
Investment in mutual funds at FVTPL		
Liquid mutual funds, unquoted at FVTPL		
Nil (March 31, 2020: 31,044) units of ₹ 2,983.35 each Franklin India Liquid Fund - Dir - Dly Dividend	-	926.16
372 (March 31, 2020: Nil) units of ₹ 1,087.92 each Axis Overnight Fund - Dir - Growth	4.04	-
7,309 (March 31, 2020: Nil) units of ₹ 2,284.79 each Axis Liquid Fund - Dir - Growth	166.98	-
5,507 (March 31, 2020: Nil) units of ₹ 3,247.63 each, Tata Liquid Fund - Direct Plan - Growth	178.85	-
5.14 (March 31, 2020: Nil) units of ₹ 3,351.74 SBI Overnight Fund - Dir - Growth	0.17	-
Total	350.04	926.16
Ultra short term funds, unquoted at FVTPL		
34,09,104 (March 31, 2020: Nil) units of ₹ 11.83 each HDFC Ultra short term Fund - Dir - Growth	407.03	-
Total	407.03	-

Notes to the Consolidated Financial Statements (Contd.)
(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

10. Current investments (Contd.)

	As at March 31, 2021	As at March 31, 2020
Fixed maturity plan, quoted at FVTPL		
Nil (March 31, 2020: 12,000,000) units of ₹ 12.42 each, UTI FTIF - Series XXVI - Plan 6 - Direct Plan - Growth	-	1,490.23
Nil (March 31, 2020: 10,000,000) units of ₹ 12.42 each, Invesco India FMP - Series XXIX - Plan B - Direct Plan - Growth	-	1,241.99
Nil (March 31, 2020: 10,000,000) units of ₹ 12.40 each, DSP BlackRock FMP Series 205 - 37 Direct Plan - Growth	-	1,239.85
10,000,000 (March 31, 2020: Nil) units of ₹ 12.64 each, ICICI Prudential FMP Series 82 - Plan A - Direct Plan - Growth	1,263.98	-
10,000,000 (March 31, 2020: Nil) units of ₹ 12.62 each, Franklin India FMP Series 2 - Plan A - Direct Plan - Growth	1,261.69	-
10,000,000 (March 31, 2020: Nil) units of ₹ 12.25 each, HSBC FTS 131 - Direct Plan - Growth	1,225.36	-
11,500,000 (March 31, 2020: Nil) units of ₹ 12.56 each, Tata FMP Series 53 - Scheme A - Direct Plan - Growth	1,443.86	-
Nil (March 31, 2020: 10,000,000) units of ₹ 12.65 each, Nippon India FHF 32 - Series 5 - Direct Plan - Growth	-	1,265.38
10,000,000 (March 31, 2020: Nil) units of ₹ 11.17 each, UTI FTI - Series XXIX - Plan 1 - Direct - Growth	1,117.17	-
Nil (March 31, 2020: 15,000,000) units of ₹ 12.44 each, Birla Sun Life FTP - Series OI - Direct Plan - Growth	-	1,865.64
Nil (March 31, 2020: 11,200,000) units of ₹ 12.49 each, ICICI Prudential FMP - Series 80 - 1233 days - Plan O - Direct Plan - Growth	-	1,398.68
Nil (March 31, 2020: 100,000) units of ₹ 1,245.60 each, PGIM India Mutual Fund Fixed Duration FD Series AE - Direct Plan - Growth	-	1,245.62
	6,312.06	9,747.39
Aggregate amount of quoted investments and market value thereof	6,312.06	9,747.39
Aggregate amount of unquoted investments	757.07	926.16
Aggregate amount of total current investments	7,069.13	10,673.55

11. Trade receivables

	As at March 31, 2021	As at March 31, 2020
Trade receivables considered good - Unsecured	6,659.92	9,319.85
Trade receivables which have significant increase in credit risk	293.47	264.99
	6,953.39	9,584.84
Less: Trade receivables - credit impaired	293.47	264.99
Total	6,659.92	9,319.85

The activity in the allowance for expected credit loss is presented below:

	March 31, 2021	March 31, 2020
Balance at the beginning of the year	(264.99)	248.56
Additions / reversals during the year, net	18.69	-
Effect of restatement	9.79	16.43
Balance at the end of the year	(293.47)	(264.99)

The Group's exposure to credit and currency risks, and loss allowance related to trade receivables is disclosed in Note 32.

Notes to the Consolidated Financial Statements (Contd.)
(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

12. Cash and cash equivalents

	As at March 31, 2021	As at March 31, 2020
Balances with banks - current accounts	1,935.31	1,489.76
Balances with banks - unpaid dividend accounts	139.76	120.62
Cash on hand	0.54	2.99
Total	2,075.61	1,613.37

13. Other bank balances

	As at March 31, 2021	As at March 31, 2020
Bank deposits with original maturity more than 3 months but less than or equal to 12 months from the reporting date	3,096.45	117.23
Bank balances held as margin money / security against guarantees	113.18	94.49
Total	3,209.63	211.72

14. Other financial assets, current

	As at March 31, 2021	As at March 31, 2020
Advances to employees	6.32	45.12
Accrued interest	457.83	305.53
Security deposits	125.20	70.19
Total	589.35	420.84

15. Other current assets

	As at March 31, 2021	As at March 31, 2020
Balances with government authorities	178.70	237.64
Advances to suppliers	266.18	379.02
Prepaid expenses	206.60	327.11
Total	651.48	943.77

16. Equity share capital

	As at March 31, 2021	As at March 31, 2020
Authorised:		
55,000,000 (March 31, 2020: 55,000,000) equity shares of ₹ 10 each	5,500.00	5,500.00
Issued, subscribed and paid up capital:		
15,050,871 (March 31, 2020: 15,050,871) equity shares of ₹ 10 each fully paid up	1,505.09	1,505.09

(a) Reconciliation of shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2021 No. of shares
At the beginning of the year	1,50,50,871
Less: Bought-back during the year	-
At the end of the year	1,50,50,871

Particulars	As at March 31, 2020 No. of shares
At the beginning of the year	1,71,10,114
Less: Bought-back during the year	(20,59,243)
At the end of the year	1,50,50,871

Notes to the Consolidated Financial Statements (Contd.)
(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

(b) Buy-back of equity shares

Particulars	As at March 31, 2021	As at March 31, 2020
Aggregate number of equity shares bought back by the Company during the period of five years immediately preceding the Balance Sheet date.	26,68,942	63,25,502

(c) Rights, preference and restrictions attached to the equity shares:

The Company has only one class of equity shares having a par value of ₹ 10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The holders of equity shares are entitled to receive dividend as declared from time to time. The final dividend if any proposed by the Board of Directors is subject to shareholders' approval at the ensuing Annual General Meeting. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(d) Shareholders holding more than 5% shares in the Company:

Name of the shareholder	% of total shares in the class	As at March 31, 2021 Number of shares
Rajiv Chandrakant Mody	10.34%	15,56,570
Gothic Corporation	6.49%	9,76,166
Naman R Mody	6.23%	9,38,302

Name of the shareholder	% of total shares in the class	As at March 31, 2020 Number of shares
Rajiv Chandrakant Mody	10.34%	15,56,570
Gothic Corporation	6.49%	9,76,166
Naman R Mody	6.23%	9,38,302

(e) There are no shares reserved for issue under employee stock options.

(f) There are no bonus shares issued during the period of five years immediately preceding the balance sheet date.

(g) The Company had issued in the past 32,244 equity options, out of which 18,539 options have lapsed due to resignation, even before the vesting of it (As at March 31, 2020: 32,244) during the period of five years immediately preceding the reporting date on exercise of stock options granted under the Sasken Employees' Share Based Incentive Plan 2016 (Plan), wherein part consideration was received in the form of employee services.

(h) The Board in their meeting held on October 21, 2020 declared an interim dividend of ₹ 10 per share for the year ended March 31, 2021, which resulted in cash outflow of ₹ 1,505.09 lakhs. The Board in their meeting held on April 22, 2021, has proposed ₹ 15 per share as the final dividend for the year ended March 31, 2021. The payment is subject to shareholders' approval in ensuing Annual General Meeting. The total dividend for the year ended March 31, 2021 would be ₹ 25 per share (March 31, 2020: ₹ 62.50 per share).

(i) Employee Stock Option Plan (ESOP):

The Sasken Employees' Share Based Incentive Plan 2016 (Plan) was duly approved and instituted in December, 2016. The Plan authorizes the Board of Directors of the Company to offer share based incentive to eligible employees of the Company and its subsidiaries. The maximum number of shares to be issued under the Plan will be 8,85,900 equity shares. The Plan is administered by the Sasken Employees Welfare Trust.

The Company recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

Notes to the Consolidated Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

During the period ended March 31, 2021, nil stock options have been granted under the Plan. These stock options will vest after a period of 4 years from the grant date and are subject to the achievement of certain performance conditions. The charge to the income statement on account of stock compensation cost for the year ended March 31, 2021, is ₹ (21.59) lakhs (March 31, 2020: ₹ 10.71 lakhs).

The Company has used the Black-Scholes Option Pricing Model to determine the fair value of the stock options based on which the compensation cost for the current period has been computed.

The 2016 Plan is in compliance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Details of Equity Options granted are as follows:

	As at March 31, 2021	As at March 31, 2020
Details of movement in the equity options granted during the year	Units (in Numbers)	Units (in Numbers)
Equity options outstanding at the beginning of the year	32,244	65,526
Number of options granted during the year	-	-
Options vested during the year	-	-
Options lapsed during the year	(18,539)	(33,282)
Total number of shares to be allotted on exercise of Equity	13,705	32,244
Options outstanding at the end of the year	13,705	32,244
Options exercisable at the end of the year	Nil	Nil
Exercise price of ESOP Options outstanding at the end of the year	₹ 982	₹ 982

The fair value has been calculated using the Black Scholes Option Pricing Model. The Assumptions used in the model on a weighted average basis at the time of grant are as follows:	Assumption values
1. Risk free interest rate	8.12%
2. Weighted average contractual life	5.50
3. Expected volatility	44.94%
4. Dividend yield	1.02%
5. Price of the underlying share in the market at the time of option grant	₹ 981.85
6. Date of grant	July 17, 2018
7. Exercise price	₹ 982

17. Provisions, non-current

	As at March 31, 2021	As at March 31, 2020
Provisions for employee benefits		
Pension	457.49	588.90
Gratuity (refer note 31)	20.50	482.44
Compensated absences	148.82	158.75
Provisions for other expenses		
Decommissioning liability	-	69.59
Total	626.81	1,299.68

18. Trade payables

	As at March 31, 2021	As at March 31, 2020
Total outstanding dues to micro and small enterprises (refer note 36)*	3.75	1.57
Total outstanding dues to creditors other than micro and small enterprises	1,382.44	1,726.20
Total	1,386.19	1,727.77

* The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises has been made in the financial statements based on information received and available with the Company.

