


An illustration of an iceberg floating in the ocean. The tip of the iceberg is above the water surface, while the much larger, submerged part is below. The submerged part is overlaid with a white, glowing network of lines and nodes, symbolizing digital infrastructure or data. The background is a gradient of light blue to dark blue, with some bubbles and light effects.

Inch wide.  
Mile deep!

**Caution regarding forward-looking statements**

This document contains statements about expected future events and financial and operating results of Saksoft Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the Saksoft Limited Annual Report FY19-20.



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## Corporate Information

### BOARD OF DIRECTORS

Chairman & Managing Director  
**Aditya Krishna**

Independent Non-Executive Directors

**Ajit Thomas**

**VVR. Babu**

**Ganesh Chella**

**Malini Thadani**

Non-Executive Director

**Kanika Krishna**

### EXECUTIVE COMMITTEE

Chairman & Managing Director  
**Aditya Krishna**

Chief Financial Officer  
**Niraj Kumar Ganeriwala**

Executive Vice President  
**Dhiraj Kumar Mangla**

Senior Vice President & Global Head - Information Management Services  
**Gopakumar N Kavunkal**

Vice President - APAC Sales  
**Bhaskar Narayanan**

Chief Commercial Officer - Acuma Solutions (A Saksoft Company)  
**Jonathan Eeley**

CEO, DreamOrbit (A Saksoft company)  
**Sanchit Jain**

CTO, DreamOrbit (A Saksoft company)  
**Abhishek Porwal**

Head - Testing Services  
**Soumya Sashi**

Vice President Sales - US Region  
**Swaraj Kumar Dash**

Account Director  
**Avantika Krishna**

### DEVELOPMENT CENTERS

#### INDIA

**Chennai**  
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Stockport, United  
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### COMPANY SECRETARY & COMPLIANCE OFFICER

**S. Muthukrishnan**

### WEBSITES

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www.edprof.com  
www.360logica.com  
www.dreamorbit.com  
www.faichi.com

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### AUDITORS

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Chartered Accountants,  
Simpson's Buildings,  
Post Box No. 335,  
861, Anna Salai,  
Chennai - 600 002.

### BANKERS

RBL Bank Limited, Chennai  
HDFC Bank, Chennai  
IndusInd Bank, Chennai  
Citibank N.A, Chennai  
Deutsche Bank, Chennai  
State Bank of India, Chennai

### REGISTERED AND CORPORATE OFFICE

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### SUBSIDIARIES

Saksoft Inc., USA  
Saksoft Pte Limited., Singapore  
Saksoft Solutions Limited, UK  
Electronic Data Professionals, Inc., US  
Faichi Solutions Inc, US  
Acuma Solutions Limited, UK  
Threesixty Logica Testing Services Private Limited, India  
Threesixty Logica Testing Services Pte Limited, Singapore  
Dreamorbit Softech Private Limited, India  
Dreamorbit Inc, US  
Saksoft Ireland Limited, UK

### REGISTRAR AND SHARE TRANSFER AGENT

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## 'Inch wide. Mile deep!' at work at Saksoft

At a time when the global economy slowed in FY19-20, Saksoft reported profitable growth.

Revenues remained flat while EBITDA strengthened 3.2% and EBITDA margin strengthened 49 bps to 17%.

This profitable growth was the result of a consistent focus on doing what the Company has always been good at: deepening our brand, enhancing our market visibility and helping us generate a superior return on invested resources.





# How Saksoft makes a difference

## Rich experience

Saksoft, founded and promoted by Mr. Autar Krishna and stewarded by Mr. Aditya Krishna, has emerged as global leader in providing digital transformation solutions, enabling businesses to stay highly connected in a rapidly evolving world.

## Presence

Headquartered in Chennai (India), the Company has 14 offices across the USA, Europe and Asia. The US accounts for the Company's largest market, generating ~ 50% of revenues in FY19-20, followed by Europe at 27% and APAC & others at 23%.

## Clientele

The Company provides services across verticals such as Fintech, Retail E-commerce and Health care, Telecom, Transportation & Logistics and Public Sector.

## Values

At Saksoft, we believe in a culture of innovation, customer focus, openness, respect and enterprising (ICORE). This represents the foundation of the organisation and is reflected in everything that we do.

## Diversified services

The Company offers a bouquet of digital transformation services covering the following: analytics solutions, strategic consulting, IoT and mobility solutions, technology training, application development, robotic process automation, digital testing services, managed & infrastructure services and cloud services.

## Employee base

The Company had on its payrolls 1258 employees as on March 31, 2020. The average age of the Company's workforce stood at 32 years as on March 31, 2020.

## Credibility

The credit rating of the Company strengthened from CARE BBB+ to CARE A- in FY19-20.

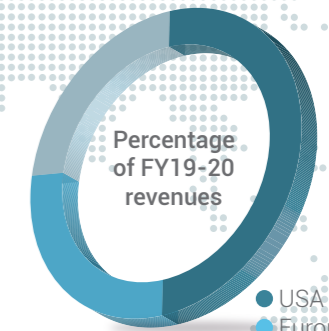
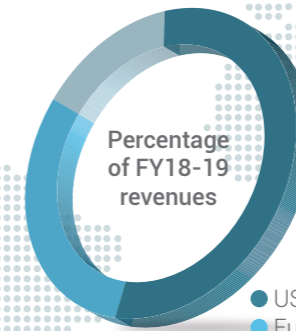
## Listing

Saksoft Limited is listed on the National Stock Exchange and the Bombay Stock Exchange. The Company's market capitalisation was Rs.136 crore at the close of FY19-20.

## Compliant

The Company has been accredited with the ISO 9001:2015 certification for its quality management system and ISO 27001:2013 certification for information security management system, showcasing its process excellence.

## Our geographic footprint



## The year 2019-20 dashboard

### Business highlights, FY19-20

- The Company strengthened its Predictive Analytics capabilities
- The Company strengthened its marketing, deepening its presence in sectors
- The Company strengthened its offshore strength during the year

### Financial highlights, FY19-20

- Revenues increased 0.2% to Rs.358.78 crore
- EBITDA margin increased 49 bps to 17%
- RoCE was 24.7%
- Debtors' turnover was 67.38 days
- Net profit (after minority interest) grew by 5.5% to Rs.38.45 crore
- EPS increased by 5.5% to Rs.38.67

### Value dashboard

Our debt-equity ratio improved from 0.19 as on March 31, 2019 to 0.13 to March 31, 2020



**Our NSE security code and equity share face value**  
(SAKSOFT EQ) Rs.10 per equity share.

**The dividend for FY19-20**  
First Interim Dividend of Rs.2.00 per equity share and Second Interim Dividend of Rs.2.50 per equity share.  
Total dividend of Rs.4.50 per equity share.



# Financial highlights, FY19-20

## Revenue from operations

(Rs. in crore)

+0.73

(Rs. in crore)

243.73  
259.50  
285.87  
358.05  
358.78



### Why we measure

To assess the effectiveness of our product/solutions mix, geographic presence, sales focus efficiency, execution and network strength, brand equity and market competitiveness.

### What it discloses

Saksoft reported flat revenues in FY19-20 following a reduction in share of a prominent customer, which was recouped with some customer wins in the later part of the year.

## Operating profit (EBITDA)

(Rs. in crore)

+1.87

(Rs. in crore)

36.19  
32.91  
39.60  
59.16  
61.03



### Why we measure

To evaluate overall business efficiency – an improvement in operating revenues indicates a sharper increase in revenues over costs.

### What it discloses

At Saksoft, we focus on driving operating leverage through offshoring/near-shoring that enables us to ensure billing in foreign currency while expensing costs in INR.

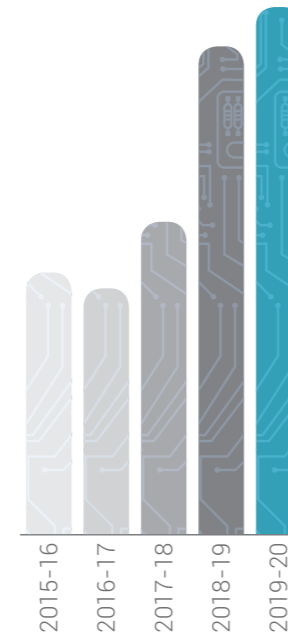
## Cash profit (PAT+Depreciation)

(Rs. in crore)

+3.44

(Rs. in crore)

22.79  
21.41  
27.28  
42.48  
45.92



### Why we measure

To get an estimate of an organisation's ability to grow its business without risking the Balance Sheet.

### What it discloses

At Saksoft, our incremental cash profit of Rs.3.44 crore was attractive, indicating our commitment to grow margins, benefit from operating leverage, manage our working capital efficiently and reducing our debtors' cycle.

## Return on capital employed

(%)

-200

(bps)

23  
20  
20  
27  
25



### Why we measure

RoCE is a fundamental financial metric indicating the health of a business. A steady improvement in a Company's RoCE validates our growing financial efficiency.

### What it discloses

The above medium-term impact reflects the effect of our investments, coupled with prudent capital allocation towards high margin services.

## Interest cover

(x)

-5.67

(%)

8.64  
7.21  
7.49  
11.89  
11.22



### Why we measure

The interest coverage ratio is used to determine how comfortably a company can pay its interest liabilities on outstanding debt.

### What it discloses

A growing EBITDA and tightening interest outflow have enabled comfortable debt servicing, improving the interest cover over the medium-term.

## Debt-equity ratio

(x)

-31.58

(%)

0.25  
0.33  
0.30  
0.19  
0.13



### Why we measure

It indicates how much debt a company is using to finance its growth relative to the amount of value represented in shareholders' equity.

### What it discloses

Saksoft's focus on creating an asset-light, solutions-driven business and increasing use of accruals in funding its growth strengthened its gearing to 0.13 in FY19-20.

## Earning per share

(Rs.)

+5.48

(%)

18.82  
17.30  
21.98  
36.66  
38.67



### Why we measure

Earnings per share serves as an indicator of a company's profitability (in terms of a portion of profit allocated to each outstanding share).

### What it discloses

At Saksoft, our focus on growing shareholder value has been reinforced through an undiluted equity base (over the past few years) and sustainable growth in net profits and earning per share.

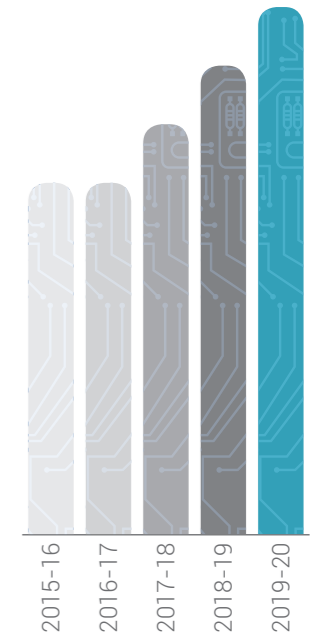
## Dividend per share

(Rs.)

+12.50

(%)

3.00  
3.00  
3.50  
4.00  
4.50



### Why we measure

Dividend per share (DPS) is the sum of declared dividends issued by a company for every ordinary share outstanding.

### What it discloses

Consistent with our focus on rewarding our shareholders with a solid and stable value creation platform, we steadily focus on disbursing dividends, after putting aside funds for plough-back.

## Our governance commitment

In a VUCA world, the insurance comes from governance.



At Saksoft, governance is doing the right things more than doing things right – a focus on integrity more than efficiency – because we are convinced that organisations that are high on their ethical commitment can also be hugely successful.

This is the vision with which we went into business: not necessarily to be the largest in our space at any cost as much to be counted as one of the best; not as much to be a company driven by the quantity of our revenues only, as much a company driven by the quality of respect.

Some of the principles of our governance commitment have been described in this section. They provide a perspective of what we are, where we come from and what we hold dear.

### Integrity

At Saksoft, the one word that we placed at the centre of our business model was 'integrity'. We resolved that when stakeholders referred to us, they would with a sense of respect; that when one asked about what kind company we were, the principal recall would be one of trust. We believe that if we could inspire a recollection based around credibility and integrity, it would be the glue that would attract a credible eco-system: longstanding customers, enduring employees and stable investors

### Discipline

At Saksoft, at one level we desired to be a company that stakeholders could take for granted on issues of principle. By the virtue of their experience with us, they would be able to assess and predict our response on issues of ethics and integrity. In this predictability would be their own conduct: they would know how they would need to conduct themselves if they were to stay engaged with us. We are pleased that when we are discussed in public domain, one of the first reactions we evoke is one associated with the highest ethical standard.

### Doing things the right way

At Saksoft, this ethical respect is the result of life clarity: that we will continue to do the right things in the right way. Over the years, this commitment has manifested in various ways within: our gender respect, zero tolerance for sexual harassment, similar impatience with ethical transgressions, commitment to recruit without prejudice and appraise without partialness, respect for the dignity of people and the integrity of the environment. The list of values we hold dear is long; suffice it to say that we believe in a progressive world that champions fairness, equality and fraternity.

### Long-term

At Saksoft, we have invested in our business with the conviction that the Company will exist perpetually. Whether this will transpire or not is secondary; that we take our existence with corresponding seriousness means that we plan for the long-term and believe that whatever we do today will generate an echo across the years. The result of this perspective is that our investments and initiatives are

not inspired by short-term arbitrage but by the long-term value we can generate in a sustainable way. This is visible in the verticals of our presence: some of the spaces can be considered relatively nascent; we believe that the value of our presence will only deepen, strengthening our relevance and sustainability.

### Singular focus

At Saksoft, we believe that a narrow field of competence is possibly the biggest insurance against market shakeouts and industry attrition. In view of this, we have consciously selected to focus on digitalisation; within this space we have selected to work with transformative technologies that we believe will endure well into the long-term; in turn, we seek to transform the competitiveness of our customers through digitalisation initiatives. The result is that within our peer group, our brand is that of a company that graduates customers from one level to another.

### Matching of values

At Saksoft, we believe that the stability of our eco-system is derived from the coming together of the value systems of our various stakeholders. This was one of the critical filters through which we appraised some of the acquisition targets that we prospected, pursued and eventually absorbed into our system. The success of the absorption was not based as much on managerial professionalism as much on a convergence of value systems of the acquirer and acquired. We believe that by being on the same ethical page, we were able to leverage the acquisitions more effectively and grow our Company faster.

### Controlled growth

At Saksoft, we believe that business sustainability is best derived from controlled growth as opposed to one-off profitability spikes. The company has consciously allocated accruals into business growth without stretching the Balance Sheet. We have remained a liquid and profitable company through various market cycles. The result is that we have progressively moderated our net debt position and improved the efficiency of capital employed.

### Board of Directors

At Saksoft, we believe that the success of our strategic direction is largely influenced by our Board of Directors. We have placed a premium on our Board composition, comprising achievers of standing. These individuals have enriched our values, bandwidth, business understanding and strategic direction. The Board comprises a good proportion of Independent Directors, who can speak their mind and influence the Board.

### Process-driven

At Saksoft, we believe that growth can be best derived when the promoter charts out a strategic direction, remains engaged in the business and delegates day-to-day management to professionals. The Company deepened its investment in processes and systems. This framework – processes as well as IT foundation – represents a scalable foundation that will enable the Company to grow profitably and without a significant increase in employees required to manage operations. As an extension, a framework of checks and balances provide effective de-risking to our growth appetite.

### Audit and compliance-driven

At Saksoft, we believe that business predictability is derived from a strong review system. We strengthened an audit-driven and compliance-driven approach, enhancing the credibility of our reported numbers. When faced with an accounting treatment that required interpretation, we took a conservative view. The result is that whatever we reported in our books was a faithful indication of what actually existed.

### Transparency

At Saksoft, we do not just think and do; we communicate faithfully as well. We hold our transparency commitment dear – whether it is in the form of honest appraisals with our people or how we communicate our financial performance with financial stakeholders every quarter or how we engage with our stakeholders and customers regularly.

### Stakeholder value

And lastly, we exist for the benefit of all stakeholders: the customer must experience enhanced competitiveness arising out of our business solution; the employee must derive pride, remuneration, career advancement and engagement stability; the investor must generate a superior return on employed capital over competing investment opportunities; the community must benefit from our presence; the government must benefit through taxes and livelihood creation; our vendors must benefit through the outsourcing of products and services.

*In short, if we didn't exist, the world should be poorer in some way. That is our vision. This is the intended effectiveness of our governance – professed, practiced and lived.*



Summary report

# Letter to shareholders



**ADITYA KRISHNA**  
Chairman and Managing Director

## Dear shareholders,

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

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

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

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

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



We believe that companies that have extended beyond a generic positioning and address only a specific market segment – like Saksoft is positioned – stand a better chance of competitiveness across market cycles.

So what companies are expected to endure?

At Saksoft, we believe that companies that are in existence to address a specific purpose – in our case, the providing of solutions that facilitate the digitalisation of companies – will find it easier to survive and sustain during such challenging periods.

We believe that companies that are specialised and address specific market niches – like where Saksoft is positioned – stand a better chance of remaining competitive in these challenging times

We believe that companies where the organisational structure is adequately sized and compatible with the business size – as at Saksoft – will be better equipped to survive and succeed.

We believe that there is a greater priority in being debt-light than ever before. At Saksoft, we were net-debt-free during the year under review, managing our growth from the annual surplus generation and the cash on our books.

And lastly, we believe that companies like Saksoft that have been able to retain their talent and generate superior people productivity will be better equipped to provide effective knowledge-based solutions that transform the business health of their customers.

The principal message that I wish to convey to our shareholders is that Saksoft is securely positioned to retain and service clients on one hand and outperform sectoral growth as soon as conditions improve.

## Review of the last financial year

Saksoft reported a topline of Rs.358.78 crore during the year under review compared to Rs.358.05 crore in FY18-19.

The EBITDA margin strengthened from 16.5% in FY18-19 to 17% in FY19-20, largely due to our ability to moderate costs, effectively amortise fixed costs and enhance our people productivity.

However, even as revenues remained around the same level, the Company's post-tax bottomline strengthened from Rs.36.45 crore in FY18-19 to Rs.38.45 crore in FY19-20. This indicates that the Company reported profitable growth, validating the robustness of its business model and its efficiency to streamline costs.

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

## The revenue sluggishness explained

Over the last number of years, Saksoft selected to focus on a distinct bulge of the market for reasons of opportunity size and capability.

We segregated customers across three categories: the A category comprised large and marquee customers usually serviced by some of the largest software solution providers in the world; the C category customers were marked by small

However, even as revenues remained around the same level, the Company's post-tax bottomline strengthened from Rs.36.45 crore in FY18-19 to Rs.38.45 crore in FY19-20. This indicates that the Company reported profitable growth, validating the robustness of its business model and its efficiency to streamline costs.

budgets and infrequent engagements where the cost of engagement was disproportionate to the quantum of revenues generated, and finally the B category represented the sweet spot of the market marked by a relatively large deal size, multi-year engagement prospects, corresponding skill sets and attractive profitability.

During the past, the Company generated a majority of revenues from B category customers. However, during the year under review, the Company failed to penetrate deeper into this large market. The reason for this ineffectiveness was the decision of the Company to empower its solutions delivery team working inside the customer premises to generate new business. The rationale of this decision was well-founded: we believed that our technology experts working inside the customer's premises would gradually evolve into 'customer experts' possessing an intimate knowledge of the customer's business, systems needs and projected technology spending. This, we felt, would graduate our technology experts from solutions delivery to being able to propose or predict the next round of informed technology spending and then marketing our proposition as

resident experts. This, we felt, would empower us to carve away emerging opportunities within customers, growing our business.

This approach sounded credible in theory. However, the challenge lay in its successful implementation. Our solutions delivery professionals delivered a high degree of solution but could not extend their capability to generating fresh business from the same customer. The Company has since corrected its approach from the latter part of the last financial year. We are optimistic that upsides should yield better results in the current financial year.

## Banking on efficiency

At Saksoft, we moved with proactive speed when we recognised a delay in ramping our revenues.

The company strengthened its business control across a number of fronts with the objective to become organisationally leaner, moderate people costs, strengthen KRAs for the senior managers in line with enhanced delivery efficiency and increased resource utilisation. The complement of these initiatives strengthened our margins.

Summary report  
Letter to shareholders

360Logica revenues  
Rs.330  
million in FY19-20

Dream Orbit revenues  
Rs.540  
million in FY19-20

I am pleased to communicate that we finished the year with EBITDA margin and net margin comparable with some of the best large IT companies. From this point onwards any increase in revenues – the only feature of our business holding us back – should only strengthen our profitability and sustainability further.

**Bringing our strengths into play**

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

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

I am pleased that Saksoft ticks all these boxes. By the virtue of focusing on select verticals and digitalisation-empowered business transformation, the Company has sent out a distinctive

message: that it is not everything to all kinds of customers but stands for a distinctive recall for a distinctive customer. At our Company, we believe that this positioning is prudent and will generate outsized value across the long-term.

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

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

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

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

During the challenging lockdown days extending from March into April 2020, Saksoft lived its credo of customer-centricity: the Company's technology and business professionals worked from their residences, protecting the integrity of mission-critical projects for demanding customers half the world away. I will go a step further: during these challenging days, we only strengthened our dependability and if we were to hypothetically disappear I have no doubt that our customers would miss us.

**How our acquisitions played out**

One of the other reasons behind our optimism is that our String of Pearls strategy – following the acquisition

of subsidiaries with different competencies – has empowered our Company with a holistic digital customer proposition. This was validated in the last financial year when we acquired new customers on this basis.

Our String of Pearls strategy was reinforced through complementary acquisitions. The investments that we made across six years have now been completely integrated into our business, strengthening our customer proposition.

Saksoft acquired the UK-based Acuma, a business information enterprise, in 2006. Acuma reported revenues of 10.17 million GBP during the year under review.

Saksoft acquired 360Logica in 2015. The testing services business under 360Logica reported revenues of Rs.330.23 million during the year under review.

Saksoft acquired Dream Orbit Softech, a Bengaluru-based IoT specialising company addressing the logistics domain, in December 2016. The Dream Orbit acquisition empowered our offerings in the logistics service sector.

This acquisition delivered Rs.540.37 million in revenues in FY19-20.

**Looking ahead**

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

Thank you for your continued support.  
With my best wishes,

**Aditya Krishna**  
Chairman and Managing Director

**Milestones**

2000	2001	2004	2005	2006	2009	2013	2014	2015	2016	2017	2018	2020
Incorporated company in Singapore. Launched first development centre in Chennai	Launched an office in UK and US	Commissioned a second development centre in Noida	Took Saksoft public; listed on NSE	Acquired Acuma Solutions UK - Information Management Specialist	Introduced Prima: framework for Loyalty Management	Acquired Electronic Data Professionals - USA	Acquired Three Sixty Logica testing Services - inroads into independent testing	Migrated from being a traditional service provider to a digital transformation service provider	Acquired Dream Orbit - Focus on Transportaion and Logistics Vertical, specialised in IOT	Graduated from service-focused sales approach to vertical-focused sales approach	Acquired Faichi, making an inroad into the health care space	Selected as the Digital Transformation partner for Aegon India



# Financial Review of FY19-20



**NIRAJ KUMAR GANERIWAL**  
Chief Financial Officer

## Overview of the last financial year

The company's performance during the financial year under review can be described as creditable, given the challenges that the Company faced with a number of companies postponing their IT spending. Our key markets of US and Europe reported subdued demand as a result of global uncertainties, Brexit apprehensions and eventually the COVID-19 pandemic.

## Profitable growth

The company reported virtually unchanged topline numbers during FY19-20: Rs.358.78 crore in FY20 compared with 358.05 crore in FY19, a marginal growth of 0.2%. However, EBITDA for FY20 stood at Rs.61.03 crore against Rs.59.16 crore in FY19, an increase of 3.2%. This underlined the reality that the Company reported profitable growth, even though the management would have been happier if revenues had been higher.



The fact that the Company could marginally increase its margins without any support from revenue growth reflects favourably on the Company's cost management and pricing strategy.

## Business health

The highlight of the Company's performance during the year under review was reflected in the steadiness in the Company's EBITDA margin. Normally when revenues remain flat in a financial year, there is a tendency of an increase in costs eroding margins. The fact that the Company could marginally increase its margins without any support from revenue growth reflects favourably on the Company's cost efficiency and pricing strategy. The Company strengthened its EBITDA margin by 49 bps from 16.5% to 17% through the course of the year. Correspondingly on steady revenues, there was an increase in EBITDA by Rs.5 crore on account of the adoption of Ind-AS, which resulted in a positive impact of 1.4%. The sluggish growth in EBITDA was on account of an increase in headcount during the year combined with a marginal decline in utilisation. Besides, RoE stood at 19% and RoCE at 25% during the year under review.

## Broadbased business

The company's revenues were largely broadbased across three geographies – USA, Europe and Asia-Pacific. USA accounted for 50% of revenues, Europe around 27% and Asia-Pacific (and other regions) 23%. The US contribution declined from 55% of revenues in FY19 to 50% in FY20, largely on account of a realignment of certain contracts from US to APAC geographies.