Notes to the Consolidated Financial Statements (Contd.)
(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

19. Other financial liabilities

	As at March 31, 2021	As at March 31, 2020
Employee related payables	2,223.40	1,948.61
Unpaid dividends	139.76	120.63
Total	2,363.16	2,069.24

20. Other current liabilities

	As at March 31, 2021	As at March 31, 2020
Advances received from customers	182.53	137.05
Capital creditors	0.08	16.18
Statutory liabilities	1,928.69	1,728.49
Total	2,111.30	1,881.72

21. Provisions, current

	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
Compensated absences	1,429.15	1,460.04
Others		
Decommissioning liability	10.69	-
Warranty	33.71	11.41
Others	121.25	128.82
Total	1,594.80	1,600.27

22. Revenue from operations

	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of software services (Refer note 29 for Ind AS 115)	44,483.52	49,222.22
Total	44,483.52	49,222.22

23. Other income

	For the year ended March 31, 2021	For the year ended March 31, 2020
Dividends from current investments	56.49	949.85
Dividends from preference shares	112.51	81.32
Net gain / (loss) on sale of current investments	44.53	80.02
Net gain on sale of non-current investments	173.06	102.13
Interest income from:		
- bank deposits	137.73	21.37
- tax free bonds	382.82	384.49
- income-tax refund	0.05	522.76
- non convertible debentures	24.58	-
- others	5.85	11.10
Write back of unclaimed balances / provisions	89.57	131.31
Profit on sale of property, plant and equipment	3.14	7.71
Foreign exchange gain, net	(196.65)	944.02
Miscellaneous income	1.32	151.84
Net gains on fair value changes on investments classified as fair value through profit and loss	2,126.68	186.97
Total	2,961.67	3,574.89

Notes to the Consolidated Financial Statements (Contd.)
(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

24. Employee benefits expense

	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and bonus	23,961.11	28,919.44
Contribution to provident and other funds	1,850.55	2,347.61
Staff welfare expenses	531.22	741.19
Relocation expenses	138.42	147.70
Employee stock option compensation cost	(21.59)	10.71
Total	26,459.71	32,166.65

25. Other expenses

	For the year ended March 31, 2021	For the year ended March 31, 2020
Rent	477.53	463.46
Repairs and maintenance:		
- Plant and machinery	389.84	441.99
- Building	286.86	449.17
- Others	26.07	79.52
Communication expenses	198.59	257.72
Travel expenses	97.91	1,406.44
Electricity and water charges	247.99	430.83
Professional, legal and consultancy charges	627.73	849.36
Insurance	96.90	121.51
Contract staff cost	1,348.32	1,894.15
Software subscription charges	110.35	128.79
Training and conference expenses	7.76	(60.91)
Warranty expense (net)	22.30	11.41
Selling expenses	7.54	41.14
Bad debts (net of recovery)	18.69	-
Loss on sale of property, plant and equipment, net	17.27	-
Auditor's remuneration:		
- Audit fees	22.00	31.00
- Other services	1.50	1.53
- Reimbursement of expenses	0.14	2.80
Rates and taxes	139.07	320.32
Directors' sitting fees and commission	120.50	101.70
Donations	-	-
Contribution towards Corporate Social Responsibility (refer note 28)	220.93	199.83
Printing and stationery	14.00	37.89
Project materials	309.79	808.94
Miscellaneous expenses	161.66	228.91
Total	4,971.24	8,247.50

Notes to the Consolidated Financial Statements (Contd.)
(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

26. Income taxes

A. Amounts recognised in the Statement of Profit and Loss and other comprehensive income:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Income tax expense:		
Current tax	3,229.89	3,867.47
Deferred tax - origination and reversal of temporary differences	264.72	(553.63)
	3,494.61	3,313.84
Income tax included in other comprehensive income on:		
Remeasurements of the defined benefit liability	4.95	279.46
Net change in fair value of Investments through OCI	(3.56)	-
Net change in fair value of financial instruments through OCI	(348.66)	552.81
Total	3,841.88	2,481.57

B. Reconciliation of effective tax rate:

The reconciliation between the provision for income tax and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit before income tax	14,949.25	11,196.59
Enacted income tax rate in India	25.17%	34.94%
Computed expected tax expense	3,762.43	3,912.54
Effect of:		
Non-deductible expenses	64.60	101.37
Branch profit tax for the US branch	22.90	41.38
Additional provision / Reversal of provisions recorded during previous years (net)	(23.41)	394.96
Items earlier disallowed now allowed (Provision for VAT Liabilities)	-	-
Provision for Foreign Tax Credit for the current year	119.99	171.69
Effect of increase in the fair valuation of investments	253.35	-
Effect of tax rates in foreign jurisdictions	(65.85)	(21.05)
Undistributed earnings of Foreign Subsidiaries and Deferred Tax Asset of Finland	38.21	(35.36)
Non taxable items	(687.19)	(681.37)
Tax incentives	-	(617.59)
Impact of deductions claimed	(28.31)	87.68
Impact of deductions claimed	39.96	-
Other items	(2.07)	(40.40)
Income tax expense, as above	3,494.61	3,313.84

C. Recognised deferred tax assets and liabilities

The components of deferred tax assets and liabilities are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
<i>Deferred tax assets</i>		
Property, plant and equipment (including intangible assets)	477.41	468.75
Provisions for employee benefits	228.04	233.22
Investments at fair value through profit or loss	-	97.16
Derivative liabilities	-	224.04
Re-measurement gain on defined benefit liability	251.21	246.28
Other items	4.69	-
Total deferred tax assets	961.35	1,269.45
<i>Deferred tax liabilities</i>		
Investments at fair value through profit or loss	137.53	-
Unrealised Interest on Income Tax refund	33.09	33.11
Derivative assets	124.62	-
Undistributed earnings of subsidiary companies	73.41	-
Fair Valuation of Bonds through OCI	3.56	-
Other items	-	-
Total deferred tax liabilities	372.21	33.11
Deferred tax asset (net)	589.14	1,236.34

Notes to the Consolidated Financial Statements (Contd.)
(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

D. Movement in temporary differences

Net deferred income tax asset at the beginning (a)	Balance as at April 1, 2020	Balance as at April 1, 2019
Net deferred income tax asset	1,201.14	269.22
Credit / (Charge) in the Standalone Statement of Profit and Loss during the period (b)	Year ended March 31, 2021	Year ended March 31, 2020
Property, Plant and equipment (including intangible assets)	8.66	(201.56)
Provisions - employee benefits	(5.19)	30.53
Investments at fair value through profit or loss	(234.69)	117.30
Unrealised interest on income tax refund	0.02	244.58
MAT credit entitlement	-	(131.50)
Undistributed earnings of Subsidiary Companies	(38.20)	35.35
Other items	4.69	4.99
	(264.71)	99.69
Credit in the other comprehensive income during the period (c)	Year ended March 31, 2021	Year ended March 31, 2020
Provisions - employee benefits	4.93	279.46
Fair Valuation of Bonds through OCI	(3.56)	-
Derivative assets / liabilities	(348.66)	552.81
	(347.29)	832.27
Net deferred income tax asset at the end of the period (d) = (a) + (b) + (c)	589.14	1,201.18

E. Other tax assets and current tax liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Income tax assets	3,729.25	5,441.36
Income tax liabilities	2,230.91	4,311.34
	1,498.34	1,130.02

Deferred taxes on unrealized foreign exchange gain / loss relating to cash flow hedges and actuarial gains / losses on defined benefit plans are recognized in other comprehensive income and presented within equity. Other than these, the change in deferred tax assets and liabilities is recorded in the Statement of Profit and Loss.

In assessing the realizability of deferred tax assets, the Company considers the extent to which it is probable that the deferred tax asset will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carryforwards become deductible. The Company considers the expected reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on this, the Company believes that it is probable that the Company will realize the benefits of these deductible differences. The amount of deferred tax asset considered realizable, however, could be reduced in the near term if the estimates of future taxable income during the carry-forward period are reduced.

The Company has provided for Income Taxes at the rates proposed in the Taxation Law (Amendment) Act 2019, for the current year ended March 31, 2021 based on the current estimates, subject to the final decision which the Company has to take before filing the Return of Income.

27. Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Group by the weighted average number of equity shares outstanding during the year. Diluted EPS is calculated by dividing the profit attributable to equity holders of the Group and the weighted average number of equity shares outstanding, after adjustment for the effects of all dilutive potential equity shares.

Notes to the Consolidated Financial Statements (Contd.)
(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

i. Profit attributable to equity holders of the Company

Particulars	For the year ended	For the year ended
	March 31, 2021	March 31, 2020
Profit after tax for the year	11,454.64	7,882.75
Profit attributable to equity holders of the Company for basic and dilutive earnings	11,454.64	7,882.75
Adjustments for the purpose of dilutive potential equity shares	-	-
	11,454.64	7,882.75

ii. Weighted average number of equity shares

Particulars	For the year ended	For the year ended
	March 31, 2021	March 31, 2020
Issued ordinary shares at the beginning date	1,50,19,956	1,62,30,098
Effect of shares bought back by Sasken Employees Welfare Trust	-	-
Weighted average number of shares at the end of the year	1,50,19,956	1,62,30,098
Effect of dilution	-	-
Weighted average number of equity shares for basic and diluted earnings per share	1,50,19,956	1,62,30,098
Basic and diluted earnings per share	76.26	48.57

28. Corporate Social Responsibility

Pursuant to Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR Committee has been formed by the Company as per the Act.

(a) Gross amount required to be spent by the Company during the year is ₹ 215.39 lakhs (March 31, 2020: ₹ 189.07 lakhs)

(b) Amount spent during the year on:

Particulars	For the year ended March 31, 2021		
	In cash	Yet to be paid in cash	Total
On purpose other than Construction / acquisition of any asset	220.93	-	220.93
	220.93	-	220.93

Particulars	For the year ended March 31, 2020		
	In cash	Yet to be paid in cash	Total
On purpose other than Construction / acquisition of any asset	199.83	-	199.83
	199.83	-	199.83

29. Segments and disaggregated revenue information

(a) Segmental information:

The Chairman and Managing Director of the Group has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, "Operating Segments." The Group operates in one segment only i.e. "Software Services". The CODM evaluates performance of the Company based on revenue and operating income from "Software Segment". Accordingly, segment information has not been separately disclosed. The Group earns revenues from customers located across different geographies, the revenues based on domicile of the customer are disclosed in Note (c) below. Assets and liabilities used in the Group's business are not identified to any of the geographies, as these are used interchangeably between geographies. The management believes that it is currently not practicable to provide disclosures relating to total assets and liabilities since a meaningful segregation of the available data is onerous.

Notes to the Consolidated Financial Statements (Contd.)
(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

(b) Revenue by contract type:

	For the year ended March 31, 2021	For the year ended March 31, 2020
Time and material contracts	31,596.65	32,246.71
Fixed priced contracts	12,886.87	16,975.51
Total	44,483.52	49,222.22

(c) Revenue by geography:

	For the year ended March 31, 2021	For the year ended March 31, 2020
India	12,804.61	12,216.86
North America (including Canada)	15,638.82	19,684.03
Europe (including Middle East)	8,521.56	10,314.04
Rest of the world	7,518.53	7,007.29
Total	44,483.52	49,222.22

1 of our customer groups individually accounted for more than 10% of the revenues during the quarter and year ended March 31, 2021 (March 31, 2020: 1 customer group).

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws, etc.). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is ₹ 6,070.25 lakhs (₹ 9,612 lakhs FY 2020) out of which 100% is expected to be recognized as revenue in the next year. No consideration from contracts with customers is excluded from the amount mentioned above.

Changes in contract assets are as follows:

	March 31, 2021	March 31, 2020
Balance at the beginning of the year	2,319.07	3,145.30
Revenue recognized during the year	12,886.87	16,975.51
Invoices raised during the year	(13,299.17)	(17,892.50)
Translation exchange difference	67.50	90.76
Balance at the end of the year	1,974.27	2,319.07

Changes in deferred revenue are as follows:

	March 31, 2021	March 31, 2020
Balance at the beginning of the year	594.48	380.22
Revenue recognized that was included in the deferred revenue at the beginning of the year	(594.48)	(380.22)
Increase due to invoicing during the period, excluding amounts recognized as revenue during the year	92.04	594.48
Balance at the end of the year	92.04	594.48

Reconciliation of revenue recognized with the contracted price is as follows:

	March 31, 2021	March 31, 2020
Contracted price	44,483.52	49,222.22
Revenue recognized	44,483.52	49,222.22

The reduction towards variable consideration comprises of volume discounts, service level credits, etc.