The onsite and offshore revenue mix was 49% onsite and 51% offshore in FY20; our endeavor is to increase the

concentration from offshore revenues to around 55% as a hedge against nationalistic tendencies translating into a lower access for professionals with work permits.

The company generated revenues from verticals with Fintech and Telecom contributing 29% and 20% respectively, while Logistics, Retail, and Health care and the Public Sector contributed 10%, 13% and 11% respectively. We believe that the distribution of revenues is balanced with no segment accounting for more than 30% of revenues.

From a customer concentration perspective, Saksoft had six customers generating revenues in excess of million dollars and seven customers generating revenues in excess of USD 0.5 million. This indicates that the business is adequately broadbased without an excessive dependence on a handful of customers. The utilisation level of employees, excluding trainees, stood at 83% for FY20 against 84% in FY19.

## Balance Sheet right-sizing

The company leveraged its performance during the last financial year to right-size its Balance Sheet. The company repaid Rs.12.48 crore of debt down to Rs.28.45 crore as on March 31, 2020. In addition to this reduction, the Company invested Rs.7.65 crore in acquiring the final tranche of Dream Orbit, making it a 100% wholly-owned subsidiary of Saksoft effective from July 2019. This strengthened our economic interest in that subsidiary during the year under review. This debt

reduction and incremental investment notwithstanding, the Company ended the year under review with a cash position of Rs.42.93 crore compared with Rs.40.05 crore as at March 31, 2019.

## Business positioning

At Saksoft, we believe that we are attractively positioned within each of our verticals. The company is engaged in the Fintech space, not to be confused with large banks facing headwinds in this pandemic. The second vertical is Transportation and Logistics, which will continue to remain relevant as products need to be transported across the markets of our presence. The Health care vertical is attractive and gaining traction following the pandemic. We believe that e-commerce resides at the centre of a post-Covid world marked by social distancing.

The point that needs to be emphasised is that in these four verticals our customers are predominantly Small Medium Enterprises when seen from the perspective of global scale – companies with revenue sizes ranging from USD 200 million to USD 2 billion. These companies, unlike large organisations, are still in the positive stage of their technology capex cycle and our applications represent mission-critical importance to keep them in business. In view of this mission-criticality, the management does not foresee any significant spending decline across the foreseeable future (though the fresh sales accretion cycle could become longer).

The company will continue to deepen its presence in the US and UK geographies, marked by extensive opportunities within existing verticals on the one hand and the preferred customer size on the other.

## Outlook

As realities normalise, we believe that our verticals will grow faster. Saksoft is attractively placed to leverage this opportunity. Besides, the Company's offerings are focused around Cloud and digital transformation, deepening its relevance. The pandemic represents a game-changing development for our business: it places an even bigger priority for companies to digitalise, strengthening our relevance and positioning across the foreseeable future.

**Niraj Kumar Ganeriwal**  
Chief Financial Officer

# Saksoft and the COVID-19 impact

## The outbreak of the pandemic

The COVID-19 pandemic is a defining global crisis that can transform the way we think, live and work. The spread of the virus disrupted the global economy and consumer sentiment starting December 2019. The virus was declared a global pandemic by the World Health Organisation.

## General response

Most global governments declared lockdowns in successive phases. The Indian government implemented a

national lockdown in late March 2020, which covered the comprehensive closure of offices, factories and public places. All international, inter-state and intra-state travel was restricted and borders sealed to limit the pandemic's impact.

## Saksoft's responsiveness

Saksoft moved with proactive speed in temporarily shutting its offices across all Indian locations and globally in line with the official lockdown imposition. The Company leveraged the services

of its Crisis Management Committee (COVID-19 Sub-Committee) to protect business continuity, service client needs pan-globally and deepen its relevance. The Company leveraged modern remote digital communication technologies, comprehensively implemented government directives and implemented 'Work from Home' for all its employees, protecting its business continuity with no latency.

## Impact on Saksoft's business

The company expects that the fallout of the pandemic would be business-strengthening for good reasons.

### Digitalisation

We believe that the pandemic has accelerated the maturing of the digital revolution, making it imperative for companies to invest in automation, technology-led cost moderation and digitalisation-induced increase in organisational productivity.

### Vertical relevance

We believe that we are present in business verticals, each of whose relevance has only deepened following the pandemic.

### Mission criticality

We offer solutions and engagements in areas that are core to our customers, making us mission-critical to the existence and profitability. As a result, we protected a majority of our customer engagements following the pandemic – with insignificant attrition.

### De-centralisation

We believe that the work-from-home phenomenon is a precursory to tomorrow's distributed organisation where employees may no longer need to be physically present in a brick-and-mortar office, widening our prospects to recruit anyone from anywhere.

### Competitiveness

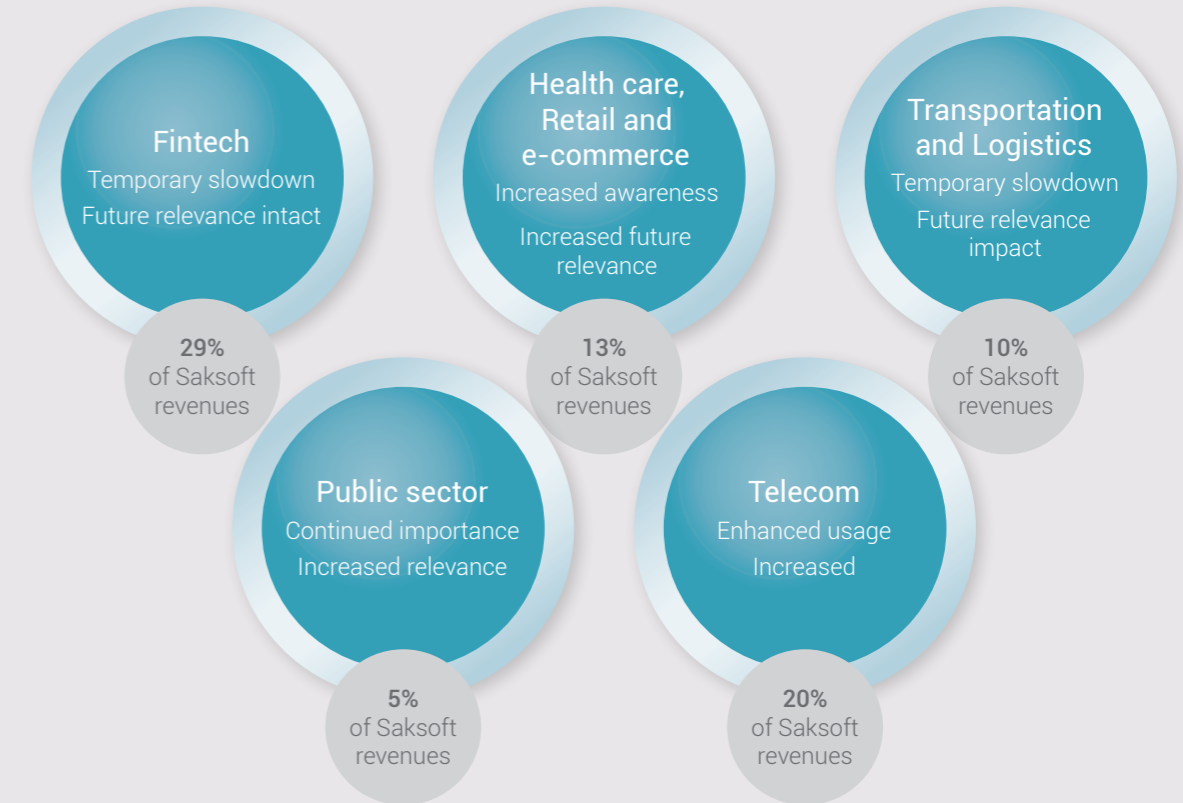
We believe that the work-from-home prospect could help software companies moderate people costs during recruitment, strengthening the competitiveness of the sector and Saksoft.

### Lower transportation

We believe that the complement of work-from-home and video-conferencing could moderate the need to travel, increasing the incidence of sales pitches being concluded through non-physical interaction.

On the other hand, we expect that new sales engagements could be concluded across longer tenures for as long as the pandemic fallout persists.

## The impact of the pandemic on our verticals



## How Saksoft responded and protected the interest of stakeholders during the pandemic



### Customers

- Protected high client uptime in US & UK (99.5%)
- Delivered seamless and secure customer engagement
- Enhanced productivity of the solutions delivery and sales teams
- Enhanced customer confidence that their data would remain secure
- Validated the respect for customer focus



### Employees

- Provided security-embedded laptops
- Initiated work from home across all software development centres
- Provided adequate hardware to all employees
- Uploaded critical information to Cloud for easy accessibility and security



### Investors

- Focused on protecting the Balance Sheet
- Retained cash and cash equivalents of Rs.42.93 crore (March 31, 2020)
- Focused on cost rationalisation
- Protected the client base and realisations



# 'Inch wide. Mile deep!' at work

At Saksoft, we believe that our principal value-creation strategy is reflected in our 'Inch wide. Mile deep!' positioning



This positioning line is not just a business strategy; it is who we are, what we wish to be and how we would like to be recalled by our stakeholders.

Over the years, we have narrowed our focus, invested in select large or rapidly-growing verticals, deepened our presence in them, generated a specialist's recall, leveraged related economies and reported superior margins.

The result has been reflected in superior returns related to investments in people, brand, customers and our financials, strengthening our business sustainability.

### Sectors of our focus

- Fintech
- Health care
- Telecom
- Transportation and Logistics
- Retail e-commerce
- Public sector

### How this focus has translated into organisational value

#### People

- Focus on specialisation
- Resume-enhancing proposition
- Stronger talent accretion/retention
- Respected as a 'Centre of excellence'
- Superior knowledge flows
- Shorter learning curve

#### Brand

- Superior visibility
- Clear perspective of what the Company stands for
- Higher bidding effectiveness
- Ability to generate superior value
- Recalled for the delivery of tangible business-strengthening value

#### Customers

- Respect as a specialist
- Superior domain knowledge
- Focus on business-strengthening solutions
- Delivery measured in enhanced RoI
- Stronger customer insight and ownership
- Effective client mining for more business
- Multi-year engagement

#### Financial

- Narrowed corporate focus
- Quicker to critical mass
- Quicker break-even
- Superior people productivity – more with less
- Ability to leverage the value chain more profitably

RoCE (%)



Net profit margin (%)





## How our 'String of Pearls' positioning has enhanced value



### Overview

Some years ago, Saksoft recognised that there were two ways it could grow: organically where it built competencies from scratch and by buying out companies or businesses that possessed complementary capabilities.

### The pros and cons were obvious

If the Company had grown these capabilities organically the upfront cost could have been lower but the time taken to develop these capabilities would have been long and the time taken to establish a positive customer recall even longer. On the other hand, if the Company selected to acquire these capabilities there was a possibility of accelerating the absorption of these competencies. Besides, the complementary nature of the acquired companies would plug gaps in the Company's forward-looking strategy and strengthen overall competitiveness.

### Neat fit

At Saksoft, we believed that the acquisition of these businesses would enable the Company to deploy its growing cash surplus, acquire the goodwill that these businesses had built from day one and even bring live customers relationships into our Company. By all accounts, the acquisition of these businesses would immediately generate positive revenues, profits and cash flows.

### One of the earliest

Saksoft was one of the earliest mid-sized companies to profess that it made better sense to acquire companies with complementary capabilities. The acquisitions proved win-win: Saksoft acquired

small specialised companies with established domain capabilities but sizable enough to attract right-sized customers and neither so small so as to not possess a competence critical mass. These smaller companies possessed a precious 'start-up mindset' that enhanced the Company's vigour. Besides, Saksoft retained their SBU personalities that enhanced their accountability and deliverables to the integrated corporate structure.

### Challenges

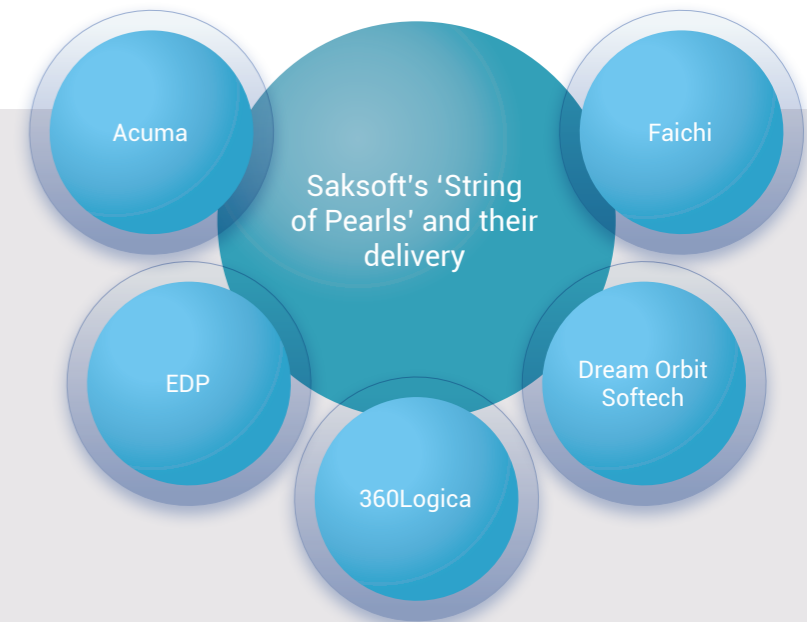
This inorganic approach did not come without its share of challenges: the need to select the right acquisition target, conduct a comprehensive due diligence to ensure fitment of purpose, prudently price the acquisition, mobilise resources for the acquisition (cash or stock) and integrate the acquisition into Saksoft legally and culturally.

### Strategic implementation

The company focuses on acquisitions at least <USD 5 million in size, operating in a domain in which Saksoft did not enjoy erstwhile presence, targeting mid-sized customers (USD 200 million to USD 2 billion) and UK or US-focused geographies.

### Sectoral coverage

These acquired companies strengthened the Company's presence in the business transformation, testing and IoT (logistics and health care) spaces. These competencies represented platforms that were scalable and relevant across the long-term. These acquired companies focused on superior solutions delivery while Saksoft (parent) acquired customers, a prudent segregation of responsibilities.



### Our complement of partners

- At Saksoft, we have complemented our 'String of Pearls' theory with our aggregation of partners, strengthening value for the organisation.
- In line with the goal to provide world-class solutions, the Company has partnered pedigreed global technology partners possessing niche technology competence.
- Saksoft leverages the value of this eco-system to deliver cutting-edge digital solutions and enhance customer delight.

#### Acuma

- Based in United Kingdom
- Acquired in 2006
- Focused on information management

#### EDP

- Based in the USA
- Acquired in 2013
- Focused on information management services

#### 360Logica

- Based in Noida, India
- Acquired in 2015
- Focused on testing services

#### Dream Orbit Softech

- Based in Bengaluru
- Acquired in December 2016
- Focused on Transportation and Logistics Vertical and in IOT

#### Faichi

- Based in Pune
- Acquired in 2018
- Health care delivery service provider in the US










# Our Integrated Value-creation Report

The Integrated Value-Creation Report is being increasingly recognised as an effective communication format. It overcomes the shortcomings of the conventional communication approach with a comprehensive integrated framework.

The Integrated Reporting approach explains the sectoral context, analyses corporate strategy and competitiveness leading to different reporting strands (financial, management commentary, governance and remuneration, and sustainability reporting) integrated to express an organisation's holistic ability to enhance value.

Integrated Reporting explains to providers of financial capital how an organisation enhances value. Its impact extends beyond financial stakeholders; it enhances understanding across all stakeholders - including employees, customers, suppliers, business partners, local communities, legislators, regulators and policy-makers - focused on an organisation's ability to improve value across time. This shift from the 'hard' to 'soft' (non-financial data) helps screen a Company more comprehensively, addressing the growing needs of external stakeholders.

## Our strategy

	 Strategic focus	 Innovate and excel	 Cost leadership	 Service provider of choice	 Robust people practices	 Responsible corporate citizenship	 Value-creation
Key enablers	Saksoft creates and nurtures a culture of process innovation and output excellence, reflected in solutions that take the business of its customers ahead	Saksoft emphasises cost leadership. The result is the increased ability to price correctly and responsibly, resulting in clients wins, growth in wallet share and protected margins on flat revenues (as happened in FY19-20)	Saksoft remains a service provider of choice in customer engagements through domain experts, knowledge, technology bandwidth and customer focus	Saksoft remained an employer of more than 1250 professionals across offshore and onsite locations, marked by regular engagement, training, reward, delegation, empowerment, responsibility and accountability.	Saksoft is a responsible corporate citizen engaged in community development.	Saksoft enhances value through the delivery of projects that the business of its customers ahead, enhancing their profitability and competitiveness	
Material issues / addressed	Use of cutting-edge technologies leading to solutions differentiation	Creating the basis of long-term viability through a superior overall price-value proposition	Enhancing revenue visibility through multi-year customer agreements	Creating a professional culture seeking overarching excellence in everything the Company does	Community engagement, widening the circle of prosperity	Addressing the customer's needs for a customised solution that enhances competitiveness	
Capitals impacted	Financial, Intellectual	Financial, Intellectual, Natural, Social and Relationship	Intellectual, Social and Relationship	Intellectual, Human	Social and Relationship, natural	Intellectual, Social and Relationship	





## How we enhance value

### Our resources

#### Financial capital

The financial resources that we seek are based on funds we mobilise from promoters, banks and financial institutions in the form of debt, net worth or accruals.

#### Human capital

Our management, employees form a part of our workforce, the experience and competence enhancing value.

#### Intellectual capital

Our focus on cost optimisation and operational excellence, as well as our repository of proprietary knowledge account for our intellectual resources.

#### Social and relationship capital

Our relationships with communities and partners (vendors, suppliers and customers) influence our role as a responsible corporate citizen.

### Value created in FY19-20

#### Financial capital

Turnover Rs.358.78 crore (previous year Rs.358.05 crore)  
Earnings per share Rs.38.67 (previous year Rs.36.66)  
RoCE 25% - FY19-20  
RoCE 27% - FY18-19

#### Human capital

Number of employees 1258 (previous year 1168)

#### Intellectual capital

Cumulative senior management experience 253 years

#### Social and relationship capital

Number of customers have remained stable

### Value shared with

#### Investors

The Company enriched investors through dividends

#### Customers

The Company engaged in a number of projects, generating Rs.358.78 crore in revenues from customers

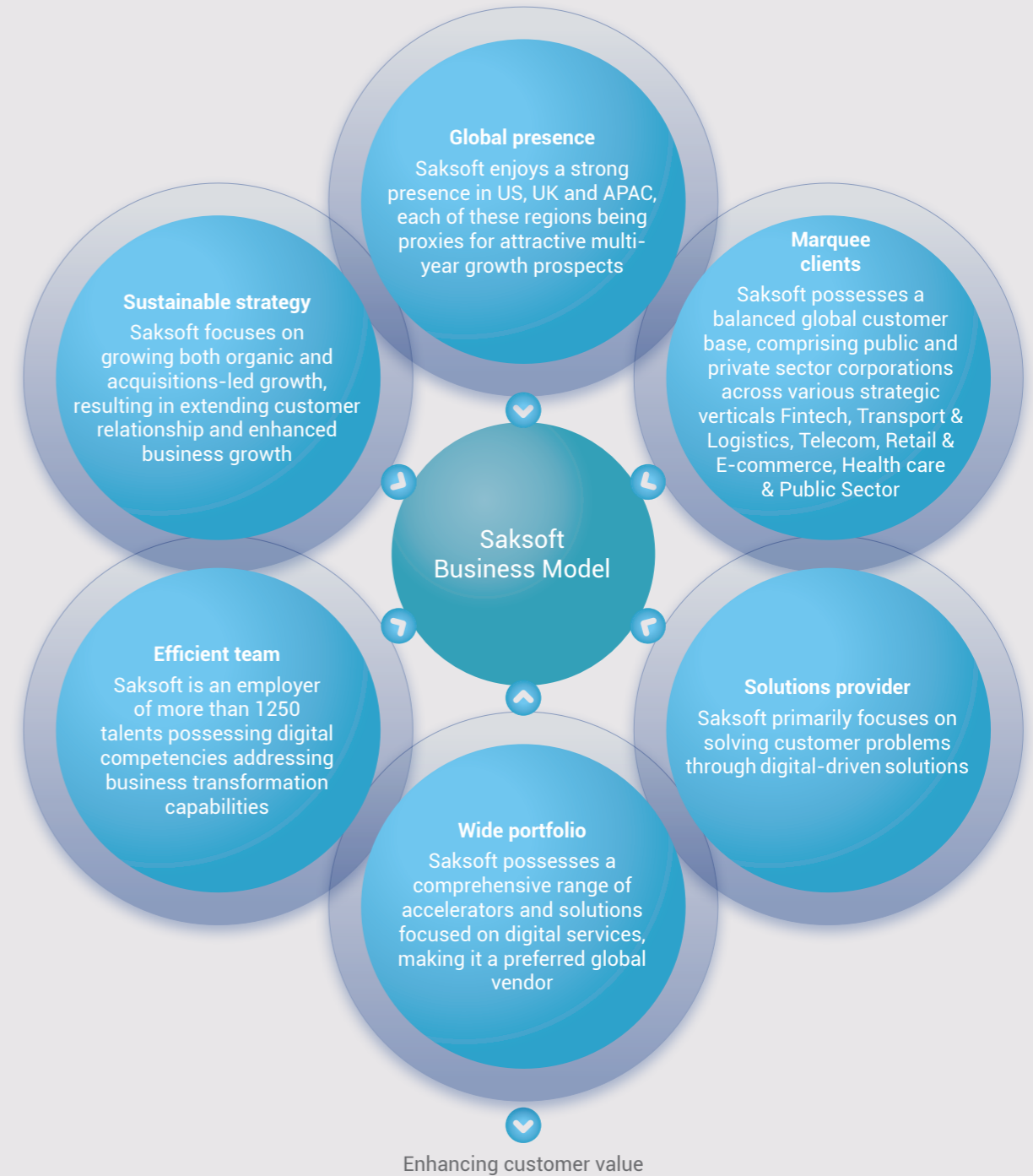
#### Employees

The Company provided compensation worth Rs.181.42 crore coupled with stable employment

#### Government and regulations

The Company has been compliant in its payment to the exchequer be it Direct Taxes, Indirect taxes or any other legal and statutory liability

### The elements in our value chain





Function

## Our sales excellence



### Overview

The United States is the largest global economy, accounting for a little more than a sixth of the global Gross Domestic Product. The success of this economy has been driven by the rapidly growing verticals of fintech, transportation & logistics, retail e-commerce and health care. These sectors, in turn, have been catalysed by cutting-edge technologies and digitalisation, transforming into superior consumer outcomes and competitive business models.

The transportation and logistics vertical reported attractive growth. The company provided shippers and third parties with transportation management solutions following robust freight volumes.

The fintech space was marked by new products and increased compliance needs. The company responded with a sharp positioning of its capabilities as well as a complement of corresponding products and solutions, deepening its presence across hedge funds, cards, payments and investment management firms.

The health care space remained relatively untouched in the pandemic-induced slowdown in US. The company responded to the business environment by advocating its telehealth proposition around a sharp positioning.

The retail vertical comprised a growing e-commerce focus, addressed by the Company through platforms leveraging resident knowledge and experience.



### Saksoft's challenges, FY19-20

The global economy growth slowed by 70 bps and the US economy weakened by 60 bps.

*The company focused on growing revenues, retaining customers, increasing customer walletshares and strengthening multi-vertical competitiveness.*

There was an increasing need for customers to graduate to cloud through the interplay of complex capabilities and a deeper understanding of customer realities.

*The company showcased the value of delivered technology-led solutions on the one hand and prioritised its investment in relevant technologies on the other.*

There was a greater need to showcase distinctive tangible improvements for the benefit of prospective customers.

*The company entered into value-based conversations with customers, showcasing how its complement of technology insight and domain understanding had enhanced profitability for customers.*

The company was required to sustain its selectiveness of customer engagement and strengthening its relevance for a specific customer size in keeping with the size of its own organisation.

*The company addressed prospective customers between revenues sizes of USD 200 million and USD 2 billion, neither too small to generate adequate revenue throughput and neither too large for customer intimacy to be lost.*

The company was required to demonstrate the effectiveness of its projects for customers.

*The company showcased the bottom line-enhancing impact of its projects, indicating that they were value-accretive and business-strengthening.*

### Key numbers

21.43

USD trillion, GDP of the USA in 2019

2.3

%, growth of GDP of the USA in 2019

1

The rank of the USA in global fintech ranking in 2019

10,224

USD, per capita of the USA in health care spending in 2019

2.3

USD, per capita of the world in health care spending in 2019

602

USD billion, ecommerce sales in the USA in 2019

3,763

USD billion, total retail sales in the USA in 2019

~947

USD billion, the size of the logistics market in North America in 2019

~900

USD billion, the size of the logistics market in North America in 2018

~4.4

%, size of the logistics vertical in North America as a percentage of the US GDP

(Source: Trading economics, Countryeconomy, Livemint, Findexable, Digital Commerce 360, IMARC, Businesswire)

### Our achievements, FY19-20

Despite a decline in US economic growth, US continued to be the largest geography for Saksoft.