Notes to the Consolidated Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

30. Related party relationships and transactions

(a) Following is the list of subsidiaries / controlled trust / joint ventures / other related parties of the Company:

Particulars	Country of incorporation	Ownership interest as at	
		March 31, 2021	March 31, 2020
Subsidiaries			
Sasken Communication Technologies Mexico, S.A. de C.V ('Sasken Mexico')	Mexico	100.00%	100.00%
Sasken Communication Technologies (Shanghai) Co. Ltd. ('Sasken China')	China	100.00%	100.00%
Sasken Finland Oy. ('Sasken Finland')	Finland	100.00%	100.00%
Sasken Inc. ('Sasken Inc.')	USA	100.00%	100.00%
Controlled trusts			
Sasken Foundation	India	-	-
Sasken Employees Welfare Trust	India	-	-
Joint ventures			
TACO Sasken Automotive Electronics Limited ('TSAE')	India	50.00%	50.00%
Other related parties		Nature of relationship	
SAS Employees Provident Fund Trust	India	Post-Employment benefit plan of Sasken	
Sasken Employees Gratuity Fund Trust	India	Post-Employment benefit plan of Sasken	
Sasken Employees Superannuation Fund Trust	India	Post-Employment benefit plan of Sasken	

(b) Following is the list of other related parties:

(i) Key Managerial Personnel ('KMP'):

Name of the related party	Relationship
Rajiv C. Mody	Chairman, Managing Director and Chief Executive Officer
Neeta S. Revankar	Whole-time Director and Chief Financial Officer
S. Prasad	Company Secretary

(ii) Person other than KMPs:

Name of the related party	Relationship
Bharat V. Patel	Independent Director
Madhu Khatri	Independent Director
Sanjay M. Shah	Independent Director
Sunirmal Talukdar	Independent Director
Pranabh D. Mody	Non-executive Director
G. Venkatesh	Non-executive Director

(c) Key Managerial personnel compensation

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Short term employee benefits - KMPs	884.03	467.23
Short term employee benefits - Others	120.50	101.70
Total	1,004.53	568.93

Post-employment benefits comprising gratuity and compensated absences are not disclosed as these are determined for the Group as a whole.

Notes to the Consolidated Financial Statements (Contd.)
(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

31. Employee benefits

Defined contribution plan:

Pension Fund and Superannuation:

The Group makes contributions to the Government administered pension fund, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. Further, the Group also contributes to a superannuation scheme, maintained by an insurance company. To the extent of such contributions, the Group has no obligation other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognized as an expense towards contributions for the March 31, 2021 ₹ 170.05 lakhs (March 31, 2020: ₹ 194.27 lakhs).

Defined benefit plan:

(a) Provident Fund

The Group also makes contributions to the approved Provident Fund Trust (SAS Employees Provident Fund Trust) managed by the Group, in respect of qualifying employees towards Provident Fund, which is a defined benefit plan. The contributions made to the Trust managed by the Group is accounted for as a defined benefit plan as the Group is liable for any shortfall in the Trust's assets based on the Government specified rate of return.

The following table sets out the funded status of defined benefit provident fund plan of Sasken Technologies Limited and amount recognized in the Group's Financials Statement as at March 31, 2021:

Particulars	As at March 31, 2021	As at March 31, 2020
Change in Benefit Obligation		
Benefit Obligation at the beginning	15,255.17	14,151.05
Service Cost - Employer obligation	614.82	637.57
Employee Contribution	1,138.77	1,159.88
Interest Expense	1,086.48	1,265.19
Actuarial (gain) / Loss	517.49	(196.58)
Benefits Paid including transfer in/transfer out	(1,369.88)	(1,761.94)
Benefit Obligation at the end	17,242.85	15,255.17
Change in Plan assets		
Fair value of Plan asset at the beginning	14,494.33	14,196.18
Interest Income	1,064.04	1,269.12
Remeasurement*	313.06	(1,006.48)
Contributions Employee/Employer	1,738.66	1,797.45
Benefits Paid including transfer in/transfer out	(1,369.88)	(1,761.94)
FV of Plan asset at the End	16,240.22	14,494.33
Net Liability	(1,002.64)	(760.84)

* Includes unrealized loss on investment in certain bonds by the PF Trust

Amount for the year ended March 31, 2021 Recognized in the Statement of Profit & Loss and Other Comprehensive Income:

Particulars	As at March 31, 2021	As at March 31, 2020
Statement of Profit and Loss		
Company contribution to provident fund	595.83	636.63
	595.83	636.63
Remeasurement of net Defined benefit liability/(Asset)		
Actuarial (gain)/loss	554.38	(196.58)
Return of plan assets excluding amount included in interest income	(313.06)	957.44
	241.32	760.84

Notes to the Consolidated Financial Statements (Contd.)
(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

The Breakup of plan assets into various categories as at March 31, 2021 is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Central and State Government bonds	62.18%	51.37%
Public Sector and Private Sector banks	33.46%	41.58%
Others	4.36%	7.05%

The principal assumptions used in determining the present value obligation of interest guarantee under the deterministic approach are as follows:

	As at March 31, 2021	As at March 31, 2020
Discount rate	6.55%	6.45%
Average remaining tenure of investment portfolio	7.77 years	6.39 years
Guaranteed rate of return	8.50%	8.50%
Expected guaranteed interest	8.05%	8.80%

The amount recognized as an expense towards contribution to this plan for the year ended March 31, 2021 aggregated to ₹ 600.15 lakhs (March 31, 2020 ₹ 638.65 lakhs), the Group has recognised ₹ 241.32 lakhs and ₹ 760.84 lakhs towards the short fall of provident fund in other comprehensive income for the period ended March 31, 2021 and March 31, 2020 respectively.

(b) Gratuity

The Group operates a post employment benefit plan that provides for gratuity benefit to the employees of the Group. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit. Further, in case of the branch in Germany, pension contributions are also made as per the local laws and regulations. The Group provides for these pension benefits, a defined benefit plan, covering all eligible employees.

Particulars	As at March 31, 2021	As at March 31, 2020
Defined benefit asset	2,482.88	1,814.65
Total employee benefit asset (a)	2,482.88	1,814.65
Defined benefit liability (b)	2,503.38	2,297.09
Net employee benefit liabilities / (assets) (c = b - a)	20.50	482.44
Non-current	20.50	482.44
Current	-	-

Reconciliation of the net defined benefit liability:

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability and its components:

Reconciliation of present value of defined benefit obligation:

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	2,297.09	2,083.95
Benefits paid	(237.39)	(291.96)
Current service cost	227.13	196.98
Interest cost	126.62	140.73
Actuarial (gains) / losses recognized in other comprehensive income		
- changes in financial assumptions	14.77	94.92
- experience adjustments	75.15	72.47
Balance at the end of the year (a)	2,503.37	2,297.09

Notes to the Consolidated Financial Statements (Contd.)
(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

Reconciliation of the present value of plan assets:

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	1,814.65	2,112.29
Contributions paid into the plan	482.44	-
Benefits paid	(237.39)	(291.96)
Interest income	111.60	149.76
Return on plan assets recognized in other comprehensive income	311.57	(155.44)
Balance at the end of the year (b)	2,482.87	1,814.65
Net defined benefit liability / (asset) (c = a - b)	20.50	482.44

The company has invested its 100% plan assets in Insurance Company for the year ended March 31, 2021 and March 31, 2020.

The amount for the year ended March 31, 2021 and March 31, 2020 recognized in the Statement of Profit and Loss under employee benefit expense are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Service Cost	227.13	196.98
Net Interest cost	15.02	(9.03)
Net Gratuity Cost	242.15	187.95

The amounts for the period ended March 31, 2021 and March 31, 2020 recognized in the Statement of Other Comprehensive Income are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Remeasurements of the net defined benefit liability / (asset)		
Actuarial (gains) / losses	89.93	(124.56)
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability / (asset)	(311.57)	447.40
Net Gratuity Cost	(221.64)	322.84

Defined benefit obligations - Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate	6.02%	6.15%
Expected return on plan assets	6.02%	6.15%
Salary escalation rate	10.00%	10.00%
Attrition rate	20.00%	20.00%

The discount rate is based on the prevailing market yields of Indian government securities for the estimated term of the obligations. The expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations. The estimates of future salary escalations considered takes into account the inflation, seniority, promotion and other relevant factors. Attrition rate considered is the management's estimate, based on previous years' employee turnover of the Group.

As at March 31, 2021 and March 31, 2020, plan assets were primarily invested in insurer managed funds.

Notes to the Consolidated Financial Statements (Contd.)
(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate (1% movement)	(106.27)	(97.93)
Discount rate (-1% movement)	116.37	107.54
Future salary growth (1% movement)	100.66	92.33
Future salary growth (-1% movement)	(92.45)	(85.93)
Attrition rate (1% movement)	(25.89)	(22.85)
Attrition rate (-1% movement)	27.24	24.69

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Expected contribution to the fund during the year ending March 31, 2022	279.22	476.48
Estimated benefit payments from the fund during:		
Year 1	279.22	476.48
Year 2	361.66	325.78
Year 3	336.58	305.05
Year 4	291.07	281.51
Year 5	265.55	240.94
Thereafter	905.97	846.41

(c) Pension

Particulars	As at March 31, 2021	As at March 31, 2020
Net defined benefit asset	1,505.21	846.58
Total employee benefit asset (a)	1,505.21	846.58
Defined benefit liability (b)	1,962.70	1,435.48
Net employee benefit liabilities (c = b - a)	457.49	588.90
Non-current	457.49	588.90
Current	-	-

Reconciliation of the net defined benefit liability:

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) / liability and its components:

Reconciliation of present value of defined benefit obligation (Pension):

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	1,435.48	1,321.30
Interest cost	35.30	31.90
Benefits paid	(0.62)	(0.55)
Actuarial losses recognised in other comprehensive income	443.64	(5.47)
Exchange losses / (gains)	48.90	88.30
Balance at the end of the year (a)	1,962.70	1,435.48

Notes to the Consolidated Financial Statements (Contd.)
(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

Reconciliation of the present value of the plan assets:

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	846.58	763.60
Contributions paid into the plan	10.42	8.95
Benefits paid	(0.62)	(0.55)
Expected return on plan assets	20.92	18.55
Actuarial gains recognized in other comprehensive income	602.44	-
Exchange gains / (losses)	25.47	56.03
Balance at the end of the year (b)	1,505.21	846.58
Net defined benefit / (asset) (c = a - b)	457.49	588.90

Note: Pension is on account of Germany Branch, the actuarial valuation will be done on yearly basis.

Defined benefit obligations - Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate	1.25%	2.35%
Expected return on plan assets	1.25%	2.35%

The discount rate is based on the prevailing market yields of government securities for the estimated term of the obligations. The expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

32. Financial instruments - fair values and risk management

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The cost of unquoted investments included in Level 3 of fair value hierarchy approximate their fair value because the cost represents estimate of fair value.

As at March 31, 2021:

Financial assets measured at fair value	Carrying amount			Fair value hierarchy				
	Fair value Hedging instruments	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3	Total
Investments (non-current)								
Investments in fixed maturity plans	-	3,374.07	-	3,374.07	3,374.07	-	-	3,374.07
Investments in arbitrage funds	-	6,639.86	-	6,639.86	6,639.86	-	-	6,639.86
Equity linked funds	-	3,821.52	-	3,821.52	3,821.52	-	-	3,821.52
Perpetual bond	-	-	781.50	781.50	-	781.50	-	781.50
Debt funds	-	5,375.70	-	5,375.70	5,375.70	-	-	5,375.70
Corporate Bond funds	-	6,177.37	-	6,177.37	6,177.37	-	-	6,177.37
Market linked Debentures	-	399.45	-	399.45	399.45	-	-	399.45
Investments in Series A preferred stock	-	-	-	-	-	-	-	-
Investments (current)								
Investments in liquid mutual funds	-	350.04	-	350.04	350.04	-	-	350.04
Ultra Short Term funds, unquoted at FVTPL	-	407.03	-	407.03	407.03	-	-	407.03
Fixed maturity plans	-	6,312.06	-	6,312.06	6,312.06	-	-	6,312.06
Derivative instruments	495.15	-	-	495.15	-	495.15	-	495.15
	495.15	32,857.09	781.50	34,133.74	32,857.09	1,276.65	-	34,133.74

Notes to the Consolidated Financial Statements (Contd.)
(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

As at March 31, 2021:

Financial assets not measured at fair value	Carrying amount	
	Amortised cost	Total
Investments (non-current)		
Investments in preference shares	1,500.00	1,500.00
Non convertible debentures	701.76	701.76
Investments in tax free bonds	5,396.41	5,396.41
Other financial assets (non-current)		
Security deposits	135.74	135.74
Advances to employees	0.33	0.33
Trade receivables	6,659.92	6,659.92
Cash and cash equivalents	2,075.61	2,075.61
Other bank balances	3,209.63	3,209.63
Unbilled revenue	1,698.36	1,698.36
Other financial assets (current)		
Advances to employees	6.32	6.32
Accrued interest income	457.83	457.83
Security deposits	125.20	125.20
	21,967.11	21,967.11

Financial liabilities not measured at fair value	Carrying amount	
	Amortised cost	Total
Trade payables	1,386.19	1,386.19
Other financial liabilities (current)		
Employee related payments	2,223.40	2,223.40
Unpaid dividends	139.76	139.76
	3,749.35	3,749.35

The carrying amount of cash and bank balances, trade receivables, security deposits, receivable from subsidiaries, accrued interest, other advances, trade payables, employee related payables, unpaid dividends are considered to be the same as their fair values, since they are short-term in nature. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own and counterparty credit risk. The carrying amount of Non-convertible debentures, investment in preference shares and tax free bonds represents the fair value of the investments.