This outperformance was the result of investments in growing the Company's sales and technology teams, clarity of sales focus on North America, deepening presence in select verticals, established clients as well as the addition of capabilities in cutting-edge technologies like Robotic Process Automation, Artificial Intelligence, Cloud and Machine Learning.

The result is that the Company reported attractive customer wins (one large multi-year Fintech contract), enhanced customer delight, growing revenues from retained accounts and generated repeat business from marquee clients.

### Saksoft's strengths

The Company strengthened its business through a number of realities and initiatives during the year under review.

**Clients:** The Company worked with clients who deepened their technology investments.

**Brand:** The Company's teams possessed a respect for technology specialisation and domain experience, making them 'go to' solution providers.

**Focus:** The company deepened its specialisation across business verticals, through insourced competence and complementary partnerships, strengthening its brand

**Capabilities:** The Company's teams showcased competencies across four verticals for new and existing customers, translating into business-strengthening solutions.

### Outlook

The outlook of the Company is optimistic in the prevailing circumstances. The company is providing key customers with solutions focused on business continuity planning complemented by uninterrupted services to keep enhance their service uptime. The company intends to strengthen sales presence in USA, sustaining customer relationships through transparent engagement. The company expects that the relevance of cloud adoption and digitalisation will only increase, strengthening the Company's positioning in a competitive environment.



## The verticals where we make a difference



### Transportation and Logistics

Country of presence:  
USA, Europe and Asia  
Pacific

Proportion of revenues:  
**10%**

#### Overview

The transportation and logistics vertical represents the lifeline of any growing economy. There is a growing conviction that the efficiency of this vertical enhances national competitiveness, moderating the delivered cost of exports or imports, strengthening employment possibilities. During the last decade, the increasing needs of just-in-time delivery, product traceability, multi-modal transportation solutions and other business imperatives enhanced the room for technology-enabled business-strengthening solutions.

The principal global trends driving this sector comprise the following:

**Logistics marketplace:** The online marketplace converges global logistics and transportation service providers through technology platforms; these platforms interface shippers and transport owners, helping optimise resources.

**Blockchain:** Shippers now increasingly use this cutting-edge technology to track shipments from the point of origination through the supply chain and the last mile. Besides, this technology is being used to track counterfeit products and minimise inventory, strengthening the overall eco-system.

**Robotic process automation:** This technology is being increasingly used to automate shipping processes with virtual workforce (robots) and graduate them to the online platform for enhanced tracking.

#### Saksoft's challenges and counter-initiatives, FY19-20

The impairment of trade relations between US and China affected the growth of this vertical in US.

*The Company worked closer with customers in providing business-strengthening solutions that enhanced their competitiveness, revenues and market shares, validating the Company's positioning as a market-responsive partner*

Saksoft needed to showcase its domain competence in this vertical for prospective business

*The Company showcased completed projects for a range of customers, which enhanced the customer's efficiency and profitability*

The Company needed to deepen its presence in a challenging UK market dominated by larger service providers.

*The Company marketed across focused customers, presenting relevant competencies and references of successful completed projects*

#### Saksoft's strengths

- The Company possesses more than 40 customers across US and UK, generating a long-standing respect derived from having delivered

numerous successful projects across the last few years.

- The Company possesses revenue visibility; more than 90% revenues from this vertical in FY19-20 were generated from repeat customers.

- The Company is respected for having addressed complex solutions in this vertical, generating a distinctive recall as a specialised solutions provider

- The Company has a dedicated logistics team of more than 250 members possessing extensive domain, customers and technology insights

- The Company provides customised technology solutions across various transportation modes (roads, air and sea).

- The Company possesses rich domain expertise in the development of core products.

#### Our achievements, FY19-20

- Revenue from this vertical contributed to 10% of our total revenue

- The Company acquired new clients, widening the business

- Customers of three years or more accounted for a majority of revenues from this vertical

#### Outlook

There is a growing relevance of technology-enabled transportation and logistics solutions in a world marked by rising competition and declining margins. Saksoft intends to strengthen its solutions capability through predictive analytics and other domain cum technology insights.



## The verticals where we make a difference

Continued...



### Retail e-commerce

Region of presence:  
USA and Europe

Proportion of revenues:  
5%

#### Overview

The retail e-commerce vertical is one of the fastest growing the world over. This growth is being derived from a number of advantages over the conventional brick-and-mortar equivalent: ease of purchase, lower costs, wider product range and an easy comparability of product attributes and price-value propositions. The result is that traditional retailers are leveraging their physical store appeal and graduating to the online e-commerce space through a seamless omni-channel strategy.

The principal global trends driving the sector comprise the following:

**Marketplace 2.0:** The online marketplace has revolutionised retail where Marketplace 2.0 represents the next level of retail e-commerce, a new model of pure play. The base of the model is centred round deep discounts but the marketplace is based on pay per click model, which ensures that payment is made based on the number of clicks initiated by the user.

**Personalisation:** With shifting consumer preferences, personalisation is facilitated by data analytics that detect and predict suggested preferences.

**Dynamic categorisation:** Filtering and sorting products in the online marketplace was a static category that comprised a wider irrelevant category as well. This scenario of the marketplace is ready to change the online retail space by providing tailor-made and relevant choices based on shipping and browsing histories.

#### Saksoft's challenges and counter-initiatives, FY19-20

The key challenges faced during the fiscal under review comprised the need to widen the client base, convince clients to migrate from on-premise to cloud and enhancing data security.

*Saksoft leveraged its deep domain expertise and GDPR compliance to increase customer outreach and penetration.*

#### Saksoft's strengths

- Saksoft enjoys a strong presence in USA's retail e-commerce space, the largest such space in the world
- The Company's vertical generated nearly 80% revenues from US, the most vibrant market for the vertical in terms of technology spending, innovation and growth
- The Company serviced the growing opportunities of the vertical through a specialised 100-member team
- The Company strengthened its brand through customer-facing agility and focus.
- The Company generated most revenues in this vertical from repeat customers in FY19-20.

#### Our achievements, FY19-20

- The Company continued to deliver business-strengthening solutions, reinforcing respect and critical mass of successful client engagements
- The Company strengthened its business through strategic customer wins
- The Company developed a new portal that graduated its infrastructure from on-premise to a secured centralised cloud.

#### Outlook

With the advent of online purchasing growing exponentially and the emergence of virtual workforce in a pure-play business model, Saksoft is optimistic about generating double-digit percentage growth. The Company intends to strengthen relationships with larger customers, strengthening revenue visibility. Besides, the Company intends to enhance RPA and PPC visibility, carving out larger customer wallet shares.



## The verticals where we make a difference

Continued...



### Fintech

Region of presence:  
USA, Europe and APAC  
Proportion of revenues:  
**29%**

#### Overview

Fintech is the fastest growing segment within the BFSI sector, catalysed by a demanding customer at one end and technology-driven opportunities at the other. The emergence of cutting-edge technologies (Internet of Things, Artificial Intelligence, Robotic Process Automations etc.) translated into tech-enabled transformations across the sector, threatening the slow, but enhancing opportunities for the nimble. In view of this, increased and judicious technology spending is being perceived as indispensable within the sector.

The principal global trends driving the sector comprise the following:

**Credit management market:** Despite a mature market, a number of countries lack knowledge of credit scores, which makes this a growth area.

**B2B integration:** The need for enhanced compliance is growing the importance of B2B integration services in the area of credit management, warranting room for an interface layer.

#### Saksoft's challenges and counter-initiatives, FY19-20

There was a growing challenge related to US visa restrictions, affecting the free flow of onsite professionals.

*The company addressed this challenge through larger offshoring; onsite professionals accounted for less than 10% of the Company's employees during the year under review.*

#### Saksoft's strengths

- The Company possesses a deep two-decade domain expertise in providing fintech solutions.
- The Company's competence is drawn from the ability to reconcile knowledge of the financial space (credit management) with technology solutions.
- The Company works with multi-year clients, possessing an insight into how their business can be strengthened.
- The Company's competence is derived from a business and technology team comprising more than 200 professionals.
- The Company specialises in addressing the growing needs of

companies with revenue sizes ranging between USD 200 million and USD 2 billion.

#### Our achievements in FY19-20

- The Company generated a large proportion of revenues from USA, the largest fintech market in the world
- The Company extended its footprint beyond USA, acquiring clients in Europe and Asia; the proportion of non-US revenues increased from 10% to 30% in the last few years
- The Company entered new segments like microfinance and compliance, widening its presence across larger credit score segments
- The Company extended beyond development work and showcasing capabilities in the Testing & Analytics Space.
- The Company strengthened resource centres across Noida, Chennai, Mumbai and Pune.

#### Outlook

Saksoft is optimistic of opportunities among mid-sized and smaller fintech customers.



## The verticals where we make a difference

Continued...



### Health care

Region of presence:  
Asia Pacific, Europe  
and USA

Proportion of revenues:  
8%

#### Overview

One of the most promising global growth sectors for technology-enabled services is health care (service providers, payers and patients). There is a growing emphasis on a universal minimum health care as mandated by governments, combining a high standard of quality at one end and affordability at the other. Over the last couple of decades, these demanding and diverse requirements have been addressed by cutting-edge technologies, reflected in superior efficacy, accuracy, treatment

speed, health records documentation and transparency. The result is a larger acceptance across societies that cutting-edge technologies hold the key to personalised and effective treatments.

The principal global trends driving this sector comprise the following:

**Analytics:** This technology offers insights into patient records, costs, diagnosis and predictive direction in real-time.

**IoT in health care:** The growing demand for real time data by medical professionals to manage chronic diseases are catalysed by technologies like IoT.

**Wearable medical devices and remote medicine:** Wearable devices (smart watches and health bands) enable the remote monitoring of patient's health, empowering the patient to monitor their own condition.

#### Saksoft's challenges and counter-initiatives, FY19-20

There is a greater incidence of customers seeking domain experts and prominent technology providers.

*The Company addressed this challenge by showcasing business-strengthening solutions for prominent customers through its vertical-dedicated SBU.*

A growing inflexibility related to visa issuances affected the presence of marketing and technology resources in US, the world's largest market.

*The Company convinced clients to move to offshore models, mitigating the impact of visa restrictions.*

#### Saksoft's strengths

- The Company possesses a multi-year expertise (domain and technical) in providing health care solutions.
- The Company provides Proof of Concept (PoC) to ensure customers about its capabilities followed by the model.
- The Company works with multi-year customers across USA and India, reinforcing its position as an extension of their businesses.

- The Company comprises a strong resource team of 70 members possessing technology and domain capabilities.

#### Our achievements in FY19-20

- The Company strengthened its client base
- The Company developed a customer-interfaced and mission-critical portal for a prominent Indian insurance company in India
- The Company developed a portal for a US health care customer, connecting remote patients and doctors supported by language interpreter capabilities

#### Outlook

Saksoft plans to deepen its presence in UK and Asia, strengthening revenues across the foreseeable future.



## The verticals where we make a difference

Continued...



### Telecommunications

Region of presence:  
Europe and Asia Pacific  
Proportion of revenues:  
20%

#### Overview

The global telecom sector is evolving rapidly following the advent of new technologies and infrastructure, increased competition, digitalisation and transforming business models.

The principal global trends driving this sector comprise the following:

**5G:** This next technology leap is expected to revolutionise the sector with lower latency, higher bandwidth and increased connectable devices.

**Reporting and analytics:** Reporting helps translate raw data into information, helping companies monitor their businesses and draw valuable insights. Analytics is increasingly used to catalyse reporting and make informed decisions in real time.

**Automation:** This technology aspect comprises the deployment of new or improved services with the objective to reduce costs and increase customers.

**Cyber security:** There is a greater room for cyber security in the telecom sector.

**Information management:** This helps telecom companies extract, produce and effectively manage data, catalysing operations, financials and enhanced long-term planning.

#### Saksoft's challenges and counter-initiatives, FY19-20

There was a challenge in delivering technological solutions amidst rising competition.

*Saksoft strengthened competencies in service areas and network space delivery, strengthening solutions delivery.*

#### Saksoft's strengths

- The Company addressed customer requirements through end-to-end business-strengthening solutions.
- The Company possesses deep domain and technical capabilities demonstrated in seamless service delivery.
- The Company provides solutions around secure cutting-edge technologies and GDPR compliance.
- The Company possesses a strong team of more than 300 multi-capability professionals.
- The Company continued to be engaged with a number of clients for more than a decade.

#### Our achievements in FY19-20

- The Company strengthened revenues Asia Pacific and Europe, riding service deliveries and network areas.
- The Company widened business services through application development, infrastructure, analytics, testing and information.

#### Outlook

Saksoft is expected to report attractive growth, riding increased client acquisitions, deepening presence in Europe and expanding its telecommunication footprint across USA and the APAC region.

## How Saksoft transformed challenging projects into customer delight

### Case study #1

#### How Saksoft delivered solutions for improved banking services

A prominent Indian bank faced a challenging problem.

Since the Company was involved in cross-selling banking products, it needed to identify customer purchase trends and influences.

The client turned to Saksoft for assistance.

Saksoft deployed domain experts to address the customer's needs.

The domain experts performed an exploratory research; they identified the critical attributes impacting KPIs; they used classification techniques and a model using machine learning Random Forest, Neural Networks and Logistic Regression.

This made it possible to accurately identify a range of factors influencing customer decisions.

This Saksoft proposition increased the customer's conversions, loyalty - and profitability.

### Case study # 2

#### How Saksoft predicted rates through its solution

A leading third party logistics company faced a challenge in rate management for manually performed freight.

The client recognised that this would not work; it intended to calculate rates using automation.

The client approached Saksoft.

The company leveraged its rich domain experience in building a predictive analytics engine using data science algorithms; it created an analytics set up using data warehousing, artificial intelligence and machine learning capabilities.

The result: Saksoft empowered the customer's business, replacing manual inconsistencies in rate prediction with a centralised historical feed.

Saksoft took the business of its customer ahead.

### Case study # 3

#### How Saksoft is living its proposition in the e-commerce sector

An e-commerce provider in Colorado needed to provide a personalised shopping experience.

Besides, it needed to manage inventory from multiple vendors.

The company sought Saksoft out from among prominent global solution providers.

Saksoft conducted a detailed study.

The company implemented a solution by creating an intuitive user experience through a framework. It built a centralised cloud-based system, providing real-time inventory management for material sourced from multiple e-commerce vendors.

The outcome: the implementation of a personalised shopping experience for the customer and effective asset utilisation. This facilitated an effective centrally-managed inventory and automated dispatch process.

This reduced operational costs and turnaround time, strengthening the customer's brand.

### Case study # 4

#### How Saksoft implemented its specialised solution for a fintech start-up

A fintech start-up faced a typical challenge.

It needed to make its financial products easily available to customers.

The client turned to Saksoft on account of its expertise in providing end-to-end technological solutions.

The challenges faced by the client comprised automation of the loan approval process, taking quick decisions, accurate targeting of the right demographics and predicting loan defaults.

Saksoft studied the client's requirements.

Thereafter, it implemented a model for segmenting customers on the basis of their data and suggesting means of customised loan approvals. Besides, Saksoft automated the loan approval process along with an ML-run model.

The result: a faster loan processing system, personalised offerings to customers and a sharp increase in loan applications.

### Case study # 5

#### How Saksoft developed a superior predictive churn model

A leading 3PL solutions provider sought an urgent solution.

When it came to predicting customer churn, the Company was unable to identify the major churn initiators, implement retention and increase loyal customers.

Saksoft leveraged its rich experience.

Saksoft performed an exploratory data analysis to evaluate the effect of data fields leading to customer churn. Besides, the Company rolled out a predictive churn model and developed proactive measures to reduce customer churn using R and Tableau.

The outcome: the model achieved 91% accuracy in identifying critical areas resulting in a churn, prompting proactive counter-action.

### Case study # 6

#### How Saksoft leveraged its expertise in real-time migration of data

A global network of multipurpose liners, dry bulk services and bulk logistics solutions provider faced a challenging situation.

The company needed to enable real-time data migration from on-premise to cloud while building a datamart.

The Company approached Saksoft for assistance.

Saksoft provided a solution that facilitated real-time data migration. It facilitated the creation of target tables and views; it leveraged transformation logic using the Glue software.

Saksoft's complex offering resolved the client's challenge ... efficiently and effectively.



# Profile of Board of Directors

At Saksoft, the Board of Directors bring a diverse set of experiences and expertise to accelerate our innovation and execution capabilities, drive operational rigor in all we do and inspire our employees to achieve workplace excellence.



## 1. Aditya Krishna

*Chairman & Managing Director*

Mr. Aditya Krishna, is a M.A.(Economics) from St. Stephens College, New Delhi and MBA (Finance & Marketing) from Northeastern University, Boston, USA. Aditya started his career with Chase Manhattan Bank N.A, New York, USA. He also completed a three year Owner/President Management program at Harvard Business School, Boston USA between 2010-2012.

Aditya was with Citibank N.A, New York, USA from 1987 to 1990 as a member of the business analysis department of the Credit Card Business and from 1990 to 1995 was Vice President – Credit Director & Financial Controller, Citibank N.A, India responsible for managing Citibank India's credit card portfolio.

Mr. Aditya Krishna was the founder promoter of Nation Wide Finance Ltd. and was the Managing Director of the Company from 1995 to 2001. In year 2000, Mr. Aditya Krishna sold 74% of the Company to Citigroup, Inc and managed a transition to a Citigroup management team for 12 months and sold the balance 26% to Citigroup in 2003. The company was called Citifinancial Consumer Finance India Ltd and was the market leader in small ticket, sub prime lending and was a part of the global Citifinancial finance arm of Citigroup.

He was a Director in Kennametal India Ltd (erstwhile Widia (India) Ltd) from 1991 to 2002 as a member of the promoter group. He was also on the board of ING Vysya Bank as an independent director from 2007 to 2013.

## 2. Ajit Thomas

*Independent Non-Executive Director*

Mr. Ajit Thomas is the Chairman of A.V. Thomas Group of Companies, an Agri Business Enterprise founded in 1925, with interests in plantations, tea retail, spice processing, natural extracts, and leather goods. Mr. Thomas graduated with a Bachelor of Science degree, from Loyola College, Chennai. Subsequently, he joined the family business and raised the Organisation from a basic plantation company to a producer of high value, high quality agri products for the world markets. Mr. Thomas has served on the Madras Chamber of Commerce, Spice Board of India, and was the President of the United Plantations Association of South India in its Centennial year.

Mr. Ajit Thomas is an Independent Director and the Chairman of Audit Committee. He is also a Member of Nomination & Remuneration Committee of the Board.

## 3. VVR Babu

*Independent Non-Executive Director*

Mr. Babu has Master of Science (M.Sc. Tech), Applied Mathematics and Operations Research from National Institute of Technology Warangal, Master of Philosophy (M.Phil.), Computer Science from Central University of Hyderabad, Executive Development Program in Business Administration and Management from Harvard Business School.

Mr. Babu has over 36 years of experience in the ITC Group. He held several strategic positions and was one of the key founder members of ITC Infotech India Limited (a 100%

subsidiary of ITC Limited). In the last 15 years he held the positions of Senior Vice President and Member of Management Committee of ITC Infotech and Chief Information Officer (CIO) of the ITC Group. Mr. Babu has also held several leadership positions in the IT Organisation including Divisional CIO of the FMCG and Agri-Business Divisions respectively.

Mr. Babu is an active spokesman in various industry forum championing the cause of Information Technology as a strategic tool for superior value creation, besides influencing the policy makers with thoughts, suggestions and actions that can help and further growth of IT Industry in the country. He had the privilege of being part of a select Industry team that interacted with the Government of West Bengal during the creation of the Information Technology Policy of the state in 2000 and enhanced and modified IT/ITES Policy of 2003.

Mr. Babu during his professional career also held various key positions in Industry Bodies such as Chair-Person for CII IT Committee, Bengal Chambers IT Committee, NASSCOM Eastern Region and TIE Kolkata Chapter.

Mr. Babu is an Independent Director and the Chairman of Stakeholders' Relationship Committee and Nomination & Remuneration Committee. He is also a Member of Audit Committee of the Board.

## 4. Ganesh Chella

*Independent Non-Executive Director*

Mr. Ganesh Chella is the founder of Totus Consulting, a strategic Human Resource Consulting firm that has addressed the Organisation Development and HR needs of Organisations. While he has worked with a wide range of client organisations, his work with high growth entrepreneurial organisations to support their needs of managing growth as well as his work on organisation development

assignments with top management deserves special mention.

As the co-founder and Managing Director of Coaching Foundation India (CFI), he pioneered the use of executive coaching for leader development in India and has helped CFI become a highly respected education, certification, research and coaching led leadership solutions organisation in India.

He has three books to his credit. Mr. Ganesh is an alumnus of XLRI, Jamshedpur, a professional member of the India Society for Applied Behavioral Science, and trained and certified as a Coach by Dr. Skiffington, Australia and Coaching Foundation India. Mr. Ganesh Chella is an Independent Director of our Company and a member of Audit Committee, Nomination & Remuneration Committee and Stakeholders' Relationship Committee.

## 5. Malini Thadani

*Independent Non-Executive Director*

With the acumen gained from two successful careers, the first in the Indian Revenue Service and the second at HSBC in India and Hong Kong, Malini advises corporates and not-for-profit Boards to design and operationalise the effective integration of sustainability, communications and investor relations into their strategic vision, so as to future-proof their organisations.

Malini has been a Strategic advisor on Sustainability and ESG for Board level and Senior Business leaders. Malini is a Leader of high level stakeholder groups and has held positions on international and regional Boards for industry bodies and not-for-profits. She is an experienced civil servant of Indian Revenue Service, with 14 years' experience in various Indian Government Ministries. Malini is skilled in designing, developing and implementing large-scale, complex, cross-border sustainability projects in partnership with global and

regional think-tanks, not-for-profits and academia, specialising in areas including livelihoods, employability, entrepreneurship, sustainable finance, environmental resource security.

## 6. Kanika Krishna

*Non-Executive Director*

Kanika Krishna is the Chief Operating Officer of the Abrasives Division of Sak Industries Private Limited. The Company is a leading international player in the industrial abrasives market with factories in Gummidipoondi, Chennai and Buffalo, New York. Kanika has a good understanding of the abrasives industry and has articulated a growth strategy for the Company by focusing on niche product segments and niche markets. She led the Company's recent cross-border acquisition of Buffalo Abrasives Inc. in the U.S. She is experienced in working with cross-cultural teams and international markets. Prior to joining the Abrasives business, Kanika worked with Deutsche Bank in India and Merrill Lynch in New York.

Kanika has an MBA in Financial Management from Pace University, New York, USA. Prior to this she has completed the Master's program in International Business from the Manchester Business School, UK. She is also an alumnus of Stella Maris College, Chennai where she completed her Bachelor of Commerce degree.

Ms. Kanika is a non-executive Director and a member of Stakeholders' relationship Committee and Corporate Social Relationship (CSR) Committee of the Board.





# Report of the Board of Directors

*Dear members*

Your Directors take immense pleasure in presenting the Twenty First (21<sup>st</sup>) Annual Report together with the Audited Accounts of the Company for the financial year ended 31<sup>st</sup> March 2020.

## 1. Financial Summary

The abridged comparative results of Audited Standalone and Consolidated financial statements for the financial year ended 31<sup>st</sup> March 2020 and 31<sup>st</sup> March 2019 are as follows:

	Standalone Results (Rs. in million)		Consolidated Results (Rs. in million)	
	Year ended 31 <sup>st</sup> March 2020	Year ended 31 <sup>st</sup> March 2019	Year ended 31 <sup>st</sup> March 2020	Year ended 31 <sup>st</sup> March 2019
Total Revenue	1158.87	945.42	3587.81	3580.45
Other Income	126.36	54.15	38.94	21.81
Total Income	1285.23	999.57	3626.75	3602.26
Operating expenses	847.15	738.96	2977.56	2988.82
Operating Profits	438.08	260.61	649.19	613.44
Depreciation	37.39	7.87	72.71	42.69
Interest and Finance Charges	43.73	43.59	51.41	48.04
Net Profit before Tax	356.96	209.15	525.07	522.71
Current Tax	66.24	47.31	150.33	146.88
Deferred Tax	(3.83)	(1.21)	(11.77)	(6.28)
Net Profit after Tax	294.55	163.05	386.51	382.11

## 2. Results of operation

### Standalone Accounts

- Total income for the year 2019-20 was Rs. 1285.23 million as against Rs. 999.57 million during the year 2018-19, registering a growth of 28.58%
- Profit after tax was Rs. 294.55 million during the year 2019- 20 as compared to Rs. 163.05 million during 2018-19, resulting an increase of 80.65%

- Basic Earnings Per Share was Rs. 28.12 for the financial year 2019-20 as compared to Earnings Per Share of Rs. 15.57 for the financial year 2018-19.
- Operating and other expenses during the year were at Rs. 847.15 million as compared to Rs. 738.96 million in the previous year.

### Consolidated Accounts

- Consolidated total income for the year 2019-20 was

Rs. 3626.75 million as against Rs. 3602.26 million during the year 2018-19, registering a marginal growth of 0.68%

- Profit after taxes was Rs. 386.51 million during the year 2019-20 as compared to Rs. 382.11 million during 2018-19, an increase of 1.15%

Basic Earnings Per Share was Rs. 38.67 for the financial year 2019-20 as compared to earnings per share of Rs. 36.66 for the financial year 2018-19.

## 3. Business operations

Saksoft has clocked two decades in the industry. It is a proud moment filled with enriching contributions, endearing customer experiences and tireless efforts of the workforce. The Company started out as a provider of specialist services in the BFSI sector and has since then transformed itself into a larger group and a mainstay organization for Customers worldwide. The Company has gone on to build its repertoire to handle multiple technologies and provide digital solutions to Customers across different industry verticals. It has helped numerous organisations to blend technologies into its operations and take the digital leap to growth. Digital technologies open up connectivity, connectivity brings unprecedented reach which is a stimulant for growth if tapped in a productive way. Today we are in the midst of a long-haul digital revolution and there has never been a time before when technologies have mattered most in the scheme of things. The environment is rapidly turning digital and the human race is likely to be pitted against virtualization in the near future. Technology is the new way of life and it is not possible to ignore its far reaching effects anymore. We are going to be talking about it for a long time to come as we are sitting at opposite ends of the digital divide. The impact of technologies are wide ranging from governance, business automations to individual connect. It connects all moving and non-moving parts in the world. It simplifies complex mechanisms and makes them work at the tap of your finger and at the same time adds complexity in terms of security layers when required. Innovation is the biggest driver of technology and digitization. At the core of any innovation lies the objective of utmost utility and relevance to mankind. Technology companies are at the forefront of innovations today and digital disruptions are the big fillers that bridge the new age consumer needs. Be it in the form of a product or service, technology enabled deliverance brings in ease of use and unmatched quality. We at Saksoft understand how to put these technologies and various business intelligence tools to appropriate use to develop applications, build in customizations, manage vast amounts of data, churn productive insights from the converted sets

of information, optimally manage infrastructure, connect devices and things, achieve automation in routines, validate functionality of applications, devices and implement advanced business solutions. Saksoft Group has a strong integrated delivery model which enables it to offer a blend of enhanced solutions that resonates better with the Customers. The combined workforce of the company and its associate members join together seamlessly in creating comprehensive value chains. The management at Saksoft always believes in nurturing and grooming talent, encouraging initiatives, fostering independent and smart thinking, providing opportunities to skill up, creating the right atmosphere and infrastructure, innovating and excelling in delivery of quality services. Saksoft with its young, committed and ticking minds ably guided by experienced technology leadership is well positioned to deliver innovative solutions to Customers and keep the company in the growth path. Saksoft group shall continue with its expansion plans and be on the constant look out for strategic fits to consolidate its market reach.

### Integrated Analytics & Solutions

Acuma which is the UK arm and the first acquired subsidiary of Saksoft Group is a well-known brand in the Business Intelligence space. The UK subsidiary provides strategic solution development, business consulting and technology services to successfully align enterprise's Information Management objectives. Acuma maintains its leadership and stronghold in the Public Sector domain. It works closely with multiple councils, local bodies and key government departments on various digital initiatives and helps in devising solutions to enhance their services. The UK arm of the group has a dedicated bid team and approach to target public sector work and has consistently succeeded in garnering new wins and Customers. The integrated delivery model of the group and offshore base provides the edge to propose cost effective propositions to its Customers. Acuma has a broad suite of BI services that covers Strategic Consulting, Software estate upgrades, Products & Application Support and User Group Training. We help companies with Strategic insights and analytical inputs to better direct their services to a target set of Customers.

### Logistics-IoT and Workflow Automation

The Group's Application Services hub, DreamOrbit is a leading service provider in the Transportation and Logistics industry. It continues to add to its Customer base through new wins and has made new inroads into the UK region this year. The Bengaluru based subsidiary has also ventured into new verticals –Fintech & Retail-Ecommerce. These industries

are going through immense technology revolution and we're helping our customers in end to end automation of business workflows.

Transportation & Logistics and Retail E-Commerce industries are geared up for high growth given the present scenario where people would prefer to stay at home and buy online.

Small but strong and flexible agile teams and remote working is going to be the norm of the future, traditional hierarchical work structures will be methodically demolished and with the travel restrictions in place, the world will only become flatter. We're ready for this new world!

#### Test Automation

Saksoft Group provides a complete range of Validation Solutions through its Noida based Testing practice leader Threesixty Logica. The Company possesses Test Factory implementation experience with its rich knowledge base of handling large end to end assignments. Its Test Maturity process incorporates learnings from a wide a variety of industry models to put in place the best & latest practices to strengthen the delivery solutions. We have expanded our capability with the adoption of advanced tools that enables design and visual execution of Robotic test automation processes. Our own homegrown Quality Assurance Kit offering provides easy to use robotic test solutions and supplements the process automation objectives of the Customers. Our Security & Penetration testing IoT testing capabilities are the best in class in the market that draws new Customers to our fold. We are constantly innovating and evolving our framework to develop advanced models to meet the demands of the Customers

#### AI, Analytics and Cloud Services

Saksoft Group is channeling its immediate focus around AI enabled, Analytics driven and Cloud-centric services. We are working on combining AI, Machine Learning and analytics to introduce new blended service lines with upgraded interactive, analytical and security features that Customers would find useful to evaluate, enhance and optimize their services. This would enable businesses to gather specific insights on key user touch points and improve their services to best serve its end customers. We hope to see interest for these services in Retail and Healthcare sector which promises good potential. We have always believed in and advocated new technologies that offer an ideal fit. We have encouraged our Customers to upgrade to new technologies like Snowflake, Matillion, DataLake, ELK Stack, Image Analytics, Node JS, and Cloud Analytics to achieve process automation and accuracy in

outcomes. We are also directing our constant research efforts to develop our AaaS framework to make it robust and address the growing demands and needs around potent use of information.

#### 4. Transfer to Reserves:

The Company has not made any transfer of amounts to general reserve during the year, since the same is not mandatory.

#### 5. Dividend

The Company had declared two interim dividends @ Rs. 2/- per share during November 2019 and Rs. 2.50/- per share during March 2020 for the financial year 2019-20.

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

#### 6. Share Capital

The paid up Equity Capital of the Company as on 31<sup>st</sup> March 2020 stood at Rs. 104,750,000/-.

#### 7. Subsidiary Companies

Subsidiaries of the company are engaged in the business of providing IT Services, allied business solutions and strategic consulting services encompassing Digital Transformation for its customers. The details of Subsidiary Companies are given in Form No. MGT – 9 as annexure to this report. There has been no material change in the nature of the business of the subsidiaries.

There are no associate Companies within the meaning Section 2(6) of the Companies Act, 2013.

The Company's wholly owned US subsidiary Saksoft Inc and its step-down subsidiaries earned revenue of \$16.34 million (equivalent to Rs. 1156.45 million) during financial year 2019-20 compared to \$18.53 million (equivalent to Rs. 1292.65 million) during financial year 2018-19 registering a decrease of 12% in dollar terms over the previous financial year. The profits after tax of Saksoft Inc decreased by 33% on consolidated basis and declined to \$ 0.45 million (equivalent to Rs. 31.62 million) during financial year 2019-20 compared to \$ 0.67 million (equivalent to Rs. 46.74 million) during financial year 2018-19.

The Company's wholly owned Singapore subsidiary Saksoft Pte Ltd. earned revenue of S\$ 3.03 million (equivalent to Rs. 156.34 million) during financial year 2019-20 compared to S\$ 2.3 million (equivalent to Rs. 118.08 million) during financial year 2018-19 registering an increase of 32% in Singapore dollar terms over the previous financial year. The profits before tax of Saksoft Pte Ltd increased by 120% on consolidated basis and increased to S\$ 0.01 million (equivalent to Rs. 0.46 million) during financial year 2019-20 compared to a loss of (\$ 0.05 million) (equivalent to Rs. (2.31) million) during financial year 2018-19.

The Company's wholly owned UK subsidiary Saksoft Solutions Ltd together with its step-down subsidiaries earned revenue of GBP 10.17 million (equivalent to Rs. 914.75 million) during financial year 2019-20 compared to GBP 11.24 million (equivalent to Rs. 1028.68 million) during financial year 2018-19 registering a decline of 10% in Pound Sterling terms over the previous financial year. The profits of Saksoft Solutions Ltd after tax and amortisations decreased by 40% on consolidated basis and decreased to GBP 0.38 million (equivalent to Rs. 34.45 million) during financial year 2019-20 compared to GBP 0.63 million (equivalent to Rs. 57.66 million) during financial year 2018-19.

During the year, Acuma Software Limited which was dormant for a while was dissolved. A new company was incorporated in Ireland by the name Saksoft Ireland Limited to expand the group's presence in the EU corridor.

The Company's wholly owned Indian subsidiary Threesixty Logica Testing Services Private Limited together with its subsidiary earned revenue of Rs. 330.23 million during financial year 2019-20 compared to Rs. 338.97 million during financial year 2018-19 registering a decrease of 3% in rupee terms over the previous financial year. The profits before tax of Threesixty Logica Testing Services Private Limited dropped by 22% on consolidated basis and decreased to Rs. 88.38 million during financial year 2019-20 compared to Rs. 113.22 million during financial year 2018-19.

During the year, Three Sixty Logica Testing Services Inc, US was dissolved and a new Company was incorporated in Singapore by the name Three Sixty Logica Testing Services Pte Ltd.

During the year 2019-20, the Company had acquired the balance 20% equity stake in Dreamorbit Softech Private Limited, its subsidiary making It a wholly owned subsidiary Company.

The Company's wholly owned Indian subsidiary Dreamorbit Softech Private Limited together with its subsidiary earned revenue of Rs. 540.37 million during financial year 2019-20 compared to Rs. 564.31 million during financial year 2018-19 registering a decline of 4% in rupee terms over the previous financial year. The profits before tax of Dreamorbit Softech Private Limited declined by 10% on consolidated basis and decreased to Rs. 114.59 million during financial year 2019-20 compared to Rs. 127.59 million during financial year 2018-19.

Pursuant to provisions of Section 129(3) of the Companies Act, 2013, a Statement containing key results and indicators of the financial statements of subsidiaries is attached to the consolidated financial statements under Form AOC-1. Pursuant to the provisions of Section 136 of the Companies Act, 2013, the financial statement of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of Subsidiaries, are available for public view on the website of the Company <https://www.saksoft.com/investor/>. Also these documents will be available for inspection during business hours at the registered office of the Company.

#### 8. Directors' Responsibility Statement

In terms of Section 134(5) of the Companies Act, 2013, the Directors' hereby confirm that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the Company for the year under review;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the annual accounts on a going concern basis;
- The Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and



(f) The Directors have devised proper systems to ensure compliance with the provisions of applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2019-20.

## 9. Directors & Key Managerial Personnel

During the year, following changes were effected in the composition of the Board of Directors.

Mr. Amitava Mukherjee, Independent Director resigned from the Company with effect from 30<sup>th</sup> January, 2020 due to certain personal and other business commitments and has confirmed that there are no material reasons for his resignation from the Board.

Based on the recommendation of Nomination and Remuneration Committee and Board of Directors, Mr. Ganesh Chella was appointed as an Additional and Independent Director with effect from 3<sup>rd</sup> February, 2020 till the conclusion of the ensuing annual general meeting and has been recommended by the Board of Directors for shareholders' approval at the ensuing Annual General Meeting for appointment for a period of five years with effect from 3<sup>rd</sup> February, 2020 till 2<sup>nd</sup> February, 2025.

Based on the recommendation of Nomination and Remuneration Committee and Board of Directors, Ms. Malini Thadani was appointed as an Additional and Independent Director with effect from 27<sup>th</sup> May, 2020 till the conclusion of the ensuing annual general meeting and has been recommended by the Board of Directors for shareholders' approval at the ensuing Annual General Meeting for appointment for a period of five years with effect from 27<sup>th</sup> May, 2020 till 26<sup>th</sup> May, 2025.

Ms. Kanika Krishna retires by rotation and being eligible offers herself for re- appointment. A resolution seeking shareholders approval for her re- appointment forms part of the Notice.

Mr. Aditya Krishna was appointed as the Managing Director of the Company with effect from 1<sup>st</sup> April 2016 till 31<sup>st</sup> March 2021. His re- appointment as Managing Director was approved by the Board of Directors at its meeting held on 27<sup>th</sup> May 2020

for a period of five years with effect from 1<sup>st</sup> April 2021 till 31<sup>st</sup> March 2026 subject to the shareholders' approval at the ensuing annual general meeting of the Company.

Disclosures with respect to the Board composition, Directors and Board meetings held during the financial year are covered under the Corporate Governance report (forming part of this report) as per the Provisions of the Companies Act, 2013.

Pursuant to the provisions of Section 149 of the Act, the independent directors have submitted declarations to the effect that each of them meet the criteria of independence as laid down in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). There has been no change in the circumstances affecting their status as independent directors of the Company. During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committee of the Company.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on 31<sup>st</sup> March 2020 are: Aditya Krishna, Chairman and Managing Director, Niraj Kumar Ganeriwala, Chief Financial Officer and S.Muthukrishnan, Company Secretary

The disclosures required under Section 197(12) of the Companies Act 2013, are provided in "Annexure 2".

## 10. Number of meetings of the Board

Five meetings of the Board were held during the year under review. For details of meetings of the Board, please refer to the Corporate Governance Report, which is a part of this report.

## 11. Board Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations. The Board evaluation framework has been designed in compliance with the requirements under the Companies Act, 2013 and the Listing Regulations, and in accordance with the Guidance Note on Board Evaluation issued by SEBI in January 2017. The Board evaluation was conducted through questionnaire designed with qualitative parameters and feedback based on ratings. Evaluation of

the Board was based on criteria such as composition and role of the Board, Board communication and relationships, functioning of Board Committees, review of performance of Executive Directors, succession planning, strategic planning, etc. Evaluation of Committees was based on criteria such as adequate independence of each Committee, frequency of meetings and time allocated for discussions at meetings, functioning of Board Committees and effectiveness of its advice/recommendation to the Board, etc. Evaluation of Directors was based on criteria such as participation and contribution in Board and Committee meetings, proper representation of shareholder interest and protecting shareholder value, industry experience and expertise to provide feedback and guidance to top management on business strategy, governance, risk and understanding of the organization's strategy, etc. In the board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the board, its committees, and individual directors was also discussed. The Board noted the actions taken in improving Board effectiveness based on feedback given in the previous year. Further, the Board also noted areas requiring more focus in the future, which include spending more time on industry trends, long-term business threats and opportunities. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated

## 12. Policy on directors' appointment and remuneration and other details

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which is a part of this report and is also available on the Company's website- <https://www.saksoft.com>.

## 13. Board diversity

The Company recognizes that building a Board of diverse and inclusive culture is integral to its success. Ethnicity, age and gender diversity are areas of strategic focus to the composition of our Board. The Board considers that its diversity, including gender diversity, is a vital asset to the business. The Board has adopted the Board Diversity policy which sets out the approach to diversity of the Board of Directors. Web link to view the Board Diversity Policy is given under point 17 of the Corporate Governance report.

## 14. Nomination and Remuneration Policy

The Company has a Nomination and Remuneration Policy for appointment and remuneration of the Directors, Key Managerial Personnel and Senior Executives of the Company including criteria for determining qualifications, positive attributes, Independence of a Director and other related matters as required under Section 178(3) of the Act and SEBI (Listing Obligations And Disclosure Requirements) Regulation, 2015. The Key requirements of the policy can be found in Annexure-3 to this Report.

## 15. Vigil Mechanism/ Whistle Blower Policy:

Details of the Vigil Mechanism are covered under the Corporate Governance Report which forms part of this Annual Report.

## 16. Internal financial control systems and their adequacy

The Company has formulated a Framework on Internal Financial Controls and laid down Policies and procedures commensurate with the Size and nature of its operations pertaining to financial reporting. In accordance with Rule 8 (5) (viii) of Companies (Accounts) Rules, 2014, the Company has adequate internal control systems to monitor business processes, financial reporting and compliance with applicable regulations and they are operating effectively. The systems are periodically reviewed by the Audit Committee of the Board, for identification of deficiencies and necessary time bound actions are taken to improve efficiency at all the levels. The Committee also reviews the observations forming part of internal auditors' report, key issues & areas of improvement, significant processes and accounting policies.

## 17. Internal Auditors

M/s. Grant Thornton, Chartered Accountants, Chennai are the Independent Internal Auditors of the Company. The Audit Committee determines the scope of internal Audit in line with regulatory and business requirements.

## 18. Reporting of frauds by auditors

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the Audit Committee under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

## 19. Committees of the Board

The details pertaining to the composition of the various Committees of the Board of Directors are included in the Corporate Governance Report, which forms part of this report.

## 20. Auditors

At the Eighteenth Annual General Meeting (AGM) held on August 07, 2017 the Members approved appointment of Messrs. R. G. N. Price & Co., Chartered Accountants (Firm Registration No. 002785S) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that Annual General Meeting till the Annual General Meeting to be held during the calendar year 2022 subject to ratification of their appointment by Members at every Annual General Meeting, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM and a note in respect of same has been included in the Notice for this AGM.

## 21. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Lakshmmi Subramanian & Associates, Practising Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed under "Annexure- 4".

## 22. Auditor's report and secretarial audit report

The statutory auditor's report and the secretarial audit report do not contain any qualifications, reservations, adverse remarks or disclaimers. Secretarial audit report is attached to this report.

## 23. Risk Management

Risk Management is an integral part of the business process. Pursuant to Section 134(3)(n) of the Companies Act, 2013, the Company has developed and implemented a Risk Management Policy. The Policy envisages identification of risk and procedures for assessment and minimization of risk. The Statement of Risk indicating development and implementation

of risk management policy is annexed to and forms part of this Report under Annexure 9. At present the Company after a considered review has not found any element or perceived threat that could pose a risk to the existence of the company.

## 24. Particulars of Loans, Guarantees or Investments

During the year under review, the Company has not given any Loans, Guarantees or Investments other than as stated in note nos. 5 & 12 of the financials. The Particulars of the existing loans, Guarantees or Investments are provided under Note No.12 & 5 forming part of Standalone financial statements.

## 25. Transactions with Related Parties

None of the transactions with related parties falls under the scope of Section 188(1) of the Act. Hence, the requirement of disclosure in AOC- 2 is not applicable to the Company. The policy on related party transactions and material subsidiary as approved by the Board of Directors are available on the company's website. Weblink of the same is given under point 17 of the Corporate Governance Report.

## 26. Corporate Social Responsibility (CSR)

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the social initiatives undertaken by the Company on CSR activities during the year under review are set out in Annexure 1 of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report. The CSR policy is available for view on the Company's website- <https://www.saksoft.com/investor/>.

## 27. Extract of Annual Return

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the extract of the Annual Return for the Financial Year 2020 is given in Annexure 5 in the prescribed Form No. MGT-9, which is a part of this report. The same is available for view on the Company's website- <https://www.saksoft.com/investor/>.

## 28. Particulars of Employees

During the financial year under review, none of the top ten employees in terms of remuneration drew remuneration of Rs. 10.20 million or more per annum or Rs. 0.85 million or more per month, hence there is nothing to report with respect

to information required pursuant to 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 of the Companies Act, 2013 and is not applicable.

## 29. Disclosure requirements

As per SEBI Listing Regulations, the Corporate Governance Report with the Auditors' Certificate thereon, and the Management Discussion and Analysis are attached, which forms part of this report. The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and is of the view that such systems are adequate and operating effectively.

## 30. Policy on Insider Trading

On December 31, 2018, Securities and Exchange Board of India amended the Prohibition of Insider Trading Regulations, 2015, prescribing various new requirements with effect from 1<sup>st</sup> April 2019. In line with the amendments, your Company has adopted an amended Code of Conduct to regulate, monitor and report trading by Designated Persons and their Immediate Relatives under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. This Code of Conduct also includes code of practices and procedures for fair disclosure of unpublished price sensitive information which has been made available on the Company's website. <https://www.saksoft.com/investor/corporate-governance/>

As per the amended Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company had appointed Cameo Corporate Services Limited, its Registrar and Share Transfer Agent as the Agency for providing Digital Database facilities to maintain the details of designated persons in the digital mode.

## 31. Policy on sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance for Sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of Sexual Harassment at work place in line with the requirements of the Sexual Harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules framed thereunder. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding

sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The constitution of the ICC is displayed through Notice Boards at conspicuous places in all the office locations of the Company.

The following is the summary of the complaints received and disposed off during the financial year 2019-20:

- No. of SH Complaints received : 1
- No. of SH Complaints disposed off : 1

## 32. Employees Stock Option Scheme

The Company currently administers ESOP Scheme 2009. During the year under review, there are no changes in the above said scheme. The Company at the 20<sup>th</sup> Annual General Meeting held on 12<sup>th</sup> August, 2019 had obtained the shareholder's approval for increase in the quantum of options that can be issued under ESOP Scheme 2009 by another 5,00,000 options from the present limit of 10,00,000 options to a revised limit of 15,00,000 options.

The Company has obtained In-principle listing approval for the issue of the above grant from National Stock Exchange of India Limited (NSE) being the designated stock exchange.

Summary information of these stock option schemes, grant and allotments under these schemes are provided under Note No. 22(f) forming part of standalone financial statements. The details of the Options granted up to 31<sup>st</sup> March 2020 and other disclosures as required under SEBI (Share Based Employee Benefits) Regulations, 2014 is available for view on the Company's website at <https://www.saksoft.com/investor/>

## 33. Public Deposits

There are no details to report on deposits covered under Chapter V of the Companies Act, 2013 ("the Act") during the year 2019-20, which are required to be furnished.

## 34. Conservation of Energy

The Company is a software company and hence the operations of the Company are not energy intensive. The Company employs energy efficient computers and office equipment. The company is conscious about environment protection and energy conservation and strives to evolve new technologies to see to that, the infrastructure is more energy efficient. The Chennai delivery center is situated in the LEED pre certified gold rated green building.



### 35. Technology Absorption

Saksoft having been in existence for two decades has been a front runner in adopting latest trends in Technology. The infrastructure is regularly upgraded to ensure scalability and round the clock availability in all circumstances. Right from migrating critical applications to the cloud and ensuring adequate business continuity, the company has used technology to improve the work experience of the resources and ensure efficient delivery to the customers. The Company's operations do not require significant import of technology.

### 36. Research and Development (R&D)

As mentioned above the Company is constantly involved in developing solutions for its customers using the emerging technologies which involve considerable research and development efforts on the part of the employees. The efforts and costs incurred in such research are integral to the operations of the Company and are not segregated and identified separately.

### 37. Foreign exchange earnings and outgo

Foreign exchange earnings and Outgo	2019-2020 (Rs. in million)	2018-2019 (Rs. in million)
Foreign Exchange earnings	451.99	538.91
Expenditure in Foreign Currency	32.18	18.02

### 38. Significant and material orders:

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

### 39. Material Changes after 31<sup>st</sup> March 2020

Whilst Saksoft and its Group Companies are geared up to work towards its growth objectives in the coming year, there is

a new challenge that has emerged in the form of a pandemic across the world at the close of the financial year 2019-20. The COVID-19 outbreak in India and across globe has caused general business disruption. While the disruption is currently continuing as on date and expected to be temporary, there is considerable uncertainty around the duration of its prevalence, containment and reversal. The extent of the impact of COVID-19 on operational and financial performance will depend on certain developments, including duration and spread of the outbreak, the future impact on the customers, employees and vendors, all of which are uncertain and cannot be predicted.

The Company has evaluated the impact of this pandemic on its business operations and based on its review and current indicators of future economic conditions, there is no significant impact on its year end financial results.

### 40. Acknowledgement

The Company takes this opportunity to thank its customers, vendors, investors, business associates and bankers for their support extended during the year to the Company.

The Management also likes to thank the Government of India, the Governments of various countries, the concerned State Governments, Government Departments and Governmental Agencies for their co-operation. The Management would also wish to place their appreciation to the employees of the Company for the excellent contributions extended at all levels in achieving growth and results.