As at March 31, 2020:

Financial assets measured at fair value	Fair value Hedging instruments	Carrying amount			Fair value hierarchy			
		FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3	Total
Investments (non-current)								
Investments in fixed maturity plans	-	8,616.14	-	8,616.14	8,616.14	-	-	8,616.14
Investments in arbitrage funds	-	1,107.61	-	1,107.61	1,107.61	-	-	1,107.61
Investments in equity linked funds	-	3,386.45	-	3,386.45	3,386.45	-	-	3,386.45
Investments in Series A preferred stock	-	2,253.75	-	2,253.75	-	-	2,253.75	2,253.75
Debt funds	-	1,023.53	-	1,023.53	1,023.53	-	-	1,023.53
Investments (current)								
Investments in liquid mutual funds	-	926.16	-	926.16	926.16	-	-	926.16
Investments in fixed maturity plans	-	9,747.39	-	9,747.39	9,747.39	-	-	9,747.39
		- 27,061.03		- 27,061.03	24,807.28		- 2,253.75	27,061.03

Notes to the Consolidated Financial Statements (Contd.)
(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

As at March 31, 2020:

Financial assets not measured at fair value	Carrying amount	
	Amortized cost	Total
Investments (non-current)		
Investments in preference shares	1,500.00	1,500.00
Investments in tax free bonds	5,406.59	5,406.59
Other financial assets (non-current)		
Security deposits	314.28	314.28
Advances to employees	0.21	0.21
Trade receivables	9,319.85	9,319.85
Cash and cash equivalents	1,613.37	1,613.37
Other bank balances	211.72	211.72
Unbilled revenue	1,667.14	1,667.14
Other financial assets (current)		
Advances to employees	45.12	45.12
Accrued interest income	305.53	305.53
Security deposits	70.19	70.19
	20,454.00	20,454.00

Financial liabilities measured at fair value	Fair value - hedging instruments	Carrying amount			Fair value hierarchy			Total
		FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3	
Derivative liabilities	890.17	-	-	890.17	-	890.17	-	890.17
	890.17	-	-	890.17	-	890.17	-	890.17

Financial liabilities not measured at fair value	Carrying amount	
	Amortized cost	Total
Trade payables	1,727.77	1,727.77
Other financial liabilities (current)		
Employee related payments	1,948.61	1,948.61
Unpaid dividends	120.63	120.63
	3,797.01	3,797.01

The carrying amount of cash and bank balances, trade receivables, security deposits, receivable from subsidiaries, accrued interest, other advances, trade payables, employee related payables, unpaid dividends are considered to be the same as their fair values, since they are short-term in nature. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own and counterparty credit risk. The carrying amount of Non-convertible debentures, investment in preference shares and tax free bonds represents the fair value of the investments.

Derivative instruments (assets and liabilities): The Group enters into derivative contracts with banks with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are foreign exchange forward contracts and foreign exchange option contracts. The most frequently applied valuation techniques include forward pricing and Black Scholes models (for option valuation), using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, and forward rate curves of the underlying. As at March 31, 2021, the changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognized at fair value.

Details of assets and liabilities considered under Level 3 classification:

Fair valuation through OCI

Particulars	Investments in Series - A preferred shares
Closing balance as at March 31, 2020	2,253.75
Less: Due to Impairment	(2,179.15)
Less: Exchange adjustment	(74.60)
Closing balance as at March 31, 2021	-

Notes to the Consolidated Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

Based on the re-evaluation done by the management on classification of the financial instrument, it was noted that the investments in Series A Preferred Stock of Jana Care Inc., USA, have been classified inadvertently as Fair Value Through Profit and Loss instead of Fair Value Through Other Comprehensive Income. Management has changed the classification accordingly. There is no impact on account of the aforesaid change on all the periods presented in the financial statements.

There have been no transfers among Level 1, Level 2 and Level 3 investments during the period.

A. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

i. Risk management framework

The Group's principal financial liabilities comprise trade payables, other payables and unpaid dividend. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables, cash and cash equivalents, other bank balances and unbilled revenues that derive directly from its operations.

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk for the Group pertains to investing activities. The Group's exposure to credit risk is influenced mainly by the individual characteristic of customers and counterparties to derivative instruments such as banks.

ii. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

The carrying amount of the following financial assets represents the maximum credit exposure.

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 6,659.92 lakhs and ₹ 9,319.85 lakhs as of March 31, 2021 and March 31, 2020, respectively and unbilled revenues amounting to ₹ 1,698.36 lakhs and ₹ 1,667.14 lakhs as of March 31, 2021 and March 31, 2020, respectively. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. As per Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues.

The following table gives details in respect of percentage of revenues generated from top customer and top ten customers:

	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from top 2 customers	18.99%	23.48%
Revenue from top 10 customers	60.16%	55.27%

The carrying amount of the following financial assets represents the maximum credit exposure:

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. The Group establishes an allowance for impairment that best represents its estimate of expected losses in respect of trade receivables. The Group has established a credit policy under which each new customer is analyzed individually for credit worthiness before the Group's standard payment and delivery terms and conditions are offered. The balances outstanding of trade receivables is aged less than 90 days.

Notes to the Consolidated Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

Cash and bank balances

The Group held cash and bank balances of ₹ 5,285.24 lakhs at March 31, 2021 (March 31, 2020: ₹ 1,825.09 lakhs).

Derivatives

The derivatives are entered into with bank and financial institution counterparties, which are rated AA- to AAA, based on CRISIL ratings.

iii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Group has no outstanding bank borrowings. The Group believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

As at March 31, 2021:	Contractual cash flows				
	Carrying amount	Less than 1 year	1-2 years	2-4 years	4-7 years
Non-derivative financial liabilities					
Trade payables	1,386.19	1,386.19	-	-	-
Other financial liabilities (current)					
Employee related payables	2,223.40	2,223.40	-	-	-
Unpaid dividends	139.76	139.76	-	-	-
	3,749.35	3,749.35	-	-	-

As at March 31, 2020:	Contractual cash flows				
	Carrying amount	Less than 1 year	1-2 years	2-4 years	4-7 years
Non-derivative financial liabilities					
Trade payables	1,727.77	1,727.77	-	-	-
Other financial liabilities (current)					
Employee related payments	1,948.61	1,948.61	-	-	-
Unpaid dividends	120.63	120.63	-	-	-
	3,797.01	3,797.01	-	-	-

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Group is exposed to market risk primarily related to the market value of its investments. Thus, the exposure to market risk is primarily related to investing activities. The objective of market risk management is to diversify our portfolio according to nature of investments to mitigate risks.

Notes to the Consolidated Financial Statements (Contd.)

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

Currency risk

The Group is exposed to currency risk on account of export of services in foreign currency. The functional currency of the Group is Indian Rupee. The summary quantitative data about the Group's exposure to currency risk from non-derivative financial instruments is as follows:

As at March 31, 2021

Currency	Amount in foreign currency lakhs			Amount in ₹ lakhs		
	Current Assets	Current Liabilities	Net receivable/ (payable)	Current Assets	Current Liabilities	Net receivable/ (payable)
Euro (EUR)	4.62	0.26	4.36	396.53	22.63	373.90
British Pound (GBP)	0.35	-	0.35	35.10	-	35.10
US Dollar (USD)	67.90	2.86	65.04	4,968.36	208.90	4,759.46
Chinese Yuan (CNY)	-	1.53	(1.53)	-	17.06	(17.06)
South Korean Won (KRW)	-	20.80	(20.80)	-	1.34	(1.34)
Taiwan Dollars (TWD)	-	3.22	(3.22)	-	8.28	(8.28)
Singapore Dollar (SGD)	-	-	-	-	-	-
Australian Dollar (AUD)	-	-	-	-	-	-

As at March 31, 2020

Currency	Amount in foreign currency lakhs			Amount in ₹ lakhs		
	Current Assets	Current Liabilities	Net assets / liabilities	Current Assets	Current Liabilities	Net assets / liabilities
Euro (EUR)	8.68	0.24	8.44	718.48	19.69	698.79
British Pound (GBP)	0.82	0.01	0.81	76.29	0.64	75.65
US Dollar (USD)	83.39	7.81	75.58	6,310.75	590.95	5,719.80
South Korean Won (KRW)	-	20.80	(20.80)	-	(1.29)	(1.29)
Singapore Dollar (SGD)	-	0.28	(0.28)	-	15.08	(15.08)
Australian Dollar (AUD)	-	0.21	(0.21)	-	9.51	(9.51)

Sensitivity Analysis

A reasonably possible strengthening (weakening) of the INR, US Dollar, Euro and all other currencies as at March 31, 2021 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in a particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss		Equity, net of tax		
	Strengthening	Weakening	Strengthening	Weakening	
As at March 31, 2021					
USD (1% movement)		47.59	(47.59)	35.61	(35.61)
EUR (1% movement)		3.75	(3.75)	3.75	(3.75)
As at March 31, 2020					
USD (1% movement)		57.20	(57.20)	37.40	(37.40)
EUR (1% movement)		6.99	(6.99)	4.57	(4.57)

The following significant exchange rates have been applied during the year:

	Spot rate as at	
	March 31, 2021	March 31, 2020
USD	73.17	75.68
EUR	85.87	82.78

Notes to the Consolidated Financial Statements (Contd.)
(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

Hedge accounting

The Group enters into foreign exchange forward contracts and option contracts to hedge its net foreign currency receivables position including its future receivables. As per the current policy of the Group, it takes foreign exchange forward contracts for currencies primarily denominated in the US Dollar and Euro. The Group currently does not have a foreign currency hedge in respect of its investments in subsidiaries outside India.

The following table presents the aggregate contracted principal amounts of the Group's derivative contracts outstanding:

Particulars		As at March 31, 2021	As at March 31, 2020
Designated derivative instruments			
Sell-Forward contracts	USD	487.66	(890.17)
	EUR	7.49	-
	Contract Value in USD / Mio	21.95	26.64
	Contract Value in EUR / Mio	0.30	-
Non-Designated derivative instruments			
Sell-Forward options	USD	-	-
	EUR	-	-

The following table summarizes activity in the cash flow hedging reserve within equity related to all derivative instruments classified as cash flow hedges:

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	(655.77)	942.06
Changes in the FV of effective portion of derivatives	1,377.90	(1,263.33)
Net (gain) / loss reclassified to Statement of Profit and Loss on occurrence of hedged transactions	(222.67)	(556.82)
Ineffective portion of derivatives charged to profit and loss	-	-
Gain / (loss) on cash flow hedging derivatives	1,155.24	(1,820.15)
Balance as at year end	499.47	(878.09)
Deferred tax thereon	(125.99)	222.32
Balance as at the end of the year, net of deferred tax	373.48	(655.77)

The related hedge transactions for balance is cash flow hedging reserves as of March 31, 2021 are expected to occur and be re-classified to the Statement of Profit and Loss over a period of 1 year.

As of March 31, 2021 and March 31, 2020, there were no significant gains or losses on derivative transactions or portions thereof that have become ineffective as hedges, or associated with an underlying exposure that did not occur.

33. Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to equity shareholders.