For and on behalf of the Board

Place: Chennai  
Date: 27<sup>th</sup> May, 2020

**Aditya Krishna**  
Chairman & Managing Director

## ANNEXURE-1

# Annual Report on Corporate Social Responsibility (CSR) Activities

1. A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

CSR policy was approved by the Board of Directors on 26<sup>th</sup> September, 2014. The policy objectives are as follows:

- Develop meaningful and effective strategies for engaging with all stakeholders
- Make sustainable contributions to Communities
- Identify socio-economic opportunities to perform CSR activities
- Focus on social welfare activities as envisaged in Schedule VII of Companies Act, 2013.
- Partner with credible organizations focused on social welfare activities

Web Link: <https://www.saksoft.com/investor/>

2. Composition of CSR committee

The followings Directors are the members of CSR committee.

Mr. Aditya Krishna – Chairman & Managing Director

Mr. VVR Babu - Independent Director

Ms. Kanika Krishna – Non - Executive Director

3. Average net profit of the company for last three financial years:

Average net profit: Rs.141.35 million

4. Prescribed CSR Expenditure (Two percent of the amount as in item 3 above)

The company is required to spend Rs. 2.83 million

5. Details of CSR spend for the financial year

a) Total amount spent for the financial year: Rs. Nil. However an amount of Rs. 2.82 million was spent during the financial year 2019-20, out of which Rs. 0.62 million pertains to amount to be spent for FY 2017-18 and Rs. 2.19 million for the previous financial year 2018-19.

b) Amount unspent if any: The Company will contribute the prescribed CSR amount of Rs. 2.83 million during the financial year 2020-21 in addition to Rs. 0.20 million pertaining to the previous financial year 2018-19.

c) Manner in which the amount spent during the financial year is detailed below:

Sr. No.	Project/ Activities	Sector	Locations	Amount outlay (Budget) Project or Programme wise (Rs. in million)	Amount spent on the project or programme (Rs. in million)	Cumulative Expenditure upto reporting Period (Rs. in million)	Amount Spent: Direct or through implementing Agency
1.	To equip resource-poor women with knowledge and skills so that they excel as professionals and entrepreneurs and earn a "livelihood with dignity" in jobs	Women Empowerment	Chennai	Rs. 4.19 million for a period from 1 <sup>st</sup> January 2020 till 31 <sup>st</sup> December 2020	An amount of Rs. 1.34 million was spent for the financial year 2019-2020	Rs.1.34 million	Agency: Azad Foundation, Women on Wheels
2.	To Impart Functional Academic, Behavioral & Physical Development, Social and living skills to 50+ special children with autism and related challenges.	Education	Tamil Nadu		An amount of Rs. 0.62 million was spent for the financial year 2017-18 and Rs. 0.85 million was spent for the financial year 2018-19 during the financial year 2019-2020.		Agency: Swabodhini School of Special Children

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in the Board report :

The Company has identified the area of contribution for CSR activities as per the particulars in the above table and it has outlaid a total expenditure of Rs.2.83 million and the entire amount of Rs. 2.83 million to be spent on CSR activities during the financial year 2020-21 along with the amount to be spent for earlier years.

7. CSR Committee 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 Board

**Aditya Krishna**  
Managing Director & Chairman of  
Corporate Social Responsibility Committee

Place: Chennai  
Date: 27<sup>th</sup> May, 2020

## ANNEXURE-2

### Particulars of Remuneration

The information required under Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Manager Personnel) Rules, 2014, is follows:-

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year.

Non- Executive Directors*	Ratio to Median Remuneration
Mr. Amitava Mukherjee	*
Mr. Ajit Thomas	*
Mr. VVR Babu	*
Mr. Ganesh Chella <sup>^</sup>	*
Ms. Kanika Krishna	*
Executive Director	*
Mr. Aditya Krishna	7.30

\*For this purpose sitting fees and commission has not been considered as remuneration.

2. The Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Name of Person	% Increase in Remuneration*
Mr. Amitava Mukherjee*	-
Mr. Ajit Thomas	-
Mr. VVR Babu	-
Mr. Ganesh Chella <sup>^</sup>	-
Ms. Kanika Krishna	-
Mr. Aditya Krishna- Chairman & Managing Director	-
Mr. Niraj Kumar Ganeriwala, Chief Financial Officer	12.50
Mr. S. Muthukrishnan, Company Secretary	8.30

(\*) The remuneration of the Non-Executive Directors comprises commission and sitting fees paid for attending the Board/ Committee meetings. During the year, the Board gave its approval for increase in the sitting fees paid to the Directors on 27<sup>th</sup> May, 2019. The actual payment of

sitting fee is based on the number of meetings attended by the Director.

\* Mr. Amitava Mukherjee resigned as a Director wef 31<sup>st</sup> January, 2020.

<sup>^</sup> Mr. Ganesh Chella was appointed as Non -Executive Director of the Company wef 03<sup>rd</sup> February, 2020 and hence the comparison with the previous year is not applicable.

3. The percentage increase in the median remuneration of employees in the financial year: 4.00%

4. The number of permanent employees on the rolls of Company: 704

5. Average Percentile 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 average increase in salaries of employees other than managerial personnel in 2019-20 was 6.20%. Percentage increase in the managerial remuneration (Senior Leadership Team) for the year was 9.20%

6. Affirmation that the remuneration is as per the remuneration policy of the Company.

The Company affirms that the remuneration is as per the remuneration policy of the Company.

For and on behalf of the Board

Place: Chennai  
Date: 27<sup>th</sup> May, 2020

**Aditya Krishna**  
Chairman & Managing Director



## ANNEXURE-3

## Nomination and Remuneration Policy

### Introduction:

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, and in terms of the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

### Objective and purpose of the Policy:

#### The objective and purpose of this policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 26<sup>th</sup> September, 2014 and reviewed amended on 27<sup>th</sup> May, 2016. Pursuant to the amendment made to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this policy requires amendment to be in line with the amended regulations.

### Definitions:

- Board means Board of Directors of the Company.
- Directors means Directors of the Company.
- Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- Company means Saksoft Limited.
- Independent Director means a director referred to in Section 149(6) of the Companies Act, 2013.
- Key Managerial Personnel (KMP) means-
  - Executive Chairman and / or Managing Director;
  - Whole-time Director;
  - Chief Financial Officer;
  - Company Secretary;
  - Such other officer as may be prescribed under the applicable statutory provisions /regulations.

"Senior management" means officers/ personnel of the listed entity, who are members of its core management team excluding board of directors and normally this shall comprise of all members of management one level below the (chief executive officer/ managing director/ whole-time director/ manager (including chief executive officer/ manager, in case they are not part of the board) and shall specifically include Company Secretary and Chief Financial Officer.

### Applicability:

The Policy is applicable to Directors (Executive and Non-Executive), Key Managerial Personnel and Senior Management Personnel. This policy is divided into 4 parts as follows:-

### Part – A

Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal, remuneration of Director, KMP and Senior Management Personnel.
- To formulate criteria for determining qualification, positive attributes and independence of a Director
- To review the annual performance of executive and non-executive Director(s).
- To annually review the duties and performance of the chairman of the Board and recommend the process to the Board for his election.
- To devise a policy on Board diversity

### Part – B

#### Policy for Appointment and Removal of Director, KMP and Senior Management

#### Appointment:

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director and recommend to the Board his / her appointment. The candidate for a position at KMP or Senior Management level is met by the Head – HR and the interview is targeted at assessing the candidate on his/her functional and leadership capabilities and cultural fitment to the organization. The Head – HR ensures that the person possess adequate qualification, expertise and experience for the position he / she is considered for appointment.

- The Managing Director assesses the shortlisted candidates for the position of KMP or Senior Management Level.
- The selected candidate's details and the proposed compensation is shared with the Nomination and Remuneration Committee for their review and suggestions. The same is shared with the Board at the next Board Meeting.

#### Term / Tenure:

- The tenure for Directors shall be governed by the terms defined in the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be amended from time to time.
- The tenure for other KMP and Senior Management Personnel will be governed by Saksoft HR Policy.

#### Evaluation:

The Managing Director evaluates the performance of Senior Management Personnel at regular intervals.

The evaluation of the Independent Directors shall be done by the entire Board of Directors which shall include performance of the directors including the contributions made to the Board deliberations on various matters including business strategy, financial strategy, operations, cost and risk management, etc., and suggestions given in this regard and fulfillment of the independence criteria as specified in SEBI LODR Regulations and their independence from the management.

Provided that in the above evaluation, he directors who are subject to evaluation shall not participate.

#### Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in

writing, removal of a Director, subject to the provisions and compliance of the said Act, rules and regulations.

For other KMP or Senior Management Personnel the removal will be governed by Saksoft HR Policy and the subsequent approval of the Managing Director.

#### Retirement:

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Managing Director will have the discretion to retain the KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

#### Part – C

Policy relating to the remuneration for the Whole-time Director, KMP and Senior Management Personnel

#### Evaluation Process:

- The performance metrics shall be defined by the Nomination and Remuneration Committee for Directors and for other KMP and Senior Management Personnel, the metrics shall be determined by the Managing Director.
- An holistic view of the ratings will be reviewed by the Board in relation to Directors and for KMP and Senior Management Personnel be reviewed by the Managing Director. The Managing Director does a qualitative review of the performance based on the efforts put in by the employee, results achieved and impact of the external and internal factors to arrive at the Final Rating.
- The revision in the total remuneration is directly linked to the Final Rating for all employees.
- The remuneration / compensation / commission etc to the Whole Time Director, KMP and Senior Management Personnel will be determined by the Managing Director in accordance with the HR Policy, which is based on the Final rating, employee potential and market benchmark compensation. The revised remuneration is shared with the Nomination and Remuneration Committee for review.
- The ESOP's to the Whole Time Director and Senior Management Personnel will be determined by the Managing Director as per the ESOP Schemes of the Company and recommended to the Committee and the

Board for approval in the subsequent board meeting.

- The remuneration/compensation/commission etc to the Directors shall be subject to the prior/post approval of the Shareholders of the Company and Central Government wherever required.
- The remuneration and commission to be paid to Whole Time Director shall be in accordance with the percentage/ slabs/ conditions laid down in the Articles of Association of the Company and as per the provision of the Companies Act, 2013 and the rules made thereunder.
- The fees or compensation payable to Executive Directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if
  - (i) the annual remuneration payable to such executive director exceeds Rupees Five crore or 2.5% of the net profits of the listed entity, whichever is higher or
  - (ii) where there is more than one such Director, the aggregate annual remuneration to such directors exceeds 5% of the net profits of the listed entity.

Provided that the approval of the shareholders as stated above shall be valid only till the expiry of the term of such director.

Where any insurance is taken by the Company on behalf of its Whole-Time Director, Chief Executive Officer, Chief Financial Officer, Company Secretary and any other employee for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such Insurance shall be treated as part of the remuneration.

#### Part-D

Policy relating to the making of payments to Non-Executive/ Independent Directors:

- The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings

as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

The approval of the shareholders by special resolution shall be obtained every year, in which the annual remuneration payable to a single non – executive director exceeds fifty percent of the total annual remuneration payable to all non – executive directors, giving details of the remuneration thereof.

- The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors .
- An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- Any remuneration paid to Non- Executive for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes stated as above if the following conditions are satisfied:

- o The Services are rendered by such Director in his capacity as the professional; and
- o In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.
- The Nomination and remuneration Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Directors (other than Independent Directors).

#### Modification

The Nomination and Remuneration Committee of the Board of Directors of Saksoft can modify this Policy at any time without notice. Modification may be necessary, among other reasons, to maintain compliance with the regulations and / or accommodate organizational changes within the Company.



## ANNEXURE-4

**Secretarial Audit Report**For the Financial Year ended on 31<sup>st</sup> March 2020

(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,  
SAKSOFT LIMITED

We have conducted a Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SAKSOFT LIMITED (hereinafter called "the Company") during the Financial year from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020 (the year/ audit period/ period under review).

We conducted the Secretarial audit in a manner that provided us a reasonable basis for evaluating the Company's corporate conducts/ statutory compliances and expressing our opinion thereon.

We are issuing this report based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31<sup>st</sup> March 2020, generally 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:

**1. Compliance with Specific Statutory Provision:**

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31<sup>st</sup> March 2020 according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) Secretarial Standards (SS-1) on "Meetings of the Board of Directors" and Secretarial Standards (SS-2) on "General Meetings" issued by the Institute of Company Secretaries of India;
- (iii) The Securities Contract (Regulation) Act, 1956 and the Rules made thereunder;
- (iv) The Depositories Act, 1996 and the Regulations by-laws framed thereunder;
- (v) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Overseas Direct Investments and Export of goods and services;
- (vi) 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, 2015;
  - c. The Securities and Exchange Board of India (Share Based employee Benefits), 2014;
  - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;

- e. The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015

(vii) The following laws are specifically applicable to the Company:

- a. The Information Technology Act, 2000
- b. Software Technology Parks of India Scheme
- c. The Indian Copyright Act, 1957
- d. The Trademarks Act, 1999
- e. The Patents Act, 1970

1.2 During the period under review, and also after considering the compliance related action taken by the Company after 31<sup>st</sup> March 2020 but before issue of this report, the Company has, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us complied with the laws mentioned in paragraph 1.1 above.

1.3 We are informed that, during/ in respect of the year no events have occurred which required the Company to comply with the following laws/ rules/ regulations and consequently was not required to maintain any books, papers, minutes books or other records or file any forms/ returns under:

- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- b. The Securities Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008.
- c. The Securities Exchange Board of India (Delisting of Equity Shares) Regulation, 2009.
- d. The Securities Exchange Board of India (Buyback of Securities) Regulation, 2018.

**2. Board Processes:**

We further report that:

- 2.1 The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- 2.2 There were changes in the composition of the Board of Directors and it has been carried out in compliance with the provisions of the Act during the period under review.
- 2.3 Adequate notice is given to all directors to schedule the Board Meetings at least seven days in advance, agenda and detailed notes on agenda were also circulated to the Board members prior to the meetings.
- 2.4 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; and
- 2.5 As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

**3. Compliance mechanism:**

We further report that:

- 3.1 There are adequate systems and processes in the Company commensurate with its size and operation to monitor and ensure compliance with applicable laws including labour laws, competition law, environmental laws, and other laws specifically applicable to the Company.
- 3.2 The compliance by the Company of applicable finance laws like Direct and Indirect tax laws has not

been reviewed in this audit since the same have been subject to review by Statutory Financial Audit and other designated professionals.

#### 4. Specific Events/ actions:

We further report that during the audit period the following specific events/ actions having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc took place:

- a) The Company had obtained approval from the shareholders at the Twentieth Annual General Meeting held on 12<sup>th</sup> August, 2019 for increasing the quantum of options granted under ESOP Scheme, 2009 from the earlier approved 10,00,000 options exercisable into equity shares to 15,00,000 options exercisable into equity shares of the face value of Rs. 10/- each. The Company had received the In principle listing approval from National Stock Exchange vide its Letter No.Ref: NSE/LIST/22198 dated November 11, 2019 for listing of additional 500000 equity shares of Rs. 10/- each of Saksoft Limited to be issued under ESOP 2009.
- b) The Company at its Board Meeting held on 03<sup>rd</sup> February, 2020 has appointed Mr. Ganesh Chella as an additional Independent Director for a period of five years with effect from 3<sup>rd</sup> February, 2020 till 2<sup>nd</sup> February, 2025 subject to the shareholders approval at the ensuing Annual General Meeting of the Company.
- c) Mr. Amitava Mukherjee, had tendered his resignation from Independent Directorship with effect from 30<sup>th</sup> January, 2020.

- d) The Company at its Board Meeting held on 27<sup>th</sup> May, 2019 had approved the proposal of acquisition of additional equity stake of 20% in Dreamorbit Softech Private Limited, its subsidiary company and the said acquisition was completed on 10<sup>th</sup> July, 2019 After the said acquisition, Dreamorbit Softech Private Limited had become a wholly owned subsidiary Company of Saksoft Limited.
- e) Acuma Software Ltd UK ,a step down subsidiary of Saksoft Limited was voluntarily dissolved on 25<sup>th</sup> June, 2019.
- f) The Company at its Board Meeting held on 03<sup>rd</sup> February, 2020 had accorded its approval for incorporating a step down subsidiary by name Saksoft Ireland Ltd in Ireland..Saksoft Solutions Ltd, UK, a wholly owned subsidiary of Saksoft Limited had incorporated a subsidiary by name Saksoft Ireland Ltd. By virtue of this incorporation, Saksoft Ireland Ltd had become a step down subsidiary of Saksoft Limited,

For **Lakshmmi Subramanian & Associates**

**Swetha Subramanian**

ACS: 33222

CP No: 12512

Place: Chennai

Date: 27<sup>th</sup> May 2020

UDIN:A033222B000298663

## ANNEXURE-A

(To the Secretarial Audit Report of M/s. SAKSOFT LIMITED  
for the financial year ended 31.03.2020)

To  
The Members  
**SAKSOFT LIMITED**

Our Secretarial Audit Report for the financial year ended 31 March 2020 is to be read along with this Annexure.

1. Maintenance of Secretarial record and ensuring compliance with all applicable laws is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and the 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. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about financial information, the compliance of law, rules and regulation and happening of certain events etc.
5. The compliance of the provisions of other laws, rules, regulation, standards specifically applicable to the Company is the responsibility of the management. Our examination was limited to the verification of system implemented by the Company on a test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the effectiveness with which the management has conducted the affairs of the Company.

For **Lakshmmi Subramanian & Associates**

**Swetha Subramanian**

ACS: 33222

CP No: 12512

Place: Chennai

Date: 27<sup>th</sup> May 2020

UDIN:A033222B000298663



## ANNEXURE-5

## Form No. MGT-9 Extract of Annual Return

As on the Financial Year ended on 31<sup>st</sup> March 2020[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

### I. Registration and other details

i.	CIN	L72200TN1999PLC054429
ii.	Registration Date	24/11/1999
iii.	Name of the Company	SAKSOFT LIMITED
iv.	Category / Sub-Category of the Company	COMPANY LIMITED BY SHARES
v.	Address of the Registered office and contact details	Global Infocity Park, II Floor, Block - A, # 40 Dr. MGR Salai, Kandanchavadi, Perungudi, Chennai - 600 096. Office +91 44 24543500 Email: complianceofficer@saksoft.co.in or investorqueries@saksoft.co.in
vi.	Whether listed company	Yes. Listed with National Stock Exchange of India Limited (NSE) and in BSE under permitted trading category.
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Cameo Corporate Services Limited Subramanian Buildings No.1, Club House Road, Chennai - 600 002. Tel:+91-44-28460390, Fax: +91 - 44 - 28460129 Email: investor@cameoindia.com; Web-site: www.cameoindia.com

### II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Computer Programming, Consultancy and Related Activities	620	100

### III. Particulars of Holding, Subsidiary and Associate Companies

Sr No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Saksoft Inc. Suite 1240, 30 Montgomery Street, Jersey City, NJ 07302.	Foreign Company	Subsidiary	100%	2(87)
2	Nanda Infotech Services Inc. (DBA Electronic Data Professionals) 3070, Bristol Pike, BLDG 2 Suite 107 Bensalem, PA 19020	Foreign Company	Subsidiary	Saksoft Inc. holds 100%	2(87)
3	Faichi Solutions Inc., 640 W. California Ave Sunnyvale, CA 94086	Foreign Company	Subsidiary	Saksoft Inc holds 100%	2(87)
4	Saksoft Solutions Limited Applicon House, Exchange Street, Stockport, United Kingdom, SK3 0EY	Foreign Company	Subsidiary	100%	2(87)
5	Acuma Solutions Limited Applicon House, Exchange Street, Stockport, United Kingdom, SK3 0EY	Foreign Company	Subsidiary	Saksoft Solutions Limited holds 100%	2(87)
6	Saksoft Ireland Limited JPA Brenson Lawlor House Argyle Square, Morehampton Road, Donnybrook, Dublin 4	Foreign Company	Subsidiary	Saksoft Solutions Limited holds 100%	2(87)
7	Saksoft Pte Limited 10 Jalan Besar, #10-12, Sim Lim Tower, Singapore – 208787	Foreign Company	Subsidiary	100%	2(87)
8	Threesixty Logica Testing Services Private Limited Global Infocity Park, Block A, II Floor, No. 40, Dr. MGR Salai, Kandanchavadi, Perungudi, Chennai – 600096.	U72900TN2009PTC120672	Subsidiary	100%	2(87)
9	Three Sixty Logica Testing Services Pte Ltd 10 Jalan Besar, #10- 10, Sim Lim Tower, Singapore- 208787	Foreign Company	Subsidiary	Threesixty Logica Testing Services Pvt. Ltd. Holds 100%	2(87)
10	DreamOrbit Softech Private Limited No.19, Ascend, 2 <sup>nd</sup> Floor, 1 <sup>st</sup> cross, 17 <sup>th</sup> C Main, Koramangala 5 <sup>th</sup> Block, Bangalore, Karnataka - 560095.	U72100KA2010PTC052990	Subsidiary	100%	2(87)
11	DreamOrbit Inc., 2711 Centerville Road Suite 400, Wilmington, Delaware 19808	Foreign Company	Subsidiary	DreamOrbit Softech Private Limited holds 100%	2(87)

#### IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

##### i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2019				No. of Shares held at the end of the year 31.03.2020				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A Promoter</b>									
<b>1) Indian</b>									
a) Individual/ HUF	2218640	0	2218640	21.18	2218640	0	2218640	21.18	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp	5030865	0	5030865	48.03	5030865	0	5030865	48.03	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-total(A)(1):-</b>	<b>7249505</b>	<b>0</b>	<b>7249505</b>	<b>69.21</b>	<b>7249505</b>	<b>0</b>	<b>7249505</b>	<b>69.21</b>	<b>0</b>
<b>2) Foreign</b>									
g) NRIs-Individuals	0	0	0	0	0	0	0	0	0
h) Other-Individuals	0	0	0	0	0	0	0	0	0
i) Bodies Corp.	0	0	0	0	0	0	0	0	0
j) Banks / FI	0	0	0	0	0	0	0	0	0
k) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A)(2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total (A)</b>	<b>7249505</b>	<b>0</b>	<b>7249505</b>	<b>69.21</b>	<b>7249505</b>	<b>0</b>	<b>7249505</b>	<b>69.21</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	3094	0	3094	0.0295	0	0	0	0	-0.0295
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital	0	0	0	0	0	0	0	0	0
i) Others (specify) – Foreign Portfolio Investor (Corporate) Category II	88500	0	88500	0.8448	102300	0	102300	0.9766	0.1317
Foreign Portfolio Investor (Corporate) Category III	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1)</b>	<b>91594</b>	<b>0</b>	<b>91594</b>	<b>0.8744</b>	<b>102300</b>	<b>0</b>	<b>102300</b>	<b>0.9766</b>	<b>0.1022</b>
<b>2. Non Institutions</b>									
a) Bodies Corp.	224790	0	224790	2.1459	400377	0	400377	3.8222	1.6762
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1049268	2406	1051674	10.0398	935899	2406	938305	8.9575	-1.0822

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2019				No. of Shares held at the end of the year 31.03.2020				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1130372	0	1130372	10.7911	1012513	0	1012513	9.6659	-1.1251
<b>c) Others (Specify)</b>									
Clearing Member	2767	0	2767	0.0264	7795	0	7795	0.0744	0.0480
ESOP/ESOS/ESPS	3540	7000	10540	0.1006	919	7000	7919	0.0755	-0.0250
Employee Trusts	532460	0	532460	5.0831	532460	0	532460	5.0831	0
Foreign Nationals	56	0	56	0.0005	56	0	56	0.0005	0
Foreign Portfolio Investor (Individual)	5000	0	5000	0.0477	0	0	0	0	-0.0477
Hindu Undivided Family	100612	0	100612	0.9604	140422	0	140422	1.3405	0.3800
IEPF	870	0	870	0.0083	870	0	870	0.0083	0
Non Resident Indians	73860	0	73860	0.7051	81578	0	81578	0.7787	0.0736
Resident HUF	0	0	0	0	0	0	0	0	0
Trusts	900	0	900	0.0085	900	0	900	0.0085	0
Others (Total)	720065	7000	727065	6.9409	765000	7000	772000	7.3699	0.4289
<b>Sub-total (B)(2)</b>	<b>3124495</b>	<b>9406</b>	<b>3133901</b>	<b>29.9179</b>	<b>3113789</b>	<b>9406</b>	<b>3123195</b>	<b>29.8157</b>	<b>-0.1022</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>3216089</b>	<b>9406</b>	<b>3225495</b>	<b>30.7923</b>	<b>3216089</b>	<b>9406</b>	<b>3225495</b>	<b>30.7923</b>	<b>0</b>
<b>C Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>10465594</b>	<b>9406</b>	<b>10475000</b>	<b>100.00</b>	<b>10465594</b>	<b>9406</b>	<b>10475000</b>	<b>100.00</b>	<b>0</b>

##### ii. Shareholding of Promoters

Sr No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2019			Shareholding at the end of the year 31.03.2020			% change in shareholding during the year*
		No. of Shares	% of Total Shares of the Company	% of Shares pledged/encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares pledged/encumbered to Total Shares	
1.	Sak Industries Private Limited	4847715	46.28	Nil	4847715	46.28	Nil	0
2.	Aditya Krishna	2218640	21.18	Nil	2218640	21.18	Nil	0
3.	Sonnet Trades & Investments Private Limited	183150	1.75	Nil	183150	1.75	Nil	0
	<b>Total</b>	<b>7249505</b>	<b>69.21</b>	<b>Nil</b>	<b>7249505</b>	<b>69.21</b>	<b>Nil</b>	<b>0</b>



## iii. Change in Promoters Shareholding (Please specify, if there is no change)

Sr No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2019	Date wise increase/ decrease in promoters' Shareholding during the year specifying the reason for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	Cumulative Shareholding during the year	Shareholding at the end of the Year 31.03.2020
No change in Promoter shareholding during the FY 2019-2020					

## iv. Shareholding pattern of top ten shareholders (other than Directors, Promoters and holders of GDRs and ADRs): (Refer note V below)

Sr No.	Name of the Shareholders	Shareholding at the beginning of the year 01.04.2019		Change in Shareholding during the year (Net)		Shareholding at the end of the year 31.03.2020	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	SAKSOFT EMPLOYEES WELFARE TRUST	532460	5.0831	0	0	532460	5.0831
2	B.BHARATHAN KANTHIMATHINATHAN	250372	2.3901	0	0	250372	2.3901
3	M U MAYAL	118580	1.1320	(19981)	0.1908	98599	0.9412
4	RAJASTHAN GLOBAL SECURITIES PRIVATE LIMITED	113040	1.0791	174594	1.6668	287634	2.7459
5	UMAMAHESWARI JANARTHANAN	112592	1.0748	(4000)	0.0382	108592	1.0366
6	PASSAGE TO INDIA MASTER FUND LIMITED	88500	0.8448	13800	0.1318	102300	0.9766
7	NIRAJKUMAR GANERIWALA	71500	0.6825	0	0	71500	0.6825
8	BHIMAVARAPU SRIDHAR REDDY	66904	0.6387	66811	0.6379	93	0.0008
9	SHASHI GUPTA	65700	0.6272	(65700)	0.6272	0	0
10	ANNU THOMAS	57917	0.5529	(2600)	0.0249	55317	0.5280
11	JANET CHRISTINE DEPENNING	0	0	55736	0.5320	55736	0.5320
12	GIRISH GULATI (HUF)	0	0	39839	0.3803	39839	0.3803

## v. Shareholding of Directors and Key Managerial Personnel:

Sr No.	Name of the Shareholders	Shareholding at the beginning of the year 01.04.2019	Change in the shareholding during the year (Net)	Shareholding at the end of the Year 31.03.2020
1	Aditya Krishna, Chairman and Managing Director	2218640	0	2218640
2	Niraj Kumar Ganeriwala, CFO	71500	0	71500

Note for point no. iv and v above: The above details are given as on 31<sup>st</sup> March 2020. The company is listed and 99.91% shareholding is in dematerialized form. Hence, it is not feasible to track movement of shares on daily basis. The aforesaid holding by top ten shareholders is due to market operations.

## V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	(Rs. in Million)
				Total Indebtedness
Indebtedness at the beginning of the financial year	139.30	270.00	-	409.30
i) Principal Amount	139.30	270.00	-	409.30
ii) Interest due but not paid	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>139.30</b>	<b>270.00</b>	<b>-</b>	<b>409.30</b>
Change in Indebtedness during the Financial year				
- Addition	-	-	-	-
- Reduction	84.74	40.00	-	124.74
<b>Net Change</b>	<b>84.74</b>	<b>40.00</b>	<b>-</b>	<b>124.74</b>
Indebtedness at the end of the financial year				
i) Principal Amount	54.56	230.00	-	284.56
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>54.56</b>	<b>230.00</b>	<b>-</b>	<b>284.56</b>

## VI. Remuneration of Directors and Key Managerial Personnel

## A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sr No.	Particulars of Remuneration	Name of MD/ WTD/ Manager	(Rs. in Million)
			Total Amount
Aditya Krishna			
1	Gross salary	5.82	5.82
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify...	-	-
5	Others, please specify	-	-
6	<b>Total (A)</b>	<b>5.82</b>	<b>5.82</b>
Ceiling as per the Companies Act, 2013			Being 5% of the net profits of the Company

**B. Remuneration to other directors:**

(Rs. in Million)					
Sr No.	Particulars of Remuneration	Sitting Fee paid for attending Board/ Committee Meetings	Commission Paid	Others, Please Specify	Total Amount
1	<b>Independent Directors</b>				
	Mr. Ajit Thomas	0.295	0.15	Nil	0.445
	Mr. Amitava Mukherjee	0	0.15	Nil	0.15
	Mr. VVR Babu	0.23	0.15	Nil	0.38
	Mr. Ganesh Chella	0.11	0.025	Nil	0.135
2	<b>Other Non-Executive Directors</b>				
	Ms. Kanika Krishna	0.24	0.15	Nil	0.39
	Total managerial remuneration	0.88	0.625	Nil	1.51
	Ceiling as per the Companies Act, 2013	Being 1% of the net profits of the Company			

**C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD**

(Rs. in Million)				
Sr No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Niraj Kumar Ganeriwala, CFO	Mr. Muthukrishnan Company Secretary	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8.38	1.43	9.81
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
6	<b>Total (A)</b>	<b>8.38</b>	<b>1.43</b>	<b>9.81</b>

**VII. Penalties / Punishment/ Compounding of Offences:**

There were no penalties, punishment or compounding of offences during year ended 31<sup>st</sup> March 2020.

For and on behalf of the Board

Place: Chennai  
Date: 27<sup>th</sup> May, 2020

**Aditya Krishna**  
Chairman & Managing Director

**ANNEXURE-6****Report on Corporate Governance**

[Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

**1. Company's Philosophy on Corporate Governance**

The fundamental theory of Corporate Governance had undergone various changes at different stages and eventually evolved as stakeholder oriented by adopting sound corporate practices based on conscience, openness, fairness, professionalism and accountability in building the confidence of a company's stakeholders.

At Saksoft, Corporate Governance is more than just principle and demonstrated in an effective manner. This is ensured and reinforced at all levels and every stage of the business by articulating the Corporate Governance principles through various policies, codes and guidelines implemented by Saksoft in India and additionally across the globe in all its group companies for its Directors and the Senior Management Personnel.

Efficient and effective Corporate Governance involves a crystal clear understanding and performance of the respective roles and responsibilities of the Board members and the Key Personnel in our Organisation thereby ensuring delivery of fair output. This is a critical factor in implementation and upkeep of effective Corporate Governance. The significance of good Corporate Governance practices has been emphasized to the employees of Saksoft. Hence, Saksoft has succeeded in achieving better results through meticulous and robust Corporate Governance practices.

Balanced Corporate Governance is a way to build stakeholder confidence. We focus on the principles of transparency, accountability and integrated focus on the sustainable success of the Company over the long run. With leading mechanisms of audit along with internal process and systems and embedding the same into the decision making process, Saksoft can assure that we are on consistent performers in the industry. By this way, Saksoft has been successful in retention and enhancement of the investor's trust over the decades.

Saksoft is constantly working on improving the sustainable value through its systemic process of Corporate governance to meet the stakeholders' aspirations and high degree of disclosure levels. Our Corporate Governance ultimately paves

way to our Corporate Excellence.

Saksoft strives to ensure compliance with SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (herein after referred as "LODR"). The following is a report on the status and progress on Corporate Governance and its implementation as per Section C - Corporate Governance Report of Schedule V of LODR. The Company has always made timely submissions to the Stock Exchanges under the SEBI Regulations, wherever applicable including the quarterly compliance report on Corporate Governance within 15(fifteen) days from the close of each quarter as per Regulation 27(2).

**2. Board of Directors**

The Board of Directors along with its Committees provide leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company. In compliance with Regulation 17 of LODR, the Board comprises of five Directors, out of which three Independent Directors comprise of more than half of the total strength of the Board. The Chairman of the Board is an Executive and Promoter Director. The Board also comprises of a Non-Executive Non Independent Woman Director. None of the Directors on the Company's Board are a Member of more than ten Committees and Chairman of more than five Committees (Committees being, Audit Committee and Stakeholders' Relationship Committee) across all the companies in which they are Directors. All the Directors have made necessary disclosures regarding Committee positions held by them in other companies. Profile of the Directors of the Company can be found in <https://www.saksoft.com/board-of-directors>.

The required information as enumerated in Schedule II, Part A of LODR is made available to the Board of Directors for discussions and consideration at Board Meetings. The Board reviews the report made by the Company Secretary regarding compliance with all applicable laws on a quarterly basis and also steps taken to remediate instances of non-compliance, if any. The Chairman & Managing Director and the Chief Financial Officer (CFO) have furnished the Compliance certificate to the Board in accordance with Schedule II - Part B of SEBI (LODR) for the Financial Year ended 31<sup>st</sup> March 2020.



The Board of Directors review at regular intervals with respect to the plans for orderly succession for appointment to the Board of Directors and Senior Management.

**(a) Composition and category of Directors:**

Name of the Directors	Designation	Category
Aditya Krishna	Chairman & Managing Director	Executive and Promoter
Amitava Mukherjee *	Director	Independent Non-Executive
Ajit Thomas	Director	Independent Non-Executive
VVR Babu	Director	Independent Non-Executive
Ganesh Chella **	Director	Independent Non-Executive
Kanika Krishna	Director	Non-Executive Non Independent

\*Mr. Amitava Mukherjee resigned from the Board effective 30<sup>th</sup> January, 2020.

\*\* Mr. Ganesh Chella was appointed with effect from 03<sup>rd</sup> February, 2020.

**(b) The attendance of each Director at Board Meetings and last Annual General Meeting**

Name of the Directors	Particulars of Attendance in	
	Board Meetings	Last AGM
Aditya Krishna	5 / 5	YES
Amitava Mukherjee *	NIL	No
Ajit Thomas	5 / 5	YES
VVR Babu	4 / 5	YES
Ganesh Chella **	2 / 2	Not applicable **
Kanika Krishna	5 / 5	YES

\* During the year under review, Mr. Amitava Mukherjee resigned from the Board effective 30<sup>th</sup> January, 2020 and Mr. Ganesh Chella was appointed on the Board effective 3<sup>rd</sup> February, 2020.

\*\* Not applicable to Mr. Ganesh Chella since his tenure started from 3<sup>rd</sup> February, 2020.

**(c) Number of other Chairmanships / Memberships of the Board / Committees of each Director in various Companies are as under.**

Name of Director	Number of Directorships in other Indian Public Companies		Number of Committee positions held in other Indian Public Companies		Directorship in other listed entity (Category of Directorship)
	Chairman	Member	Chairman	Member	
Aditya Krishna	Nil	3	Nil	Nil	Nil
Amitava Mukherjee *	Nil	3	1	2	Godrej Properties Limited
Ajit Thomas	6	1	4	2	Neelamalai Agro Industries Limited (Chairman) AVT Natural Products Limited (Chairman)
VVR Babu	Nil	Nil	Nil	Nil	Nil
Ganesh Chella	Nil	Nil	Nil	Nil	Nil
Kanika Krishna	Nil	Nil	Nil	Nil	Nil

\*Mr. Amitava Mukherjee resigned from the Board with effect from 30<sup>th</sup> January, 2020 and Mr. Ganesh Chella was appointed on the Board with effect from 3<sup>rd</sup> February 2020.

**(d) Board Meetings**

The Board meets at least once in a quarter and the interval between two meetings is not more than 120 days. The meetings of the Board deliberate among other things, key issues like periodic operating and financial results, capital/operating budgets, findings/comments of the Statutory and Internal Auditors, risk management, internal controls, issue of capital and other resource mobilization efforts. The Board also deliberates on the Company's strategy for medium and long term growth.

The annual calendar of Board Meetings is agreed upon at the beginning of the year to ensure that there is maximum attendance and participation in the Board Meetings. The Company conducts Board meetings in compliance with the requirements of the Companies Act, 2013 and LODR. During the Financial Year 2019- 2020, the Board met 5 times on 27<sup>th</sup> May 2019, 12<sup>th</sup> August 2019, 13<sup>th</sup> November 2019, 3<sup>rd</sup> February 2020 and 13<sup>th</sup> March 2020.

**(e) Relationships between Directors inter-se**

Ms. Kanika Krishna, Non-Executive Director is daughter of Mr. Aditya Krishna, Chairman and Managing Director of the Company. Ms. Kanika Krishna does not hold any shares in the Company.

**(f) Number of Shares and Convertible instruments held by Non-Executive Directors**

None of the Directors of the Company holds any shares of the Company as at 31<sup>st</sup> March 2020.

**(g) Independent Directors**

All the Independent Directors have confirmed that they meet the 'Independence' criteria as required under

Section 149(7) of the Companies Act, 2013. Independent Directors of the Company have met all the obligations as prescribed under Regulation 25 of LODR. None of them is a Whole Time Director in any listed entity nor serving as an Independent director in more than seven listed entities.

During the year, the Independent Directors had a separate meeting on 03<sup>rd</sup> February, 2020 without the presence of Non-Independent Directors. All the Independent directors were present in that meeting.

The terms and conditions of appointment of Independent Directors are disclosed on the website of the Company and the web-link of the same is given under point 17 of this Report.

**(h)** The Company has formulated a policy to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes. The details of such familiarization programmes are disclosed on the website of the Company and web-link of the same is given under point 17 of this report.

**(i)** The performance evaluation of Independent Directors was carried out by the Board of Directors except for and by Mr. Amitava Mukherjee as he had resigned from the Board before the end of the Financial Year

**(j)** The Board has identified the following core skills / expertise / competencies in the current context of the business and sectors for the effective functioning of the Company which are currently available with the Board:

	Aditya Krishna	Ajit Thomas	VVR Babu	Ganesh Chella	Kanika Krishna
Financial	√	√	√	√	√
Global Business	√	√	√	√	√
Board Service & Governance	√	√	√	√	√
Mergers & Acquisitions	√	√	√	√	√

- (k) Detailed reasons for the resignation of an independent director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided.

Mr. Amitava Mukherjee, Independent Director resigned before the expiry of his tenure due to certain personal and other business commitments and has confirmed that there are no material reasons for his resignation from the Board.

### 3. Audit Committee

- (a) **Terms of Reference:** The terms of reference stipulated by the Board to the Audit Committee cover the matters specified under Regulation 18 read with Part C-Schedule II of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 and its relevant rules notified thereunder.
- (b) **Composition of Audit Committee:** The Audit committee of the Company consists of 3 (three) Independent Directors. The Composition of the Committee and the qualification prescribed for the members are in compliance with the requirements of Regulation 18 of LODR and Section 177 of the Companies Act, 2013 and its relevant rules notified thereunder. All the members of the Committee are financially literate and have sufficient accounting and financial management expertise.
- (c) **Details of Meetings and attendance of Members during the year:**

During the year 2019-2020, the Audit Committee met 5 (five) times on 27<sup>th</sup> May 2019, 12<sup>th</sup> August 2019, 13<sup>th</sup> November 2019, 3<sup>rd</sup> February 2020 and 13<sup>th</sup> March 2020.

The Committee was reconstituted with induction of Mr. Ganesh Chella as the member in place of Mr. Amitava Mukherjee\* who has resigned from the Board with effect from 30<sup>th</sup> January, 2020.

The attendance details are as follows:

Name of the Member	Designation	No. of Meetings Attended
Ajit Thomas	Chairman	5/5
Amitava Mukherjee*	Member	NIL
VVR Babu	Member	4/5
Ganesh Chella	Member	1/1

The Company Secretary acts as the Secretary to the Committee. The Chairman of the Audit Committee is an Independent Director and was present at the Annual General Meeting held on 12<sup>th</sup> August, 2019.

All the recommendations of Audit Committee were accepted by the Board of Directors.

### 4. Nomination and Remuneration Committee

- (a) **Terms of reference :** The terms of reference stipulated by the Board to the Nomination and Remuneration Committee cover the matters specified under Part D of the Schedule II of LODR and Section 178 of the Companies Act, 2013 and its relevant rules notified thereunder which inter-alia includes recommendation to the Board of Directors in relation to the remuneration payable to the Managing Director as and when it comes up for review, administering the Employees Stock Option plans of Saksoft Limited and formulation of criteria for evaluation of performance of Independent Directors and Key Managerial Personnel.
- (b) **Composition of Committee:** The Constitution of Nomination and Remuneration Committee is in accordance with Regulation 19 of LODR. The Committee consists of three Independent Directors.

The Committee was reconstituted with Mr. VVR Babu as the Chairman of the Committee and Mr. Ganesh Chella as the member, due to resignation of Mr. Amitava Mukherjee.

- (c) **Meetings of the Committee:** During the year under review, the Committee met 3 (three) times on 27<sup>th</sup> May 2019, 12<sup>th</sup> August 2019 and 3<sup>rd</sup> February 2020.

The details of the members of the Nomination and Remuneration Committee and their attendance record are as follows:

Name of the Member	Designation	No. of Meetings Attended
Amitava Mukherjee	Chairman*	Nil
VVR Babu	Member	3/3
Ajit Thomas	Member	3/3
Ganesh Chella	Member	Nil

The Chairman of the Nomination and Remuneration Committee was not present at the Annual General Meeting held on 12<sup>th</sup> August 2019 due to unavoidable circumstances.

### Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for independent directors is determined by the Nomination and Remuneration Committee. An indicative list of factors on which evaluation was carried out includes participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behaviour and judgement.

### Remuneration Policy:

Remuneration policy of the Company is designed to create a high-performance culture. It enables the Company to attract, retain and motivate employees to achieve results. Our business model promotes customer centricity and requires employee mobility to address project needs. Annual increments are recommended by the Nomination and Remuneration Committee within the salary scale approved by the Board and Members.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, decides the commission payable to the Non- Executive Directors out of the profits for the financial year and within the ceilings prescribed under the Act, based on the Board evaluation process considering the criteria such as the performance of the Company as well as that of the Managing Director and each Executive Director.

- (a) All pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the listed entity:  
Apart from the below mentioned Sitting fees and Commission in (c) there was no pecuniary relationship or transactions with the Non- Executive Directors during the

year 2019-2020

- (b) Criteria of making payments to Non-Executive Directors: Disclosed in Annexure 3 forming part of this report.
- (c) Disclosures with respect to remuneration:

### Executive Director:

Name	Fixed Component	(Rs. in Million)	
		Performance linked incentives	Total
Aditya Krishna, Chairman & Managing Director	Salary	Commission/ Bonuses, stock options, pension	
	5.82	NIL	5.82

### Non-Executive Directors:

The Company pays Sitting Fees of (a) Rs. 50,000/- per meeting to its Non-executive and Independent Directors for attending meetings of the Board and (b) Rs. 10,000/- per meeting to its Non-Executive and Independent Directors for attending meetings of Committees of the Board. The said amount of sitting fees was revised at the Board of Directors meeting held on 27<sup>th</sup> May, 2019. The Company has obtained approval from its Shareholders at the 16<sup>th</sup> Annual General Meeting of the Company towards payment of commission of 1% of the net profits of the Company commencing from 1<sup>st</sup> April 2015. The said commission will be decided each year by the Board of Directors and distributed amongst the Non-Executive and Independent Directors based on the period of their association with the Company during the year.

The summary of sitting fees and commission paid for the year ended 31<sup>st</sup> March 2020 to the Directors are as follows:

Sr. No	Name of the Director	(Rs. In Million)			Total
		Sitting Fees (Board Meetings)	Sitting Fees (Committee Meetings)	Managerial Commission	
1.	Ajit Thomas	0.22	0.07	0.15	0.44
2.	VVR Babu	0.17	0.06	0.15	0.38
3.	Kanika Krishna	0.22	0.02	0.15	0.39
4.	Ganesh Chella	0.10	0.01	0.025	0.135
5.	Amitava Mukherjee	NIL	NIL	0.15	0.15

- (d) All the Directors are appointed through Shareholders' resolutions. There were no service contracts, notice period and severance fees applicable. The Company has not issued any stock options to any of the Directors. None of the Directors receive any remuneration or commission from the Subsidiary Companies.
- (e) As required, a brief profile and other particulars of the Director seeking re-appointment is given in the Notice convening the 21<sup>st</sup> Annual General Meeting of the Company which forms part of this Annual Report.



## 5. Corporate Social Responsibility Committee

The Committee consists of :

Mr. Aditya Krishna, Chairman & Managing Director

Mr. Amitava Mukherjee, Independent Director (resigned with effect from 30<sup>th</sup> January 2020)\*

Ms. Kanika Krishna, Non-Executive Director

Mr. VVR Babu, Independent Director(inducted as a member with effect from 3<sup>rd</sup> February 2020)\*

The Committee's responsibilities are as stipulated under Section 135 of the Companies Act, inter-alia which includes formulating the CSR policy in compliance to Section 135 of the Companies Act 2013 and identifying activities to be undertaken as per Schedule VII of the Companies Act 2013.

The Company's CSR policy is given under point 17 of the Corporate Governance report.

CSR Committee met twice on 27<sup>th</sup> May, 2019 and 3<sup>rd</sup> February, 2020. The Committee has recommended to the Board of Directors to contribute not less than 2% of the average net profit of the last three financial years toward CSR fund for the financial year 2018 – 19 to aid NGO's undertaking projects in the field of "Promoting education including special education and employment enhancing vocational skills especially among children women, elderly, and the differently abled and livelihood enhancing projects and supporting the upliftment of women in their livelihood".

Name of the Member	Position held	No. of meetings attended
Aditya Krishna	Chairman	2/2
Kanika Krishna	Member	2/2
Amitava Mukherjee*	Member	NIL
VVR Babu*	Member	NIL

The report on CSR activities is annexed to and forms part of, this report as "Annexure -1"

## 6. Stakeholders' Relationship Committee

- Name of the Chairperson of the Committee – Mr. Aditya Krishna
- Name and designation of Compliance Officer – Mr. S. Muthukrishnan, Company Secretary
- Number of shareholders' complaints received - There were no investor complaints received through SCORES portal for the year ended 31<sup>st</sup> March 2020.

The Constitution of Stakeholders' Relationship Committee of the Company is in accordance with Regulation 20 of LODR. The Committee consists of three Non-Executive Independent Directors. The Company Secretary acts as the secretary to the Committee. The role of the Committee is as specified in Part D of the Schedule II of LODR which inter-alia includes redressing Stakeholders' grievances like share transfers, non-receipt of Annual Report and non-receipt of dividend.

During the year, the committee met once on 27<sup>th</sup> May 2019. The members of the Stakeholders Relationship Committee and attendance record are as follows:

Name of the Member	Designation	No. of Meetings attended
Amitava Mukherjee*	Chairman	NIL
Ajit Thomas*	Member	1/1
Kanika Krishna	Member	1/1
VVR Babu*	Chairman (w.e.f 03.02.2020)	NIL
Ganesh Chella*	Member	NIL

\*The Committee was reconstituted with appointing Mr. VVR Babu as Chairman in place of Mr. Amitava Mukherjee and Mr. Ganesh Chella replacing Mr. Ajit Thomas as member with effect from 3<sup>rd</sup> February, 2020.

## 7. General Body Meetings

(a) Location and Time, where last three Annual General Meetings were held:

Year	Location	Date	Time
2016-17	P. Obul Reddy Hall, Vani Mahal, 103, G.N.Chetty Road, T. Nagar, Chennai - 600017.	07.08.2017	11.00 AM
2017-18	P. Obul Reddy Hall, Vani Mahal, 103, G.N.Chetty Road, T. Nagar, Chennai - 600017.	10.08.2018	10.30 AM
2018-19	P. Obul Reddy Hall, Vani Mahal, 103, G.N.Chetty Road, T. Nagar, Chennai - 600017.	12.08.2019	10.30 AM

(b) Special Resolutions passed during the last three Annual General Meetings

Financial Year	General Meeting	No. of Special Resolutions
2016 - 17	18 <sup>th</sup> Annual General Meeting	NIL
2017 - 18	19 <sup>th</sup> Annual General Meeting	NIL
2018 - 19	20 <sup>th</sup> Annual General Meeting	4

(c) Special Resolutions passed through Postal Ballot during the Financial Year 2019 - 2020: NIL

(d) Person who conducted the postal ballot exercise: Not applicable

(e) Special resolution to be conducted by way of postal ballot: The Company does not envisage any special resolution to be conducted by way of postal ballot. However, this is subject to any other contingencies or event that may happen in near future.

(f) Procedure for postal ballot: The Company follows the procedure laid down in Companies Act, 2013 and rules and LODR in respect of the Postal ballot by providing both postal ballot forms and e-voting option to the Shareholders.

## 8. Means of Communication

An essential part of a good Corporate Governance is timely and effective communication. The Stakeholders are updated consistently with the financial results, press releases, presentations to the Institutional Investors and other specific communications as required. Given are the details of vital importance that are communicated to the Stakeholders.