The Group monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities less cash and cash equivalents. Adjusted equity comprises all components of equity, other than amounts accumulated in the hedging reserve.

Notes to the Consolidated Financial Statements (Contd.)
(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

The Group's policy is to keep the ratio below 2.00. The Group's adjusted net debt to equity ratio are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Total liabilities	10,405.21	14,753.83
Less: Cash and cash equivalents and other bank balances	5,285.24	1,825.09
Adjusted net debt	5,119.97	12,928.74
Total equity	56,454.93	47,545.93
Less: Cost of hedging	373.48	(655.77)
Adjusted equity	56,081.45	48,201.70
Adjusted net debt to adjusted equity ratio	0.09	0.27

34. Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements:

Particulars	As at March 31, 2021		As at March 31, 2020	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent				
Sasken Technologies Limited	100.74%	56,874.54	100.83%	47,939.79
Foreign subsidiaries & Controlled Trust				
Sasken Communication Technologies Mexico, S.A. de C.V (Sasken Mexico)	-0.13%	(72.91)	-0.13%	(63.64)
Sasken Communication Technologies (Shanghai) Co. Ltd. (Sasken China)	0.54%	306.34	0.56%	268.57
Sasken Finland Oy (Sasken Finland)	2.77%	1,564.99	2.36%	1,119.92
Sasken Inc. (Sasken USA)	0.13%	72.56	5.36%	2,550.30
Sasken Foundation	-	-	-	-
Sasken Employees Welfare Trust	-0.30%	(170.04)	-0.39%	(184.33)
Total	103.76%	58,575.48	108.59%	51,630.61
Adjustments arising out of consolidation	-3.76%	(2,120.55)	-8.59%	(4,084.68)
Total	100.00%	56,454.93	100.00%	47,545.93

Share in profit or loss

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Parent				
Sasken Technologies Limited	80.85%	9,260.59	104.42%	8,231.06
Foreign subsidiaries & Controlled Trust				
Sasken Communication Technologies Mexico, S.A. de C.V (Sasken Mexico)	-0.01%	(1.51)	-0.04%	(3.03)
Sasken Communication Technologies (Shanghai) Co. Ltd. (Sasken China)	0.22%	24.70	-5.66%	(446.26)
Sasken Finland Oy (Sasken Finland)	3.70%	424.20	-0.37%	(29.52)
Sasken Inc. (Sasken USA)	1.03%	118.13	6.79%	535.26
Sasken Foundation	-	-	-	-
Sasken Employees Welfare Trust	0.00	0.23	0.00	55.15
Total	85.79%	9,826.35	105.84%	8,342.66
Adjustments arising out of consolidation	14.21%	1,628.29	-5.84%	(459.91)
Total	100.00%	11,454.64	100.00%	7,882.75

Notes to the Consolidated Financial Statements (Contd.)
(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

Share in other comprehensive income (OCI)

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	As % of consolidated OCI	Amount	As % of consolidated OCI	Amount
Parent				
Sasken Technologies Limited	-115.86%	1,200.85	104.52%	(2,061.39)
Foreign subsidiaries & Controlled Trust				
Sasken Communication Technologies Mexico, S.A. de C.V (Sasken Mexico)	0.75%	(7.76)	-0.41%	8.07
Sasken Communication Technologies (Shanghai) Co. Ltd. (Sasken China)	-1.26%	13.07	10.36%	(204.32)
Sasken Finland Oy (Sasken Finland)	-2.01%	20.87	-3.20%	63.05
Sasken Inc. (Sasken USA)	218.38%	(2,263.47)	-11.27%	222.31
Sasken Foundation	-	-	-	-
Sasken Employees Welfare Trust	-	-	-	-
Total	100.00%	(1,036.44)	100.00%	(1,972.28)
Adjustments arising out of consolidation	0.00	(0.05)	0.00%	0.01
Total	100.00%	(1,036.49)	100.00%	(1,972.27)

Share in total comprehensive income (TCI):

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	As % of consolidated TCI	Amount	As % of consolidated TCI	Amount
Parent				
Sasken Technologies Limited	100.42%	10,461.44	104.39%	6,169.67
Foreign subsidiaries & Controlled Trust				
Sasken Communication Technologies Mexico, S.A. de C.V (Sasken Mexico)	-0.09%	(9.27)	0.09%	5.04
Sasken Communication Technologies (Shanghai) Co. Ltd. (Sasken China)	0.36%	37.77	-11.01%	(650.58)
Sasken Finland Oy (Sasken Finland)	4.27%	445.07	0.57%	33.53
Sasken Inc. (Sasken USA)	-20.59%	(2,145.34)	12.82%	757.57
Sasken Foundation	-	-	-	-
Sasken Employees Welfare Trust	0.00	0.23	0.01	55.15
Total	84.38%	8,789.91	107.79%	6,370.38
Adjustments arising out of consolidation	15.62%	1,628.24	-7.79%	(459.90)
Total	100.00%	10,418.15	100.00%	5,910.48

35. Contingent liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Bank guarantees	91.42	89.66
Income taxes* (matters pertaining to disputes on tax holiday benefits, transfer pricing, disallowance of certain expenses claimed by the Group)	16,260.57	15,013.71
Indirect taxes* (includes matters pertaining to disputes on VAT/sales tax and service tax)	9,808.88	9,808.88

The Group has been sanctioned a non-fund-based credit facility of ₹ 40 crores by Union Bank of India and ₹ 5 crores (without any charge created in their favour) by Citibank NA. As at the reporting date, Company is in process of renewal of the facility with Union Bank of India. Of the credit facilities, the Company has utilized ₹ 5.85 lakhs with Union Bank of India on reporting date.

*The Group is contesting the demands and based on expert advice, the management believes that its position will likely be upheld in the various appellate authorities/courts. The Group is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Group Management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the group results of operations or financial condition.

Notes to the Consolidated Financial Statements (Contd.)
(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

36. Dues to micro, medium and small enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the Micro, Small and Medium Enterprises Development Act, 2006 ('the MSMED Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2021 has been made in the consolidated financial statements based on information received and available with the Group. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Group has not received any claim for interest from any supplier as at the balance sheet date.

Particulars	As at March 31, 2021	As at March 31, 2020
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
(i) The principal amount due to suppliers registered under the MSMED Act and remaining unpaid	3.75	1.57
(ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid	-	-
(iii) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed date during the year	-	-
(iv) Interest paid, other than under Section 16 of the MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed date during the year	-	-
(v) Interest paid, under Section 16 of the MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed date during the year	-	-
(vi) Interest due and payable on March 31, 2021 towards suppliers registered under the MSMED Act, for the payments already made	-	-
(vii) Further interest remaining due and payable for earlier years	-	-

37. The group through its subsidiary Saska Inc., USA, had invested in Series A preferred stocks of Jana Care Inc., USA, ('Jana Care'). The fair value of the investment as at March 31, 2021, was assessed using comparable company multiple method. The key inputs and assumptions used in the approach were revenue investee company, revenue multiples of the comparable companies and discount for lack of marketability. Further, based on the past performance and latest available future cash flow projections of the investee and its ability to continue as a going concern, the fair value of the investment is assessed as nil as at March 31, 2021 and the same has been recorded as the effect of fair value change in other comprehensive income.

As per our report of even date attached.

for MSKA & Associates
Chartered Accountants
Firm's Registration Number: 105047W

Debashis Dasgupta
Partner
Membership No.053681

Bengaluru
April 22, 2021

for and on behalf of the Board of Directors of
Saska Technologies Limited

Rajiv C. Mody
Chairman and Managing Director
DIN: 00092037

Neeta S. Revankar
Whole time Director and Chief Financial Officer
DIN: 00145580

S. Prasad
Company Secretary

Bengaluru
April 22, 2021

Statement pursuant to Section 129(3) of the Companies Act, 2013, relating to Subsidiary Companies

Part "A" : Subsidiaries

Amount in ₹ Lakhs

Name of the Subsidiary	Sasken Finland Oy	Sasken Communication Technologies (Shanghai) Co. Ltd.	Sasken Inc.	Sasken Communication Technologies Mexico S.A de C.V	Sasken Foundation	Sasken Employees Welfare Trust
Financial year / period of the Subsidiary ended on	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021
1 Reporting currency	EUR	CNY	USD	MXN	INR	INR
2 Exchange rate as at March 31, 2021 to INR	85.87	11.13	73.17	3.57	1.00	1.00
3 Share Capital	12.09	329.91	395.54	176.75	-	-
4 Reserves & Surplus	1,552.91	(23.57)	(322.99)	(249.66)	-	54.88
5 Total Assets	2,784.02	378.16	165.64	2.80	121.27	265.18
6 Total Liabilities	1,219.02	71.82	93.09	75.71	121.27	210.30
7 Investments (except Investment in Subsidiary)	-	-	-	-	-	-
8 Turnover	4,606.11	-	686.59	-	-	-
9 Profit before Taxation	522.94	24.70	121.59	(1.51)	-	3.30
10 Provision for Taxation	98.74	-	3.46	-	-	3.06
11 Profit after Taxation	424.20	24.70	118.13	(1.51)	-	0.23
12 Proposed dividend	-	-	-	-	-	-
13 Shareholding %	100%	100%	100%	100%	-	-

Part "B" : Associates and Joint Ventures

Amount in ₹ Lakhs

Name of the Joint Venture	TACO Sasken Automotive Electronics Ltd.(TSAE)
1 Latest audited Balance Sheet Date	NA
2 Share of Joint Venture held by the Company on the year end No.	5,200,403 equity shares of ₹ 10 each fully paid up and 2,478,000 redeemable preference shares of ₹ 10 each fully paid up
Amount of Investment in Joint Venture	767.84
Extent of holding %	50.00%
3 Description of how there is significant influence	NA
4 Reason why the Joint Venture is not consolidated	The shareholders of TSAE have resolved that the company be wound up voluntarily. Requisite documents have been filed with the Registrar of Companies. Considering the closure of operations of TSAE, the financial statements of TSAE have not been consolidated.
5 Networth attributable to Shareholding as per latest audited Balance Sheet	NA
6 Profit / (Loss) for the year	
i. Considered in Consolidation	NA
ii. Not considered in Consolidation	NA

Rajiv C. Mody

Chairman and Managing Director
DIN: 00092037

Neeta S. Revankar

Whole Time Director and Chief Financial Officer
DIN: 00145580

Place : Bengaluru
Date : April 22, 2021

S. Prasad
Company Secretary

Management Discussion and Analysis Report

In addition to historical information, this Annual Report contains certain forward-looking statements (FLS). The FLS contained herein are subject to certain risks and uncertainties that could cause actual results to differ materially from those reflected in the FLS. Factors that might cause such a difference include, but are not limited to, those discussed in the Management Discussion and Analysis of financial performance and elsewhere in this report. Readers are cautioned not to place undue reliance on these FLS, which reflect management's analysis only as of the date hereof.

Company brief

We believe that our positioning as a Chip-to-Cognition company with a full suite of product engineering and digital services continues to stand validated. Technology remains to be the fulcrum of all change especially when it is seen as the harbinger of hope in the pandemic struck world. Our engineering DNA and the ability to be at the confluence of silicon platforms, computing, connectivity, communications & cloud, artificial intelligence, blockchain, among others is proving to be a vital differentiator. The skills that we have honed to leverage these technological advancements and offer differentiated services, continues to make us a strategic partner to our customers. We take pride in serving both world leaders as well as new age companies who assiduously stand committed to democratising innovation.

At the heart of our commitment to remain agile, adaptive, adoptive, is the ability to attract and retain our talent pool that has the right attitude to serve the best needs of all stakeholders. Our competency-based assessment and development provide a dependable platform to ensure our talent sets the industry benchmark for their technical know-how and problem solving abilities. These deep competencies backed by an unflinching commitment to values is the secret sauce that propels us and stay endeared to our long-standing customers.

Outlook

The disruption of socio-economic fabric has placed greater emphasis on the need to lean on technology as an enabler of being responsive to thrive in the new normal. Today, the lines are blurred between products and services as the confluence of technologies makes it possible to render Anything as a Service. Without exception existing and new products are built digitally centered and ready to harness the power of analytics, cognitive technologies, cloud-computing & connectivity, mobility, and social media. Such holistic approach to product + service design enables customers to tap into newer ways of engaging with their consumers. Digital first designs are software centric and ready to harness the humongous data through distributed computing models - edge to cloud. Analytics as a layer provides the perfect foil to move from hindsight to foresight. Thus, the confluence of these forces provides the springboard for what we have referred to earlier as the Tech Decade.

As the global economy recovers from the bear grip of the pandemic, it is estimated that it will be 18-24 months or perhaps longer given the successive wave of the pandemic before we see a business recovery in the sectors in which we operate. Trade bodies and management consultants are of the opinion that semiconductors, telecommunications, industrials and automotive will be among the verticals that recover along with other areas such as medical electronics, enterprise computing and aerospace. Thus, we see that there are rays of hope in terms of demand contraction reversal in the sectors of interest to our Company. Across the globe, customers are motivated to seek strategic partners who can help them stay focused on the core whilst they bring in innovative and cost optimised delivery of non-core activities in a complimentary manner. In terms of digital enablement and identification of new revenue streams, customers are more open to working with organisations that integrate embedded and digital capabilities to provide innovative solutions.

Business environment

We remain cautiously optimistic of a continued interest in the demand for product engineering and digital services across most sectors we serve. This confidence is buffeted in part by the increasing dependency on technology-led and globally distributed approach to conceiving and launching innovative products & services. It must be noted as stated earlier that the pandemic is yet to play out, thereby precluding any definitive timeframe by which we can confidently say that the industry is on a steady state path to recovery.

The COVID 19 pandemic has resulted in an unprecedented loss of human lives which the International Monetary Fund considers to be over a million and counting. Amidst this dismal environment, there were elements pointing to a gradual recovery. Despite the concerted efforts of the governments, regulatory authorities, and other bodies who to some measure put aside parochial divisions, there is now the looming threat of the ongoing second wave of the pandemic as well as the potential of a third wave. Therefore, the environment continues to be volatile, and unpredictable.

Growth opportunities for Sasken

The pandemic has had its impact on the hitherto resilient IT and IT enabled services sector. Trade bodies estimate a much lower growth due to the headwinds caused by the global pandemic. The IT industry is now faced with disruptions on account of the severity of the second wave especially in India which may decelerate the return to growth. The estimates of growth in the IT industry will be muted and a recovery is not predictable now. Once we are through with the pandemic and managed it at a global level, trade bodies such as NASSCOM estimates that the IT industry will rebound as it is in their opinion, the prime driver in creating the new virtual world. It is expected that over two thirds of global technology players will maintain or increase the momentum of their product

Management Discussion and Analysis Report (Contd.)

engineering and digital spends. The overall product engineering and digital services market is expected to modestly grow to about a US \$194 billion in the current financial year. The motivation for the industry to continue the quest of distributed development is driven by the need to accelerate technology adoption and digital transformation. However, some of this may not be realised in the current fiscal due to the uncertainty in the macro environment as stated above.

The push towards extensive digital adoption finds wide dispersion of the industry. More specifically, industries dubbed as high-tech including telecommunications, medical electronics, computing, and retail are seeing an acceleration in spends while other sectors remain flat or show signs of moderate deceleration. Across the vertical sectors like automotive, industrials, communications & networks are stepping up the efforts to leverage high-bandwidth low-latency networks, cloudification, computing, increased adoption of digital channels & engagement to provide an immersive Digital Direct to Consumer experience.

While the pandemic has been a trigger to accelerate the digital economy, the positive upshot is that this momentum will carry forward and the changes are here to stay. Industries expected to focus on leveraging upcoming technologies such as 5G which promises the lowest latency and highest bandwidth for the delivery of bespoke application. These advancements and communications will be embellished by the quantum leap in edge & cloud computing. Usage of technologies including artificial intelligence and machine learning, mixed reality and hyper connectivity are maturing rapidly. The gestalt of these developments is that the new world order promises the ability to create a truly secure and distributed enterprise, smarter cities, safer commute, direct to consumer engagements and enhanced well-being.

We continue to nurture our competencies in the aforementioned areas to entrench ourselves as preferred and strategic partners to our customers. The opportunities to expand product engineering & digital services business and achieve scalable growth are available for us to profit from. The management team of your Company will continue to pursue all avenues of growth but at the same time is prepared to handle possible volatility as the pandemic is far from over. We will take all possible measures to scan the macro environment, identify potential risks and address them with mitigation plans to ensure business continuity.

For more details on the business segments in which your Company operates and the progress we have made in the FY 2021, kindly refer to the 'Technology & Markets' section and for information on 'Human Resources' kindly refer to 'Sasken People' section in the Annual Report.

Financial Performance

Pursuant to the worldwide convergence in the standards used for financial accounting and reporting, the regulators and the Government had promulgated the Indian Accounting Standards. Accordingly, the Company had migrated to the Indian Accounting Standards ("Ind AS") method of accounting and reporting in the earlier year. The amounts considered in this Management Discussion and Analysis for the financial year 2020-21 and 2019-20 are as per Ind AS.

Consolidated Financial results for the year ended March 31, 2021, are as follows:

Particulars	Year ended March 31, 2021		Year ended March 31, 2020		Increase (Decrease)/YOY (%)
	(In ₹ lakhs)	(%)	(In ₹ lakhs)	(%)	
Revenue from operations	44,484	100.0%	49,222	100.0%	(9.6)%
Employee benefits expense	26,460	59.5%	32,167	65.3%	(17.7)%
Other expenses	4,971	11.2%	8,247	16.8%	(39.7)%
Total expenditure	31,431	70.7%	40,414	82.1%	(22.2)%
Profit before Interest, Taxes, Depreciation and Amortization	13,053	29.3%	8,808	17.9%	48.2%
Interest & Borrowing expenses	47	0.1%	71	0.1%	(33.7)%
Depreciation and amortization expense	1,018	2.3%	1,116	2.3%	(8.8)%
Other Income	2,962	6.7%	3,575	7.3%	(17.2)%
Profit before taxes	14,950	33.6%	11,196	22.7%	33.5%
Income tax expense (Including deferred tax benefit and MAT credit entitlement)	3,495	7.9%	3,314	6.7%	5.5%
Net profit for the year	11,455	25.7%	7,882	16.0%	45.3%

Analysis of revenue:

Revenue for the year FY 2021 is ₹ 44,484 lakhs as against ₹ 49,222 lakhs in the previous year - a degrowth of 9.63%. In terms of US \$ the revenue for FY 2021 declined by 11.79% to USD 60.21 mio from USD 68.25 mio during FY 20. The effective exchange rate for FY 21 was ₹ 73.89/USD as against ₹ 72.12/USD in FY 20. The decrease in revenue is mainly due to lower onsite volumes. The pandemic placed a restriction on travel of employees for onsite execution. More importantly, there has been a degrowth evidenced across our overseas customers due to budget constraints on account of the uncertainties related to the pandemic.

Management Discussion and Analysis Report (Contd.)

The Company operates in one segment only i.e., 'Software Services'. The Chairman and Managing Director of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, 'Operating Segment'. The CODM evaluates performance of the Company based on revenue and operating income from 'Software Services'. Accordingly, segment information has not been separately disclosed.

The revenue by project type is as follows (in % terms):

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Time and Material	71.42%	65.36%
Fixed Price	28.58%	34.64%
Total	100.00%	100.00%

The fixed price projects are in the range of 28%-30% of total revenues, and we expect that to continue.

The offshore - onsite mix of revenues during FY 21 is as follows (in % terms):

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Onsite	23.59%	29.33%
Off-shore	76.41%	70.67%
Total	100.00%	100.00%

The onsite business has reduced in the current financial year as some of the onsite programs were not continued by the customers due to budgetary considerations in light of uncertainties related to the Pandemic. Further, as fixed price project from large Satellite customer is reaching completion, the revenues have declined accordingly. Your Company expects that onsite revenue will constitute 20% to 25% of the total revenues in the coming financial year.

Employee benefit expenses

Employee benefit expenses include salaries which have fixed and variable components, contribution to social security funds such as provident fund, superannuation fund, gratuity fund and other statutory schemes. It also includes expenses incurred on staff welfare, recruitment, and relocation. The employee cost largely depends on the mix of onsite and offshore revenue, the type of engagement, average headcount during the year and the average compensation.

The total employee costs for FY 2021 were ₹ 26,460 lakhs compared to ₹ 32,167 lakhs in FY 2020 - a reduction of ₹ 5,707 lakhs which represents 17.7% in absolute terms from previous year. Onsite employment spend has reduced due to lower onsite business in FY21. Further, better bench management leading to improvement in utilization from 74.3% to 79.2% along with lower SG&A headcount costs have been contributing factors towards lower employment costs.

Other expenses

Other expenses for FY 2021 were ₹ 4,971 lakhs as against ₹ 8,247 lakhs in FY 2020 a decrease of ₹ 3,276 lakhs which works out to 39.7% of the previous year expenses. The details of the spend are as follows:

₹ in lakhs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Facility cost	1,428	1,865
Rates and taxes	139	320
Communication & IT cost	323	423
Other cost	348	385
Project Purchases	310	809
Insurance	97	122
Training cost	8	(61)
Travel cost	97	1,406
Outsourcing & consulting cost	2,000	2,778
Corporate Social Responsibility	221	200
Total	4,971	8,247

The reduction in the facility related costs and travel cost are the significant contributors. With the tax holiday for the SEZ units coming to an end, and the lowering of tax rates from 30% to 22%, the Company decided to consolidate the facilities thereby giving up the leased facilities which were not needed. The utility cost in the facilities were also rationalised due to employees working from any location for the entire year. Overseas office space cost was also optimised.

Management Discussion and Analysis Report (Contd.)

Travel costs, which also included non-recoverable management travel was also lower due to the extraordinary situation prevalent.

Rates and Taxes in the previous year was higher due to the buy-back of shares. In addition, your Company had rationalised the litigation cost for indirect tax in the previous year by opting for the Sabka Vishwas Amnesty Scheme.

Outsourcing cost is a function of availability of required skillset to be deployed in the projects, especially in overseas locations. Since overseas business was lower, the outsourcing cost during FY 21 was lower. Project purchase is a function of requirements of materials/tools for the project and were much lower during FY 21.

Corporate Social Responsibility (CSR) expenses of ₹ 215.39 lakhs are in line with the legal requirement. The CSR expenses are either funded directly from the Company or from the funds with Sasken Foundation to which contribution is being made by the Company.

Profit before depreciation and tax

Profit before depreciation and tax is ₹ 13,053 lakhs in FY 21, in comparison to ₹ 8,808 lakhs in FY 20 – an increase of ₹ 4,245 lakhs. This increase of 48.2% was mainly due to reduction of expenses with respect to travel, facility, and outsourcing costs on account of the pandemic and reduction in project purchases.

Depreciation and amortization expenses

Depreciation and amortization expense has decreased to ₹ 1,018 lakhs in FY 21 from ₹ 1,116 lakhs in FY 20. The decrease in depreciation and amortisation is ₹ 98 Lakhs. This is mainly due to reduction in office space due to consolidation and closure of facilities not needed. The accounting standards require that the future right to use be capitalised in the books and amortised over the lease term. With the reduction in the leases, the amortisation has also come down.

Other Income

Other Income comprises of dividend on mutual funds, fair valuation of mutual funds, interest from fixed deposits, tax free bonds and NCDs, gain on sale of Investments, profit on sale of fixed assets, preference dividend on investment, write back of unclaimed balances and provisions, exchange gains on foreign currency, Interest on Income Tax Refund, and other miscellaneous receipts.

Other income was ₹ 2,962 lakhs in FY 21, a decrease of ₹ 613 lakhs over FY 20. Although treasury income was higher, foreign exchange losses were also higher in FY 21.