(a) **Quarterly Results:** The Company has the ultimate responsibility of keeping the investors informed of the financial performance of the company. The quarterly results of the company are usually approved and adopted by the Board within 45 (forty-five) days of the end of the quarter and the last quarter results are approved and adopted by the Board within 60 (Sixty) days from the closure of the last quarter. The results are disseminated immediately to the Stock Exchanges where the Company's shares are listed.

(b) **Newspapers wherein results are generally published:** The Consolidated quarterly / annual financial results are published within 48 hours in the leading newspapers Viz., Financial Express, Trinity Mirror (English) and Makkal Kural (Tamil) with a note that the standalone quarterly/ annual financial results are posted on the Company's website for ease of reference to the stakeholders.

(c) **Any website, where displayed:** Standalone and Consolidated Financial results for all quarters are displayed on the website of the Company viz., www.saksoft.com under a dedicated section for Investors and also in NSE- www.nseindia.com and BSE - www.bseindia.com

(d) **Whether it also displays official news releases:** Yes, official news releases are displayed on the website of the Company. Web-link is given under point 17 of this report.

(e) **Presentations made to Institutional Investors or to the Analysts:** Pursuant to Regulation 30(6) of LODR, the details of schedule of Analyst/ Institutional Investor meeting with the Company is communicated to the Stock exchanges and gist of discussions or presentations made are also placed on the website of the Company as a matter of compliance and convenience to the stakeholders. Web link of the same is given under point 17 of this Report.

9. General Shareholder Information:

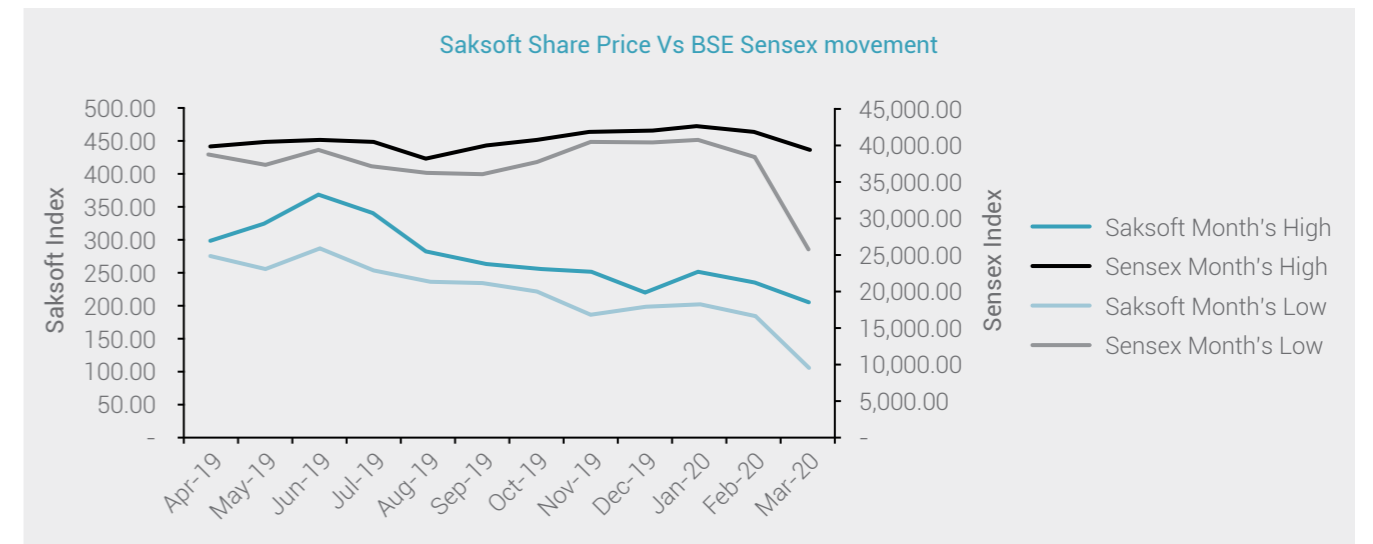
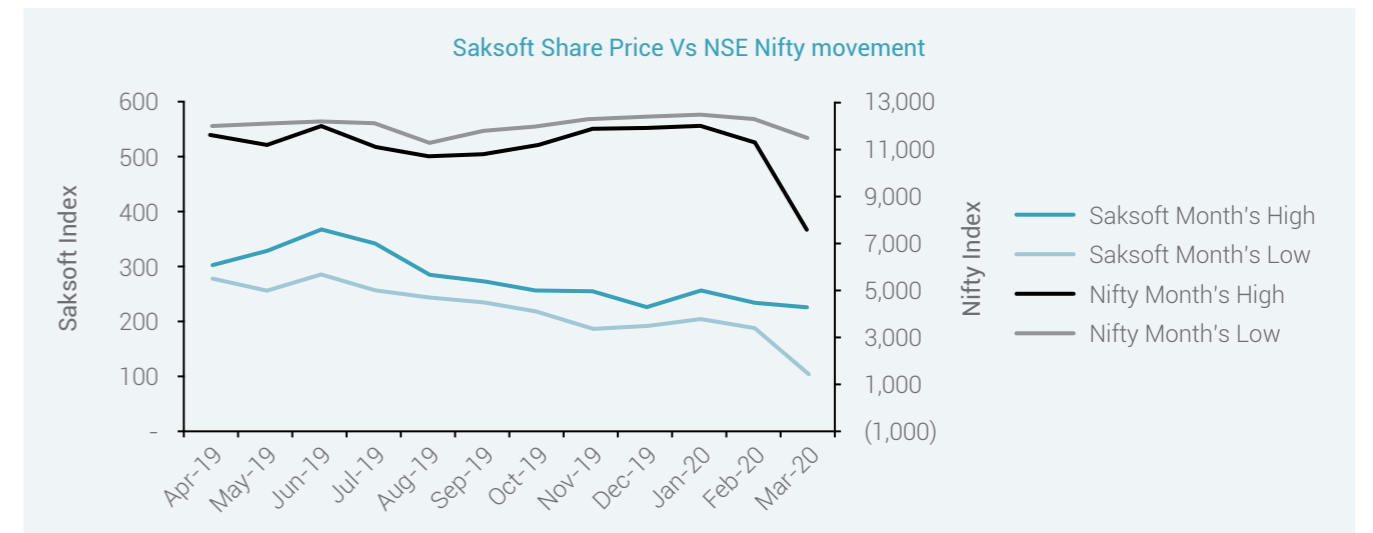
Particulars	Details
(a) Annual General Meeting	Day and Date: Monday, 10 <sup>th</sup> August, 2020 Time: 10.30 A.M Annual General Meeting through Video Conferencing / Other Audio Visual Means facility
(b) Financial Year	The financial year of the Company is 1 <sup>st</sup> April to 31 <sup>st</sup> March
Periodical results	Tentative details of the financial calendar for the year are as under
Results for I Quarter ending 30 <sup>th</sup> June 2020	Second week of August 2020
Results for II Quarter ending 30 <sup>th</sup> September 2020	Second week of November 2020
Results for III Quarter ending 31 <sup>st</sup> December 2020	Second week of February 2021
Results for the year ending 31 <sup>st</sup> March 2021	Last week of May 2021
Book Closure Date	1 <sup>st</sup> August, 2020 to 10 <sup>th</sup> August, 2020 (both days inclusive)
(c) Name and address of the each Stock Exchange(s) at which the listed entities securities are listed and confirmation payment of annual listing fee to each of Stock Exchange(s)	The Equity shares of the Company are listed at: National Stock Exchange of India Limited, Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 and  Shares are permitted to be traded under the permitted trading category in: BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001.  The annual listing fee as prescribed by the NSE has been paid within the prescribed time limit and listing fee is not applicable in BSE Ltd, as the Company is under permitted trading category in BSE Limited.
d) Stock Code	NSE Stock code : SAKSOFT EQ BSE (under permitted trading category) - Stock code : 590051  DEMAT ISIN Number in NSDL and CDSL for Equity Shares. ISIN : INE667G01015

(e) Market Price data high, low during each month in the last financial year:

Name	National Stock Exchange		NIFTY		Bombay Stock Exchange		SENSEX	
	Saksoft Price High	Saksoft Price Low	Nifty Price High	Nifty Price Low	Saksoft Price High	Saksoft Price Low	Sensex Price High	Sensex Price Low
April 2019	299.55	275.00	11856.15	11549.10	296.40	274.70	39487.45	38460.25
May 2019	326.50	256.00	12041.15	11108.30	327.00	256.00	40124.96	36956.10
June 2019	366.80	284.00	12103.05	11920.10	367.00	287.40	40312.07	38870.96
July 2019	338.00	253.00	11981.75	10999.40	338.00	252.00	40032.41	37128.26
August 2019	284.95	239.95	11181.45	10637.15	282.60	239.60	37807.55	36102.35
September 2019	270.00	233.60	11694.85	10670.25	265.00	233.00	39441.12	35987.80

Name	National Stock Exchange		NIFTY		Bombay Stock Exchange		SENSEX	
	Saksoft Price High	Saksoft Price Low	Nifty Price High	Nifty Price Low	Saksoft Price High	Saksoft Price Low	Sensex Price High	Sensex Price Low
October 2019	252.95	218.00	11945.00	11090.15	257.00	220.00	40392.22	37415.83
November 2019	254.00	186.20	12158.80	11802.65	253.10	186.50	41163.79	40014.23
December 2019	224.30	192.20	12293.90	11832.30	219.80	197.30	41809.96	40135.37
January 2020	253.00	202.00	12430.50	11929.60	252.80	203.90	42273.87	40476.55
February 2020	234.00	185.45	12246.70	11175.05	232.50	186.00	41709.30	38219.97
March 2020	224.00	107.00	11433.00	7511.10	205.40	105.50	39083.17	25638.90

(f) Performance in comparison to broad-based indices such as NIFTY IT and BSE Sensex;





(g) In case the Securities are suspended from trading, the Director's report shall explain the reason thereof: Not applicable.

(h) Registrar and Transfer Agents (RTA)

Cameo Corporate Services Limited  
Subramanian Building, No.1, Club House Road, Chennai - 600 002.  
Tel: +91-44--28460390, Fax: +91 - 44 - 2846 0129  
Email: investor@cameoindia.com; Web-site: www.cameoindia.com

(i) **Share Transfer System:** The Company's shares are traded in the Stock Exchange(s) compulsorily in DEMAT mode. Pursuant to the directives issued by the Securities and Exchange Board of India, the share transfers, both physical and demat are handled by our share transfer agents, M/s Cameo Corporate Services Limited, Chennai. Shares in physical mode which are lodged for transfer either with the Company or with the share transfer agents are processed subject to the exercise of option under compulsory transfer cum demat procedure.

(j) Distribution of shareholding as on 31<sup>st</sup> March 2020:

Shareholding (Rs.)	Shareholders		Shares Amount	
	Number	%	Rs.	%
Upto 10 - 5000	4203	90.12	3296230	3.15
5001 - 10000	192	4.12	1569280	1.50
10001 - 20000	106	2.27	1652730	1.58
20001 - 30000	45	0.96	1143540	1.09
30001 - 40000	31	0.66	1120830	1.07
40001 - 50000	21	0.45	970250	0.93
50001 - 100000	30	0.64	2150500	2.05
100001 and above	36	0.77	92846640	88.64
<b>Total</b>	<b>4664</b>	<b>100</b>	<b>104750000</b>	<b>100</b>

(k) Dematerialization of Shares and Liquidity

As at 31.03.2020, 99.91% of equity shares have been dematerialized. These shares are traded in the National Stock Exchange of India Limited and BSE Limited under permitted trading category.

(l) Outstanding Global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity: Not applicable.

(m) Commodity Price risk or foreign exchange risk and hedging activities:

(Amount in millions)

Eligible limit under past performance	Aggregate amount of contracts booked with all the ADs from April 2019-Mar 2020	Amount of contracts cancelled with all ADs from April 2019-Mar 2020	Amount utilized (by delivery of documents) from April 2019-Mar 2020	Amount of contracts o/s with all ADs as on 31 <sup>st</sup> March 2020	Available limits under past performance as on 31 <sup>st</sup> March 2020
Export	USD 7.52	NIL	USD 2.40	USD 0.8	USD 5.42
Import	GBP Nil	NIL	GBP 0.17	GBP 0.32	GBP Nil
	NIL	NIL	NIL	NIL	NIL

(n) Office Locations / Delivery Centres:

**Saksoft Limited**

Reg off: Global Infocity Park, Block A, 2<sup>nd</sup> Floor, No. 40, Dr. MGR Salai, Kandanchavadi, Perungudi, Chennai - 600 096.  
Ph: 044- 2454 3500  
Fax: +91-44- 2454 3510

**Development Centre:**

B 35 - 36, Sector 80, Phase II, Noida - 201305.  
Phone : + 91 120 428 6231 33

**Pune :-**

503, 5<sup>th</sup> Floor, Pride Purple Accord, Baner Road, Pune - 411045, Maharashtra.  
Phone: +91 20 2729 3402

**Mumbai:-**

Emgee Chambers, 10, CST Road, Opp Mumbai University Campus, Kalina, Santacruz, Mumbai 400055.  
Phone: 022 4924 4642

**Saksoft Solutions Limited (Previously known as Saksoft Investments Pvt Ltd) and Acuma Solutions Limited**

Applicon House, Exchange Street, Stockport, United Kingdom, SK3 0EY  
P. +44 (0) 1612414321  
Acuma Software Limited (Dissolved on 25<sup>th</sup> June 2019)

**Threesixty Logica Testing Services Inc.**

640 W California Ave, Suite 210 Sunnyvale CA 94086 (USA)  
(Dissolved on 10<sup>th</sup> October 2019)

**Faichi Solutions Inc**

640 W. California Ave Sunnyvale, CA 94086  
Phone: +1(408)-769-4941

**Saksoft Inc.,**

Suite 1240, 30 Montgomery Street, Jersey City, New Jersey - 07302.  
P. +1 201 451 4609/4612  
F. +1 212 504 8026

10 S Riverside Plaza Suite 1800

Chicago, IL 60606  
Phone : +1 312 474-6155

**Nanda Infotech Services Inc, dba Electronic Data Professionals Inc.,**

3070, Bristol Pike, BLDG 2 Suite 107, Bensalem, PA 19020  
Phone: +1 215-639-0304  
Fax: +1 866-876-9151

**DreamOrbit Softech Private Limited**

Ascend-19, 2<sup>nd</sup> Floor, 1<sup>st</sup> Cross, 17<sup>th</sup> C Main, 5<sup>th</sup> Block, Koramangala, Bangalore - 560 095  
Phone: 91-80-40989881

**Three Sixty Logica Testing Services Pte Ltd.**

10 Jalan Besar, #10 - 10, Sim Lim Tower, Singapore - 208 787  
Phone: +65 9224 2211  
(Incorporated in the Republic of Singapore on 14<sup>th</sup> June 2019)

**Saksoft Pte Limited**

10 Jalan Besar #10-12 Sim Lim Tower Singapore - 208787  
P. +65 6224 2550  
F. +65 6224 2783

**Threesixty Logica Testing Services Private Limited**

Reg.off: Global Infocity Park, Block A, 2<sup>nd</sup> Floor, No. 40, Dr.MGR Salai, Kandanchavadi, Perungudi, Chennai - 600 096.  
Ph : 044 - 2454 3500  
Corp off: B 35 - 36 Sector 80, Phase II  
Noida, UP 201305 India  
Phone: +91-0120-4878300

**DreamOrbit, Inc.,**

2711, Centerville Road, Suite 400, Wilmington, Delaware -19808  
Phone : +1 302-907-9068

**Saksoft Ireland Limited**

JPA Brenson Lawlor House, Agryle Square, Morehampton Road, Donnybrook, Dublin 4  
Phone: +353 (01) 6689760  
(Incorporated in the Republic of Ireland on 19<sup>th</sup> February 2020)

(o) **Address for Correspondence:**

Saksoft Limited  
Global Infocity Park, Block A, 2<sup>nd</sup> Floor,  
No. 40, Dr. MGR Salai,  
Kandanchavadi,  
Perungudi,  
Chennai - 600 096.  
Ph: +91-44-2454 3500, Fax: +91-44-2454 3510

(p) **Credit Ratings**

During the financial year 2019-2020, the Company had received a rating revision from CARE BBB+; POSTIVE Outlook to CARE A - STABLE from CARE Rating Agency, for its long term banking facilities to a tune of Rs.17.57 crore.

**10. Other Disclosures:**

- a) Disclosure on material significant related party transactions that may have potential conflict with the interests of listed entity at large:

There were no material significant related party transactions during the financial year 2019-2020 without the consent of the Shareholders.

**Related Party Transactions**

The Company in compliance with Regulation 23 of LODR has formulated a policy on materiality of related party transactions and on dealing with related party transactions. All related party transactions were placed before the Audit Committee for its prior approval.

Audit Committee considers the criteria such as ordinary course of business and arms' length pricing before granting the omnibus approval in respect of transactions which are repetitive in nature. The Audit Committee reviews on a quarterly basis, the details of related party transactions entered by the Company pursuant to the omnibus approval given.

- b) Details of non-compliance by the listed entity, penalties, and strictures imposed on the listed entity by stock exchange(s) or the Board or any statutory authority, on any matter related to capital markets, during the last three years:

There have been no instances of non-compliances by the Company. Hence there are no penalties, strictures

imposed by the Stock Exchanges or SEBI or any other statutory authority on any matter related to the Capital Markets during the last three years on the Company except for the below:

During the financial year, the Company had received an intimation from National Stock Exchange vide its letter dated 15<sup>th</sup> October, 2019 levying a fine of Rs.44,000/- for non-compliance of Regulation 34 of SEBI LODR Regulations. The Company had also paid the fine on 17<sup>th</sup> October, 2019.

Based on the representations made by the Company and the past compliance records of the Company, the Exchange agreed to withdraw the letter dated 15<sup>th</sup> October, 2019 and further vide its letter dated 1<sup>st</sup> January, 2020 withdrew the fine levied and initiated the process for refund of the amount paid.

- c) Details of establishment of vigil mechanism, whistle blower policy and affirmations that no personnel has been denied access to the Audit Committee:

The Company has established the Whistle Blower policy and the company affirms that there are no personnel who were denied access to the Audit committee. Web link of the whistle blower policy is given under point 17 of this report.

- d) Details of compliance with mandatory requirements

The Company has always relied on the highest level of ethical standards in all its business transactions by promoting its value systems. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 mandate the formulation of certain policies for all listed Companies. The Corporate Governance policies are available on the Company's website at <https://www.saksoft.com/investor/corporate-governance/>. The policies are reviewed periodically by the Board and updated on need basis without delays. The Board at its meeting held on 27<sup>th</sup> May, 2019 had revised and adopted some of its policies

Name of the Policy	Summary of key changes
Policy for Related Party Transactions	Key changes includes inter alia threshold limits for determining materiality.
Policy for determination of Material Subsidiary of the Company	Key changes include inter alia, the definition of material subsidiary.
Whistle Blower Policy	Enabling employees to report instances of leak of unpublished price sensitive information.
Code of Conduct for Directors and Senior Management Personnel	Key changes include amended definition of the senior management and duties of Independent Directors as laid down in the Companies Act. 2013
Code of Practices and Procedures for fair disclosure of unpublished price sensitive information.	Key changes include Policy for sharing of UPSI for legitimate purposes, policy in case of leakage of UPSI, establishing a digital database of insiders, identification of UPSI and maintaining its confidentiality, internal control mechanism.
Code of Conduct to regulate, monitor and report trading by Designated Persons of the Company.	Existing Code of Conduct to regulate, monitor and report trade is replaced by a new Code of Conduct to include a) Amended definitions of Designated persons b) Identifying Designated persons c) Responsibility of MD/ CEO to formulate policies and procedures to regulate, monitor and report trades by designated persons d) Defense to Insiders for trading of securities when in possession of UPSI e) Disclosure by Designated persons – one time as well as annual disclosure
Nomination and Remuneration Policy	The key changes include inter alia, addition of the definition of the senior management along with recommendation about their remuneration and succession planning.

- e) Weblink where policy for determining material subsidiaries is disclosed:

The Company had identified unlisted material Subsidiaries of the Company, incorporated in India and outside India. The Company has formulated a policy for determining material subsidiary and the web link of the same is given under point 17 of this report. The minutes of the meetings of the Board of Directors of the unlisted subsidiaries were placed at the meeting of the Board of Directors of the Company. During the financial year 2019-2020, there were no significant transactions and arrangements entered into by the unlisted subsidiaries.

- f) Web link where policy on dealing with related party transactions is disclosed: Given under point 17 of this report.

- g) Disclosure for commodity price risks and commodity hedging activities:

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be furnished.

- h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified

under Regulation 32 (7A) of (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Not Applicable

- i) The Company has obtained a certificate from Mr. V Suresh, Company Secretary in Practice that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.

- j) whether the Board had not accepted any recommendations of any committee of the Board which is mandatorily required, in the relevant financial year, the same has to be disclosed along with reasons thereof - Not Applicable  
Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part.

M/s. RGN Price & Co	Statutory Audit	Rs.16,00,000 plus out of pocket expenses plus applicable taxes
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- l) Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- number of complaints received during the financial year : 1
  - number of complaints disposed of during the financial year : 1
  - number of complaints pending as on end of financial year : Nil

**Risk Management** - The management of the Company present before the Board at regular intervals about risk assessment and minimization procedures. The Board of Directors from time to time discuss on the risk management plan and its implementation. As the requirements of Regulation 21 of LODR is applicable only to the TOP 100 listed Companies, for the time being the Company is not required to constitute Risk Management Committee as prescribed thereunder.

**11. Non-Compliance for any Requirement of Corporate Governance Report of sub para (2) to (10) above, with reasons thereof shall be disclosed:**

The Company has complied with the applicable mandatory requirements of LODR and there have been no instances of non-compliances by the Company except as stated in point no 10 (b) of this report.

**12. Disclosure regarding non-mandatory requirements.**

The auditors' report on financial statements of the Company are unqualified.

Internal auditors of the Company, make quarterly presentations to the audit committee on their reports.

**13. The Disclosure of the Compliance with Corporate Governance requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of the Sub-Regulation (2) of Regulation 46 shall be made in the Section on Corporate Governance of the Annual Report.**

Disclosed under the relevant headings in the report.

**Secretarial Audit Report**

The Company has undertaken Secretarial Audit for the

financial year 2019-20 which, inter alia, includes audit of compliance with the Companies Act, 2013, and the Rules made under the Act, Listing Regulations and applicable Regulations prescribed by the Securities and Exchange Board of India and Foreign Exchange Management Act, 1999 and Secretarial Standards issued by the Institute of the Company Secretaries of India. The Secretarial Audit Report forms part of this Annual Report.

**Annual Secretarial Compliance Report**

The Company has undertaken an audit for the financial year 2019-20 for all applicable compliances as per Securities and Exchange Board of India Regulations and Circulars/Guidelines issued thereunder.

The Company had appointed M/s. Lakshmmi Subramanian & Associates, a firm of Company Secretaries as the Auditor for the audit of the practices and procedures followed by the Company under the Code

**14. Declaration signed by the Chief Executive Officer Stating that the members of Board of Directors and Senior Management Personnel have affirmed Compliance with the Code of Conduct of Board of Directors and Senior Management**

Forms part of this report.

**15. Compliance Certificate from either the Auditors or Practicing Company Secretaries regarding compliance of conditions of Corporate Governance shall be annexed with the Directors' Report.**

The Company has received the Corporate Governance Audit Report for the financial year 2019-2020.

**16. Disclosures with respect to Demat Suspense Account/ Unclaimed Suspense Account:**

The Company does not have any shares in the demat suspense account or unclaimed suspense account.

**Unclaimed/ Unpaid Dividend Fund:**

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor

Education and Protection Fund ("IEPF"). Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares. Details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website <https://www.saksoft.com/investor/company-announcements/unclaimed-dividends/>

The members who have a claim on above dividends and shares may claim the same from IEPF Authority by submitting

an online application in the prescribed Form No. IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred. The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules.

The Company has appointed a Nodal Officer under the provisions of IEPF, the details of which are available on the website of the Company at <https://www.saksoft.com/investor/company-announcements/unclaimed-dividends/>

**17. Website**

The Company's hosts its corporate website in compliance with Regulation 46 of SEBI LODR, providing comprehensive information on the business. Your Company follows the principle of transparent communication to the investors through its website which includes a detailed business portfolio having diversified business verticals, Director's Profile, News Room where the key updates are posted and also other necessary information to be communicated to the Stakeholders. An exclusive section on Investors provides the data right from the financial performance of the Company and its subsidiaries to the Key details of the contact persons to solve investor grievances, if any.

The following information is disseminated on the website of the Company in accordance with the SEBI LODR provisions.