Your Company has earned an annualised pre - tax yield of 7.73% amounting as against 4.23% in FY 20. The average investment in FY 21 is ₹ 44,610 lakhs as against ₹ 31,244 lakhs in FY 20. The returns during the last two years from investments are as follows:

Particulars	Pre-Tax Yield FY21	Pre-Tax Yield FY20
Yield (Not Including Equity)	5.42%	6.85%
Yield (Including Equity)	7.73%	4.23%

The yields of fixed income investments have been lower during FY 21 on account of decline in interest rates. Investment into equity funds and equity ETFs generated positive returns in FY21 given the sharp pull back in the equity markets from Q2'21 onwards.

The non - current investments, representing 51.1% of the total assets, were ₹ 34,168 lakhs as at March 31, 2021, as against ₹ 23,294 lakhs, as at March 31, 2020. We use a combination of foreign exchange forward contracts and option contracts, whenever required, to mitigate the risk of exposure to movements in foreign exchange rates. We manage our foreign exchange exposures in line with our hedging policy which aims to ensure that foreign exchange exposures are hedged adequately.

The net foreign exchange loss is ₹ (191) lakhs in 2021, as against a gain of ₹ 944 lakhs in 2020. The foreign exchange loss has occurred largely due to loss on debtor's realisation, foreign branch translation and restatement in bank. Also, as the exchange rate has moved to ₹ 73.17 per dollar in the current year from ₹ 75.67 per dollar in the previous year and to ₹ 85.87 per Euro during the current year end from ₹ 82.78 per Euro during the end of previous year.

Income tax expense

The tax charges vary depending on the nature of the business transaction, mix of onsite - offshore revenues, country of operations and the selection of tax regime. In the FY 21, your Company decided to opt for the new tax regime, as the tax holiday period ended for those units which were availing the income tax benefits. The rate of applicable tax was @ 25.168% as against the normal rate of 34.944%. Due to that there is a decline in effective tax rate from 29.6% in FY 20 to 23.3% in FY 21. However, the income tax expense was ₹ 3,495 lakhs in FY 21 as against ₹ 3,314 lakhs in FY 20. There is an increase of ₹ 181 lakhs as compared to the previous year due to better profitability.

Management Discussion and Analysis Report (Contd.)

Profit after tax

Consolidated Profit after tax (PAT) is at 25.8% of total revenue and has increased to ₹ 11,455 lakhs in FY 21 against ₹ 7,883 lakhs in FY 20, an increase of 45.3%. In absolute terms, the PAT increased by ₹ 3,572 lakhs in FY 21. The increase is mainly due to reduction in expenditure.

Consolidated financial position:

	As at March 31, 2021		As at March 31, 2020	
	(In ₹ lakhs)	(%)	(In ₹ lakhs)	(%)
Assets				
Non-current assets				
Net fixed assets including capital work-in progress	3,393	5.1%	4,456	7.2%
Financial Assets				
Investments	34,168	51.1%	23,294	37.4%
Other financial assets	136	0.2%	314	0.5%
Deferred tax assets	589	0.9%	1,201	1.9%
Other tax assets	4,151	6.2%	5,864	9.4%
Other non-current assets	1	0.0%	-	0.0%
Total non-current assets (I)	42,437	63.5%	35,130	56.4%
Current Assets				
Financial Assets				
Current Investments	7,069	10.6%	10,674	17.1%
Trade receivables	6,660	10.0%	9,320	15.0%
Cash and cash equivalents	2,076	3.1%	1,613	2.6%
Other bank balances	3,210	4.8%	212	0.3%
Unbilled revenue	1,698	2.5%	1,667	2.7%
Derivative assets	495	0.7%	-	-
Other financial assets	589	0.9%	421	0.7%
Contract assets	1,974	3.0%	2,319	3.7%
Other current assets	651	1.0%	944	1.5%
Total current assets (II)	24,423	36.5%	27,169	43.6%
Total Assets (I+II)	66,860	100.0%	62,300	100.0%
Equity and Liabilities				
Equity				
Share Capital	1,505	2.3%	1,505	2.4%
Reserves and Surplus	54,950	82.2%	46,041	73.9%
Total Equity (I)	56,455	84.4%	47,546	76.3%
Non-current liabilities				
Long term provisions including lease liabilities	627	0.9%	1,679	2.7%
Total Non-current liabilities (II)	627	0.9%	1,679	2.7%
Current Liabilities				
Trade payables	1,386	2.1%	1,728	2.6%
Other financial liabilities	2,363	3.5%	2,069	3.3%
Derivative liabilities	-	0.0%	890	1.4%
Deferred revenue	92	0.1%	594	1.0%
Other current liabilities	2,111	3.2%	1,882	3.0%
Provisions	1,595	2.4%	1,600	2.6%
Other tax liabilities	2,231	3.3%	4,311	6.9%
Total Current liabilities (III)	9,778	14.6%	13,075	21.0%
Total equity and liabilities (I+II+III)	66,860	100.0%	62,300	100.0%

Management Discussion and Analysis Report (Contd.)

Assets

Net fixed assets including Capital Work-in-Progress

Net fixed assets includes tangible and intangible assets (as reduced by accumulated depreciation / amortization), Capital Work-in-Progress and intangible assets under development. This constitutes 5.1% of the total assets. Net Assets are disclosed at historical costs in the financial statements and not fair valued, availing exemption provided as per Ind AS 101.

Freehold land & buildings, leasehold improvements on leased facilities, computers, electrical fittings, furniture and fixtures, office equipment and plant & equipment are classified as tangible assets. Computer software is classified as intangible assets.

Particulars	As at March 31, 2021	As at March 31, 2020
Tangible asset	3,374	4,436
Intangible asset	1	11
Capital Work-in-Progress	18	10
Total	3,393	4,456

The reduction in the net assets is largely due to the rationalisation and consolidation of the facilities during the year. On completion of the SEZ holiday period the facilities were consolidated. The Leases which were capitalised as per the Ind AS standards were derecognised and that has contributed to the reduction.

Financial assets

Non-current investments

Your Company's investment comprises of mutual fund units (including investment in fixed maturity plan securities), quoted debt securities (including investment in tax-free bonds and non-convertible cumulative preference shares) and investment in Perpetual Bond. Investments are classified as current or non-current based on management intention at the time of purchase. Investments which the management intends to hold for a period more than one year from the Balance Sheet date are classified as non-current investments.

The non-current investments, representing 51% of the total assets, were ₹ 34,168 lakhs, as at March 31, 2021 as against ₹ 23,294 lakhs, as at March 31, 2020. There is an increase of ₹ 10,874 lakhs as against March 31, 2020. This is largely due to additional investments which the Company had made in Debt ETFs, Corporate Bond Funds, Perpetual Bonds, Non Convertible Debentures, Market Linked Debentures, Arbitrage Funds as reduced by reduction in FMP and impairment of investment in Jana Care Inc.

Other financial assets

Other financial assets consist of Rental security deposit and advances to employees. This represents 0.2% of total assets, and were ₹ 136 lakhs, as at March 31, 2021, as against ₹ 314 lakhs, as at March 31, 2020. The reduction largely denotes the reduction in the deposits on consolidation of the facilities.

Deferred tax assets (net)

This consists of net balance of deferred tax assets and liabilities. Deferred tax assets primarily comprise deferred taxes on property, plant and equipment, actuarial valuation for employee benefit expense and mark to market loss on hedges. Deferred tax liability primarily due to, undistributed earnings of subsidiary companies. Deferred tax assets and deferred tax liabilities have been offset wherever the Group has a legally enforceable right to set off current income tax assets against current tax liabilities, and where the deferred tax assets and deferred tax liabilities relate to the taxes levied by the same taxation authority. The deferred tax assets representing 0.9% of the total assets, were ₹ 589 lakhs as at March 31, 2021 as against ₹ 1,201 lakhs as at March 31, 2020. In the current year there has been a net decrease in the deferred tax asset by ₹ 612 lakhs. This is largely due to the increase in mark to market gains on hedges and on treasury investments during the current year. In March 2020, significant portion of the gains reversed due to the outbreak of COVID.

Other tax assets

Other tax assets consist of balances with Government Authorities and advance tax & MAT credit entitlement. This represents 6% of total assets, were ₹ 4,151 lakhs as at March 31, 2021 against ₹ 5,864 lakhs as at March 31, 2020, there is decrease of ₹ 1,713 lakhs. This is on account of refunds adjusted by the Income tax department during the current year against other disputed tax demands.

Other non-current assets

Other non-current assets consist of capital advances given. The balance in this head is negligible.

Management Discussion and Analysis Report (Contd.)

Financial assets

Current Investments

Current Investments would typically include investments which within the company's operating cycle are intended by the Company to be liquidated within twelve months. These investments, representing 10.6% of the total assets, were ₹ 7,069 lakhs, as at March 31, 2021 as against ₹ 10,674 lakhs, as at March 31, 2020. The reduction is due to redemption of FMPs during the year.

Trade receivables

Trade receivables, representing 10% of the total assets, were at ₹ 6,660 lakhs as at March 31, 2021 as against ₹ 9,320 lakhs as at March 31, 2020. We periodically review the quality of receivables and make allowance for doubtful debts wherever necessary. Bad Debts provision to the extent of ₹ 18.69 lakhs has been made in the current year. Day sales outstanding, which is a function of the efficiency in realisation of the billed receivables, have decreased to 54 days in 2020-21, compared to 74 days in 2019-20.

Cash & Cash equivalents and Other Bank balances

Cash & Cash equivalents and Other Bank balances, representing 7.9% of the total assets, were ₹ 5,285 lakhs as at March 31, 2021 as against ₹ 1,825 lakhs as at March 31, 2020. There is an increase of ₹ 3,460 lakhs during the current year largely due to increase in investment in fixed deposit of ₹ 3,000 lakhs.

Your Company maintains sufficient cash balance in current accounts for operational requirements and invest surplus funds in a variety of instruments including fixed deposits in line with the Investment Policy as approved by Board. Cash balances are also impacted by our ability to repatriate surplus balances from certain overseas jurisdictions.

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Cash in Hand	1	3
With Indian Banks		
in Current Accounts	1,935	1,489
Others	140	121
Bank deposits with original maturity more than 3 months, but less than 12 months	3,096	117
Bank balances held as margin money / security against guarantees	113	95
Total	5,285	1,825

The break-up of the available funds in the parent and in the overseas subsidiaries is as follows:

₹ in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
India		
• In banking (including fixed deposits)	3,803	1,061
Total in India (I)	3,803	1,061
Overseas branches and subsidiaries		
• in overseas branches	33	225
• in China	176	183
• in Finland	1,208	196
• in Sasken Inc.	65	160
Total in overseas branches and subsidiaries (II)	1,482	764
Total cash and Bank Balance (I+II)	5,285	1,825

Unbilled receivables and contract assets

Unbilled receivables and contract assets, representing 5.5% of the total assets, were ₹ 3,673 lakhs as at March 31, 2021, against ₹ 3,986 lakhs as at March 31, 2020 - a decrease of ₹ 313 lakhs.

In case of T & M contracts the invoicing happens in the same period once the delivery is approved by the customer. Delays in obtaining approval from the customer lead to some amounts being invoiced in the following month. Efforts which are billed in the subsequent period are classified as unbilled revenue. The entire amount of ₹ 1,698 lakhs pertain to efforts of March 2021 and have been completely billed subsequently.

Management Discussion and Analysis Report (Contd.)

The revenue recognised under the Percentage of Completion (POC) method of recognising revenue for Fixed Price Contracts are disclosed as Contract Assets. These are billed to customer once the delivery milestone is reached and accepted by the customers. The balance as on March 31, 2021 pertain to the current ongoing projects.

The entity wise break-up of the balance of unbilled receivable and contract assets is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
India	2,978	1,917
China	-	-
Finland	664	1,992
Sasken Inc.	31	77
Total	3,673	3,986

Derivative assets and liabilities

The Company is exposed to foreign exchange risk from monetary assets, liabilities and forecasted cash flows denominated in foreign currencies. The Company limits the effect of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives on the OTC and the stock exchange platforms. In line with its hedging policy and as per expert advice around exchange rates we use a mix of forward contracts and plain vanilla options. These derivatives are restated based on mark to market valuations as at every period end. Mark to market restatement is an exercise and a process by which the forward rates for the contracts outstanding as on a period end is compared with the forward rates being quoted for the same contracts as on the same period end. If the contracted rates are higher or lower than the rates at the end of the period, it then results in unrealised profits or loss. As against unrealised gain on the hedges at March 31, 2021 there was unrealised loss as on the same date last year. The net derivative asset as at March 31, 2021, was ₹ 495 lakhs as against net derivative liability of ₹ 890 lakhs as at March 31, 2020.

The average blended hedge rate at which the hedges were held as on March 31, 2021 was ₹ 76.79 per USD for an open position of US \$ 22.30 mio as against ₹ 73.93 per USD for an open position of US \$ 26.63 mio as on March 31, 2020. With appreciation of INR against the USD, the mark to market gain has been accounted in the books and has given rise to the derivative asset.

Other financial assets

Other financials assets consist of security deposits, advance to employees and interest accrued on fixed deposits and interest on income tax refund. This represents 0.9% of the total assets, were ₹ 589 lakhs as at March 31, 2021, as against ₹ 421 lakhs as at March 31, 2020. The increase is mainly due to increase in accrued interest on fixed deposits.

Other Current Assets

This represents balances with Government Authorities, prepaid expenses, advance to suppliers which represents 1% of total assets were ₹ 651 lakhs as at March 31, 2021 as against ₹ 944 lakhs as at March 31, 2020. The decrease is mainly on account of reduction in prepaid expenses ₹ 121 lakhs, advance to suppliers by ₹ 113 lakhs and balance with Government Authorities by ₹ 59 lakhs.

Equity and Liabilities

Equity

Share Capital

The authorized share capital is ₹ 5,500 lakhs comprising of 550 lakh equity shares of face value of ₹ 10 each. The number of shares outstanding as on March 31, 2021 were 15,050,871 and these are fully paid-up. The issued, subscribed and paid-up capital as on March 31, 2021, stood at ₹ 1,505 lakhs.

Other equity

Reserves and Surplus as at March 31, 2021 was ₹ 54,950 lakhs, as against ₹ 46,041 lakhs as at March 31, 2020 - an increase of ₹ 8,909 lakhs over the last year, which is due to the following reasons:

- Increase in profit & loss account balance by ₹ 11,455 lakhs due to current year profit and ₹ 141 lakhs gain from remeasurement of defined benefit liability as reduced by appropriation towards dividend and fair value loss on investment through Other Comprehensive Income.
- The balance retained in the profit and loss account as at March 31, 2021 was ₹ 54,969 lakhs after payment of dividend of ₹ 1,501 lakhs and gain from remeasurement of defined benefit by ₹ 144 lakhs.
- No change in General Reserve ₹ 67 lakhs as at March 31, 2021 and March 31, 2020.
- Decreased to the extent of ₹ (2,141) lakhs majorly on account of diminution in fair value of investment in Jana Care Inc. carried out through Other Comprehensive Income.

Management Discussion and Analysis Report (Contd.)

- Closing balance of hedging reserve as at March 31, 2021 is ₹ 373 lakhs as against a balance of ₹ (656) lakhs as at March 31, 2020. This balance represents the unrealised loss on the hedging contracts taken by the Company. The increase is due to mark to market movement of forward contracts by ₹ 1,029 lakhs.

Non-current liabilities

Provisions

Non-current provisions include provision for long term employee benefit obligations. In respect of these provisions, your Company has unconditional right to defer settlement beyond twelve months from Balance Sheet date.

Non-current provisions representing 0.9% of the total liabilities were at ₹ 627 lakhs as at March 31, 2021, against ₹ 1,679 lakhs as at March 31, 2020, a reduction of ₹ 1,052 lakhs. This is largely due to reduction in the capitalised value of the lease liability by ₹ 379 lakhs and net gratuity obligation for employees decreased by ₹ 462 lakhs. The reduction in gratuity liability is because the market value of the investments was significantly lower in March 2020 due to the outbreak of pandemic. During the current financial year, in addition to this loss being funded, the market also recovered thereby resulting in the reduction of this liability. Apart from this, the pension obligation of one of the overseas locations declined by ₹ 131 lakhs, compensated absences by ₹ 10 lakhs and decommissioning liability by ₹ 70 lakhs.

Current liabilities

Financial liabilities Trade payables

Trade payables includes amount due on account of goods purchased or services received in the normal course of business. As at March 31, 2021, trade payables representing 2.1% of the total liabilities, were at ₹ 1,386 lakhs, as against ₹ 1,728 lakhs as at March 31, 2020 – a decrease of ₹ 342 lakhs. The decrease is mainly due to decrease in vendor liabilities of the Group.

Other financial liabilities

Other financial liabilities of the current year includes employee related payments and unclaimed dividend. Unclaimed dividend represents dividend funded, but not encashed by shareholders and is represented by bank balance of the equivalent amount. Other financial liabilities constituting 3.5% of the total liabilities, as at March 31, 2021, were at ₹ 2,363 lakhs, as against ₹ 2,069 lakhs as at March 31, 2020. The increase in other financial liability is mainly due to increase in current year provision for variable pay due to employees.

Deferred revenue

Deferred revenues consist primarily of advance billings on customers based on billing milestone, but not yet recognised as revenue. This relates to fixed price contracts, constituting 0.1% of the total liabilities, as at March 31, 2021, were at ₹ 92 lakhs, as against ₹ 594 lakhs as at March 31, 2020. On an ongoing basis the revenue is recognised using the Percentage of Completion method and the deferred revenue is recognised as the revenue for that period, leading to reduction in Deferred Revenue.

Other current liabilities

Other current liabilities of the current year include advance received from customers, capital creditors and statutory liabilities. Advance received from customers represents amount received from customers for the delivery of services in future. Capital creditors include amounts due on account of goods purchased or services received in the nature of capital expenditure. Statutory liabilities include withholding tax and social security costs payable to statutory authorities in various countries we operate in.

Other current liabilities constituting 3.2% of the total liabilities, as at March 31, 2021, were at ₹ 2,111 lakhs, as against ₹ 1,882 lakhs as at March 31, 2020. This is mainly on account of increase in provident fund obligations by ₹ 241 lakhs due to shortfall of its funded assets at year end.

Provisions

Current provisions include provision for employee benefit obligations, which are expected to be settled within twelve months from the Balance Sheet date and are considered to be current and estimated liabilities for goods/services purchased but not yet invoiced on the Company.

Current provisions represent 2.4% of the total liabilities and as at March 31, 2021, were at ₹ 1,595 lakhs as against ₹ 1,600 lakhs as at March 31, 2020.

Income tax liabilities

Other tax liability consists of provision for income taxes. This represents 3.3% of the total liabilities, as at March 31, 2021, was ₹ 2,231 lakhs, as against ₹ 4,311 lakhs as at March 31, 2020. The advance tax paid is matched against the amount payable for each of the year and the net refund receivable or tax payable is disclosed. The decrease of ₹ 2,080 lakhs mainly for reclassification of advance tax and provision for tax as per the books reconciled with the Return of Income for various earlier years.

Management Discussion and Analysis Report (Contd.)

Cash flow

During the financial year 2020-21, cash flow from operating activities is ₹ 13,499 lakhs in FY 2021 as against ₹ 10,662 lakhs in FY 2020. The increase is mainly due to higher operating profit by ₹ 2,678 lakhs and net increase in working capital by ₹ 159 lakhs.

There is cash outflow of ₹ 1,697 lakhs mainly towards distribution of dividend of ₹ 1,501 lakhs. The balance at the end of the year including treasury investments is ₹ 46,522 lakhs.

Other Information:

Particulars	FY 2021	FY 2020	Variance
Current Ratio	2.50	2.08	20.20%
Operating Cash Flow / Sales	26.73	22.8	17.46%

Current Ratio:

During the year current ratio has increased to 2.50 from 2.08. This is mainly attributable to decrease in other tax liabilities, derivative liabilities, trade payables and deferred revenue.

Threats, Risks and Concerns

Business Risks

Our business focus remains as in the previous fiscal and stands to serve customers in verticals ranging from automotive, industrial, electronics, communications & semiconductors, and enterprises by offering a bouquet of product engineering and digital services. The nature of our business is such that it propels us to focus on clusters of innovation which are largely located in geographies such as North America, Europe, and parts of East Asia. Some of the risks identified earlier, include a limitation in the number of visas available for on-site work once the travel restrictions are eased. Notwithstanding this there continues to be a preference for local employment in the North American region. In addition, there presents the current challenge due to the ongoing pandemic and the accompanying travel restrictions. There is also the risk of volatility in the Rupee-Dollar and the Rupee-Euro realisations. Further, there is no clear visibility on how long the pandemic will play out as we are confronted with the second wave of the COVID-19 pandemic with a likelihood of further outbreaks. Hence, our customers may modify or alter their plans till clarity emerges. Such actions may have an impact on our business which is being closely monitored by your Company. We are in constant communication with our customers and prospects to try and keep it the business as usual. As before, your Company has a robust risk identification and mitigation process that is regularly updated to help the Company tide over in eventuality in the best possible manner. The fact that our core competencies are valued by a vast number of industry segments provides us a natural hedge against both sectoral and geographic risk. Our fiscal management policies constantly identify the ways and means to mitigate the risk due to unfavourable currency movements by the judicious use of financial instruments.

HR Risks

As a knowledge company we continue to make prudent investments in attracting, developing, and retaining our talent pool. Our engineering talent is highly reputed and enjoys a claim from both our competitors and customers alike, therefore leading to the prospect of employee attrition. We need to constantly enhance our technical quotient so that we continue to be in an ideal position to be a preferred partner to our customers. We face the risk of escalated employment costs due to the robust demand for technically competent talent. Our whole person 'human resource policies' have been built to address these risks, especially attrition of key talent. We maintain a pragmatic approach to identify & mitigate these risks and ensure that our investments in human capital is nurtured.

Financial risks

Foreign Exchange Fluctuation Risk

About two-thirds of the Group revenues are derived from its global customers and are denominated in US Dollars and / or Euros. However, as we execute a majority of our contracts from India, a significant portion of the expenses we incur are Rupee denominated. We are therefore subject to currency fluctuation as movements in the exchange rate have an influence on our operating profit. As our contracts may be denominated in multiple currencies, we carry the risk of managing cross-currency fluctuations.

To effectively contain the risk on account of foreign exchange fluctuations, the Group takes appropriate hedges both in terms of forward and options contracts in line with its hedging policy. The hedging policy is periodically reviewed by the management and approved by the Board of directors.

Management Discussion and Analysis Report (Contd.)

Liquidity Risk

We continue to be debt-free and have sufficient cash to meet our strategic and operational objectives. The cash policy of the company guides the investments that the company makes, keeping in mind, safety, liquidity and returns. The Board reviews the cash policy of the Group periodically. The Group has access to fund based and non-fund based lines of credit, to meet any working capital requirements.

Internal Control Systems

The Group aims to manage risk so as to protect the value of the shareholders. The identification and mitigation of risk comprise documenting 'Entity level' risks and controls. The exercise involves identifying significant risks on account of (a) locations and (b) business processes. This is followed by (a) documenting the process flows; (b) creation of risk registers; (c) assessment of controls by way of testing and (d) periodic reporting & monitoring. The risk register captures areas of potential financial and operational risks and the associated internal controls that are in place or have been identified.

Annual certification is an important procedure. It starts with the 'control' owner and then moves on to the 'process' owner and upwards, leading to the CEO and CFO certification. Your Company complies with the requirements of Enterprise Risk Management (ERM), which is mandated by various Regulations including Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Companies Act, 2013.

There is a periodic assessment of the risks and controls for the existing and new process flows. We evaluate the risk and put in place controls to mitigate the same whenever we come across any weakness in the existing process. We have adopted policies and procedures to ensure prevention and detection of frauds and errors, have measures to safeguard our assets and ensuring the accuracy and completeness of accounting records with reliable financial disclosures. The Internal Auditors carry out audit as per the scope mandated by the Audit Committee. The Internal Auditors periodically review operating effectiveness of internal financial controls and report the findings to the Audit Committee. As a measure of good corporate governance, all matters of significant importance or relevance have been reported to the Audit Committee as well as Company's Statutory and / or Internal Auditors.

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