Particulars	Weblink
Terms and conditions of appointment of Independent Directors;	<a href="https://www.saksoft.com/investors/">https://www.saksoft.com/investors/</a>
Composition of various committees of Board of Directors;	
Code of conduct of Board of Directors and Senior Management Personnel;	
Details of establishment of Vigil Mechanism/ Whistle Blower Policy;	
Policy on dealing with related party transactions;	
Policy for determining 'material' subsidiaries;	
Details of familiarization programmes imparted to Independent Directors;	
The email address for grievance redressal and other relevant details;	
Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances;	
Financial information and Annual report;	
Shareholding pattern;	
Schedule of analyst or institutional investor meet and presentations made by the listed entity to analysts or institutional investors simultaneously with submission to Stock Exchange;	
Corporate Social Responsibility Policy;	
Board Diversity Policy;	

The Company ensures that the contents of the website are correct and the updates any changes in the content within 2 working days from the date of such change in content.

## DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its senior management employees and the Directors. Code of Conduct is available on the Company's website.

I confirm that the Company has in respect of the year ended 31<sup>st</sup> March 2020, received from the Members of the Board and Senior Management Personnel of the Company, a declaration of compliance with the Code of Conduct as applicable to them.

Chennai  
May 27, 2020

**Aditya Krishna**  
*Chairman and Managing Director*

## ANNEXURE-7

### Auditor's Certificate on Corporate Governance

To the Members of  
**Saksoft Limited**

We have examined the compliance of conditions of Corporate Governance by Saksoft Limited ('the Company') for the year ended 31<sup>st</sup> March 2020, as per Regulations 17-27, clauses (b) to (i) of Regulation 46(2) and paragraphs C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

#### Management responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the SEBI Listing Regulations.

#### Auditor's responsibility

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India.

The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC 1), Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Regulation.

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

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

**Mahesh Krishnan**  
*Partner*  
Membership No.: 206520  
UDIN: 20206520AAAABV9439

Place: Chennai  
Date: 27<sup>th</sup> May 2020



ANNEXURE-8

## Management Discussion & Analysis

### Global economic overview

The global economy continued to weaken in 2019 following a decline in industrial production, uncertain business confidence, trade wars and geo-political tension. Against the backdrop of these realities, global economic growth was estimated at 2.9% in 2019 compared with 3.6% in 2018, the sharpest erosion in global growth since 2009.

(Source: The World Bank, January 2020)

#### Global IT spending forecast

	2019 spending (USD billion)	2019 growth (%)
Data centre systems	205	-2.7
Enterprise software	456	8.5
Devices	682	-4.3
IT services	1,030	3.6
Communication services	1,364	-1.1
Overall IT	3,737	0.5

(Source: Gartner, January 20)

#### Global economic growth over four years

Year	2016	2017	2018	2019
Real GDP growth (%)	3.1	3.8	3.6	2.9

[Source: IMF, January 2020] E: Estimated

#### Global IT sector overview

Information technology spending was estimated at USD 3.7 trillion in 2019 (at constant currency rates), an increase of 0.4% from 2018. Global IT spending comprised hardware, software, services, telecommunications and emerging technologies.

The United States continued to remain the global technology leader, accounting for almost 32% (~ USD1.7 trillion) of the market. The US economy was majorly driven by the technology sector (as a percentage of the country's gross domestic product).

Western Europe retained its position as a significant contributor followed by the Asia-Pacific.

The principal categories of the IT industry comprised hardware, software and services segments, cumulatively accounting for 56% of the sector; telecom services and emerging technologies (including hardware, software and service, such as IoT, drones and other automated technologies) accounted for 26% and 17% respectively.

(Source: Gartner, Comptia, Asianage)

approach comprises multiple protection layers spread across computers, networks, programs and information. With increased volume and sophistication of cyber attacks, companies are investing substantially to safeguard information.

**Robotic Process Automation (RPA):** RPA facilitates the automation of tedious and time-consuming tasks, saving resources, time and effort.

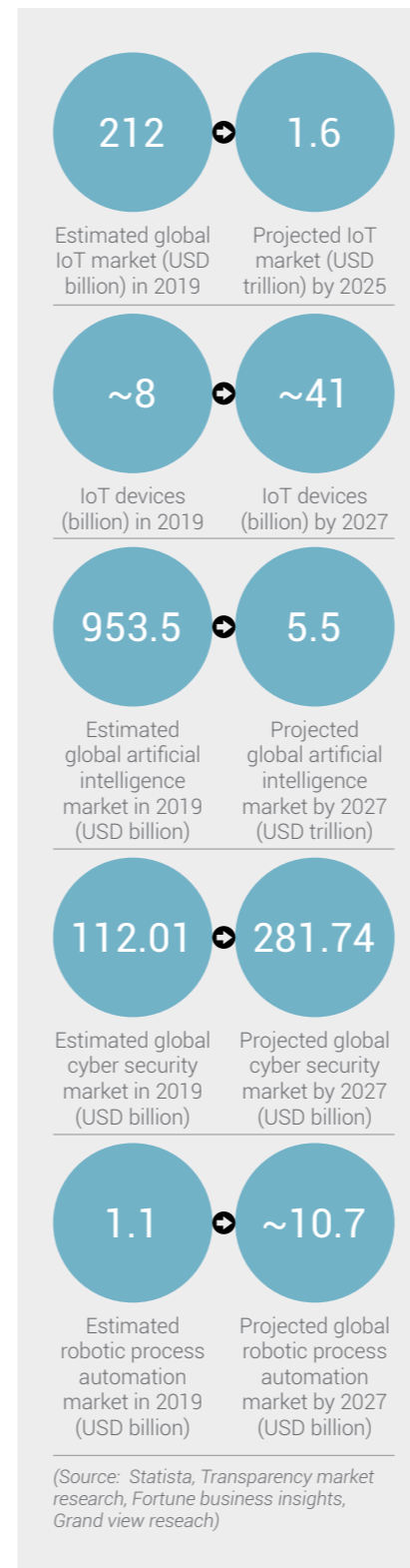
**Augmented Reality (AR):** AR enriches the real world with information and digital media, empowering people to experience the physical world and alter the virtual environment in real time, enhancing user experience through 3D vision, sound, haptics, location and smell.

**Cyber security:** As the world is deluged with sensitive information, data security has emerged as an area of concern. A successful cybersecurity

### Technology trends in 2019

**The Internet of Things (IoT):** In 2019, IoT was ranked as the most promising emerging technology with the potential to transform the global landscape through the internet integration of devices.

**Artificial Intelligence (AI):** AI makes it possible for machines to learn from experience, adjust to new inputs, perform human-like tasks and engage in superior decision-making, enhancing the customer experience.



### Outlook

Despite sluggish economic growth, the global IT spending is expected to improve across the foreseeable future on account of enterprise software spending. The overall spending on

security increased 10.5% in 2019 with cloud security anticipated to grow 41.2% across five years

(Source: Gartner, Asianage, Comptia, Marketsandmarkets)

### Futuristic technology trends

**Extended Reality:** Extended Reality is an umbrella comprising emerging technologies used to create immersive digital experiences and often referred to as virtual, augmented and mixed reality. These technologies are set to witness growth following increased digital-driven experiences blending with the real world.

**Platform Architecture:** This platform architecture aligns business and technology architectures with business domain platforms – a way of structuring the business into domain-owned technology platforms that deliver business value across and beyond the domain. This approach facilitates domains to clearly define key 'platform services' that can then be shared through service integration patterns for use by other parts of the business and external third parties.

**The empowered Edge:** Edge computing refers to the centralization of computing towards the edge of a network, end user and end user device. A decentralised network in Internet of Things (IoT) could pose a challenge whereas empowered edge counters the challenge with increased security and efficiency (device democracy).

**Democratization of technology:** Democratization of technology refers to the ease of access of technical domain or business expertise without long and expensive learning focused on areas of app development, data

and analysis, design and knowledge. This is an ongoing process of introducing innovation and catering to user demand through a convenient approach, facilitating technology access for a larger number of people (including quicker development).

**Human augmentation:** Human augmentation refers to a process by which a person's physical and cognitive ability is strengthened. It enhances human actions, senses and work by seeing, hearing and haptics through wearables, virtual reality, augmented reality, exo-skeleton and intelligent virtual assistants. These solutions are finding importance across healthcare, military and wearable devices. Its market is set to grow from an estimated USD 70.9 billion in 2019 to USD 206.9 billion by 2024.

**DARQ Age:** DARQ refers to the bundle of combined technologies - Distributed ledger technology (blockchain), Artificial intelligence (AI), Extended reality (virtual and augmented reality) and Quantum computing. Each of these technologies is differentiating business products and operations. DARQ technologies combine digital initiatives and business operations, catalyzing innovation, opportunities and digital transformation. It is reported that 89 percent of businesses are experimenting with one or more DARQ technologies, expecting them to emerge as key differentiators,

VERTICAL  
1

FINTECH



empowering them to increase DARQ investments.

**Distributed Cloud:** Distributed Cloud connects the public Cloud-distributed operation of Cloud services to specific locations. Distribution Cloud is situated closer to the end-user, unlike centralised Cloud. Some examples like fog computing and edge computing have been embraced, enabling users to leverage new technologies to protect data.

**Personal Profiling:** Profiling is the approach of constructing user profiles generated by computerised data analysis. This is enabled by the use of algorithms or techniques that allow the finding of patterns or correlations in large quantities of data, aggregated in databases. This has profound applications in refining price-discrimination, targeted servicing, fraud detection and extensive social sorting.

**AI products:** New verticals of AI are transforming industries. Besides drone and robot delivery, products like AlterEgo, a mind-reading wearable, and first citizen robots like Sophia are revolutionary AI technologies.

**Hyper-automation:** All tedious and time-consuming processes are automated into simpler, seamless and faster processes enabled by AI coupled with machine learning (ML) and Robotic Process Automation (RPA). Hyper-automation may help create a digital twin of the organization (DTO) that digitally highlights every process.

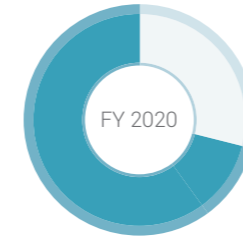
**Multi-experience:** With the sole objective to enrich customer satisfaction, every organization is working towards AI-empowered, conversation-enabled and multi-experiences across touch-points.

**Exponential technology:** Exponential intelligence refers to the building of cognitive capabilities through data interpretation that extends beyond human capacity.

**Quantum computing:** Quantum computing uses the counter-intuitive properties of subatomic particles to process information and perform functions of computation and communicate. By studying and observing individual particles or quantum bits, machines are able to seamlessly solve complex problems.

**Internet of Everything (IoE):** IoE integrates process, people, data, making networked connections relevant and valuable. IoE focuses on intelligent connection unlike the IoT, which predominantly emphasises physical objects communicating with each other. IoE enhances the power of the internet to reach new capabilities and open unprecedented opportunities for individuals, organizations and countries.

**Practical Blockchain:** Blockchain technology, one of the revolutionary inventions, facilitates the solving of problems including inefficiencies in information processing systems. Owing to the potential to reshape industry through trust, transparency and value-addition, organizations are embracing Blockchain.



29% OF COMPANY'S REVENUES DERIVED FROM THIS VERTICAL

Overview

Fintech integrates finance and technology (AI, Blockchain and data science), enhancing automation in financial services and processes. This is one of the fastest emerging technology segments with organizations innovating every aspect of finance: from operations to payments and loans to stock trading. In 2019, North America enjoyed the largest number of fintech start-ups (~5779) followed by Europe, Middle East, Africa (3583) and Asia Pacific (~2589).

Growth drivers

**Emergence of cutting-edge technologies:** Advanced technologies (Blockchain, Artificial Intelligence and cryptocurrency) are disrupting the financial sector enabling the growth of fintech companies.

**Growing demand of digital payments:** All financial institutions are moving towards mobile banking applications to provide customers with seamless and transparent transactions.

**Enriching customer delight:** Companies provide customers with

round-the-clock connectivity coupled with automated voice systems or chatbots.

**Increasing investments in regtech:** Stringent compliance expenses encourage organizations to invest in regtech firms to avoid legal complications.

**Growth of e-commerce industries:** Increased shopping and transactions through e-commerce have propelled the growth of digital payments and e-wallets.

Fintech sector trends

**Hyper-personalization via big data and AI:** Hyper-personalization refers to the approach of processing, storing and deriving customer insight from their social and browsing history. AI observes patterns and translates them into customised one-to-one marketing experiences for customers.

**Automated voice-enabled interfaces:** Chatbots are likely to eliminate human involvement in resolving customer queries and strengthen personal banking. By 2020, chatbots are projected to interact with customers of 85% banks and businesses, improving productivity.

**Blockchain:** Decentralised and distributed processes can be seamlessly integrated with the use of blockchain. The increased trend of frauds and identity theft that cause losses for financial institutions can be saved through this technology. Financial institutions use this technology for smart contracts, digital payments, identity management and trading shares.

**Platform as a Service (PaaS):** To meet the customer's demand and enhancing their convenience and experience, financial institutions are adapting to customised infrastructure that allows them to embrace cloud platforms. This enables team collaboration, resource management, payment processing and credit risk management.

**Cryptocurrency:** Many organizations are figuring out ways to leverage cryptocurrency to address future markets. Stable coins, digital asset management are areas with immense potential of growth. With an increased number of financial institutions looking to diversify across the globe, virtual currencies and crypto lending continue to accelerate growth.

**Blending of conventional institutions and Fintech services:** With the rise of the tech-driven financial space, traditional institutions continue to invest in and acquire Fintech technologies. RegTech coupled with insurtech (insurance tech) and smart contracts are lending ways for the

India: Preferred solution outsourcing destination

**Competitiveness:** The Indian software industry has transformed the face of digital transformation through affordable hourly rates and cost-effective solutions.

**Industry collaboration approach:** The IT sector in India has facilitated a collaborative ecosystem (NASSCOM)

that encourages the development of best practices disseminated across the sector.

**Availability of skilled manpower:** India has a strong base of skilled and talented resources. The IT companies ensure that employees are trained, developed and upgraded with skills

to strengthen their knowledge and solutions.

**Supportive government policies:** The supportive government engagement along with policies, incentives and ease of doing business have resulted in the growth of this industry.



conventional organizations to update their infrastructure and cut long-term costs.

**Emergence of open banking:** Open banking refers to 'open bank data.' This is a practice that enables third party financial service providers to access consumer banking, transaction and other financial data from banks and non-bank financial institutions through the use of application programming interfaces (APIs).

Among other advantages, open banking establishes a strong network of accounts and data across institutions for use by consumers, financial institutions and third-

party service providers, enhancing competition among them.

**Growing cybersecurity investments:** Growing security breaches and billing errors ensure that companies invest in an efficient cybersecurity system. Cybersecurity-related fintech investments grew more than double year-over-year from USD 316.9 million to USD 646.2 million.

**Alternative lending:** Many banking industries refrain from lending funds to small businesses. Fintech is set to address this opportunity through peer-to-peer lending at low-interest rates.

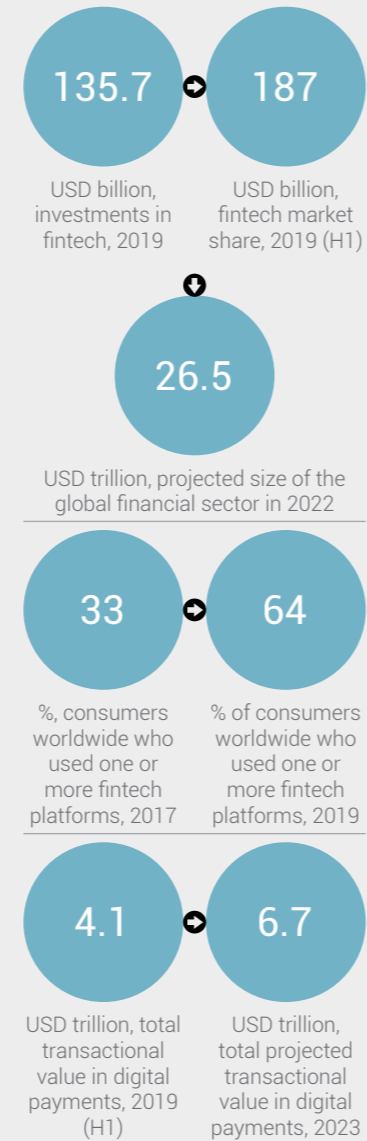
### Saksoft's role

Saksoft leverages its domain expertise to focus on building solutions for clients. The Company ensures a seamless integration of processes, operations, tools, technology and human interventions. This collaborative approach has helped the Company address the financial space through innovation and thought leadership.

### Saksoft's services

- Custom Web Application development
- Mobile application development
  - Mobile cash disbursement
- Application Integration Solutions using API's
  - Electronic Bill presentment and payment solutions
  - Credit Management
- Advanced Analytics Solutions
  - Customer Profiling / Segmentation
  - Fraud Analytics, Forensic Analysis
- AI / ML Solutions
  - AI-based loan approvals
  - ML-based customer segmentation
- Reporting Solutions
  - Investor management reporting solution
  - Single customer view dashboards

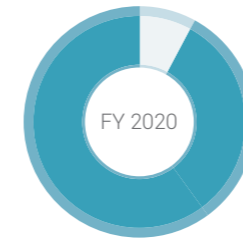
### Fintech sector in numbers



(Source: Financesonline, Statista, EY report, Juniper research, KPMG)

## VERTICAL 2

## HEALTHCARE



8% OF COMPANY'S REVENUE DERIVED FROM THIS VERTICAL

### Overview

In most developed countries, healthcare accounted for more than 10% of GDP with USA accounting for around 18%. The healthcare industry is a significant US industry with per capita healthcare spending of around USD 10,224 being among the highest in the world.

Digital health solutions have created a significant impact in operational costs, quality of care and accuracy of patient information. The use of cutting-edge technologies in the sector is transforming the scenario of medical diagnosis or treatment and creating value across stakeholders.

### Growth drivers

**Shift of financing from private to public markets:** There has been a major shift in the flow of money from private sources such as venture capital (VC) to public financing. VC funding has increased to around USD 7 billion in 2019 with more than 350 health care companies being funded, encouraging them to introduce relevant technological solutions.

**Disease incidence:** There has been a transformation from communicable disease to non-communicable lifestyle-induced diseases (cancer, diabetes and cardiovascular). In 2017 in USA, there were 31.8 million people with diabetes or pre-diabetes and this is expected to increase to 53.1 million in 2025.

**Regulatory innovation acceleration:** The Food and Drug Administration

### Healthcare sector trends

**IoT in healthcare:** There has been a growing demand for real time data by medical professionals to manage chronic diseases catalysed by healthcare technologies comprising the introduction of real-time data. The investments in IoT technology and existing infrastructure made North America a leading market in IoT solutions. The global Internet of Things (IoT) in the healthcare market is anticipated to grow from USD 55.5 billion in 2019 to USD 188.0 billion by 2024.

**Emergence of delivery models:** To maximise value-based care from outcomes-based financial model and data infrastructure, there is a shift from volume to value.

(FDA) took several initiatives to promote innovation and accelerate product development with a focus on data and technology.

**Advanced treatments:** With the growing impact of technology in the health care sector, governments have been supportive of technologies in the sector.

**Personalised service:** The increased growth of technologies has facilitated faster diagnosis, enhanced patient outcomes and personalised services.

**Virtual clinical trials:** Mobile and decentralised clinical trials have increased. The virtual approach is intended to provide services to remote patients by passively collecting patient information and exploring mobile diagnostic capabilities.

Innovations, preferences of patients and government support are enabling health care facilities to move to the virtual space, cutting costs and increasing accessibility.

**Investments on digital interventions:** Various technologies like Blockchain, Artificial Intelligence and Machine learning are major healthcare sector disruptors, resulting in easier, faster and quality diagnosis / treatment.

**Genomics:** AI and ML are set to facilitate genomic medicine. Genomic patient info determines personalised treatment plans and clinical care. The analysis of genes and gene mutations help understand the cause of diseases and solutions to treat conditions.

**Digital Twins:** A Digital Twin is a near real-time replica of life-long data record of an individual in the physical world. This can assist a practitioner to determine the possibilities of a successful outcome of a procedure, help make decisions and manage chronic diseases, thereby improving patient experience.

**Advent of nanomedicine:** Nanomedicine is a type of new medicine that controls individual atoms and molecules at a minute 'nanoscale' of 1 to 100 nanometers. This medicine is set to diagnose, treat and prevent diseases, resulting in better targeting and seamless delivery systems. The global nanomedicine market was estimated at USD284 billion in 2017 and forecast to grow to over USD 350 billion by 2025.

**3D printing technology:** This technology is set to transform the healthcare sector from personalised prosthetics to poly-pills at a lower cost. The global 3D printing healthcare market of USD 973 million in 2018 is forecast to grow to USD 3,692 million by 2026.

**Robot-assisted surgery:** One of the revolutionary technologies which is increasingly used by the doctors to perform delicate and complex procedures is the robot assisted surgery. The device has a camera and mechanical arms that provides a better perspective of the surgical site, more flexibility, control and precision. The global surgical robot market size of

USD 1.46 billion in 2018 is anticipated to reach USD 6.88 billion in 2026.

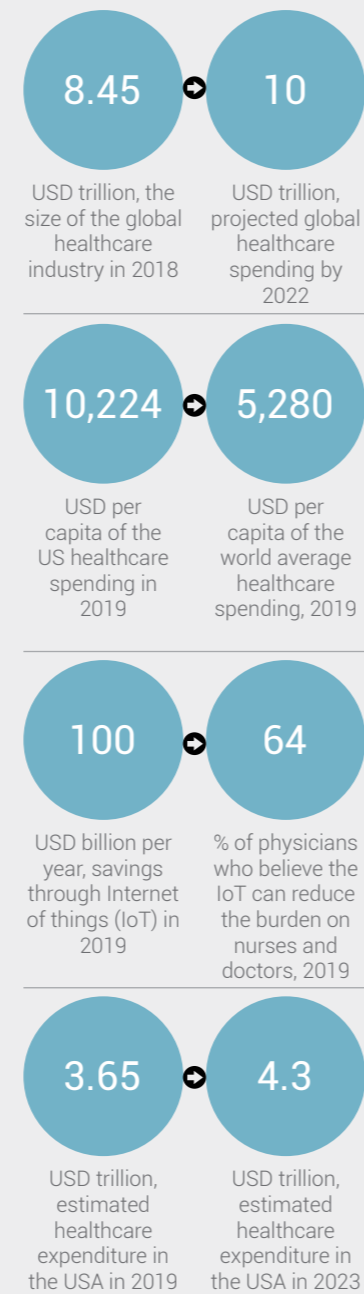
**Wearable medical devices and remote medicine:** Monitoring patients health is a key IoT area. Wearable devices (smart watches and health bands) enable remote monitoring of patient's health, empowering the patient to monitor their own condition. The worldwide wearables market is estimated at around 300 million units in 2019 and expected to reach 500 million units in 2023.

**Chatbots:** Chatbots are software programmed to respond text and auditory questions through the use of machine learning and voice recognition. In order to reduce the growing needs of aging population and burden on physicians, the chatbots are set to witness a huge potential to grow. They are anticipated to reach a level where interactions are indistinguishable from human engagements. The chatbot market of USD 7.17 billion in 2019 is forecast to reach USD 102.29 billion by 2025.

**Plug-in to offer 24/7 appointments:** Plug-ins offer a new functionality to be added to the website with only a few clicks. This enables customised booking of forms on any page of the website, empowering customers to make and easily manage their doctor appointment through devices.

**Increased use of Data-as-a-Platform (Daap):** To extract data of the customer's insight, companies are investing more on this platform.

### Health care sector in numbers



(Source: Pbcinsurancegroup, Deloitte report, Bloomberg, Pnewswire, Markets and markets, Fortune busiess insights, Idc, Mordor intelligence)

Worldwide Wearables Forecast by Product Category including Shipments, Market Share, and 2019-2023 CAGR(shipments in millions)

Product	2019 Ship-ments*	2019 Mar-ket Share*	2023 Ship-ments*	2023 Mar-ket Share*	Five-Year CAGR
Earwear	139.4	45.7%	273.7	56.0%	41.3%
Smart watches	69.3	22.7%	109.2	22.3%	16.4%
Wristbands	68.2	22.4%	69.7	14.3%	6.7%
Other	28.2	9.2%	36.5	7.5%	11.9%
Total	305.2	100.0%	489.1	100.0%	22.4%

Source: IDC Worldwide Quarterly Wearable Device Tracker, December 16, 2019

### Saksoft's role

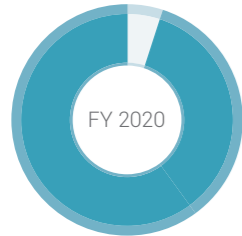
Saksoft focuses on providing comprehensive solutions using the advanced technologies. The Company is respected for its payments integrity for payers, helping provide quality services. The Company provides a variety of services comprising electronic health record maintenance. Saksoft provides end-to-end solutions to customers with the help of strategic decisions and using predictive analysis to facilitate a seamless relationship between customers and the provider.

### Saksoft's services

- EHR integration
- Integrated health monitoring via wearables
- HL7/FHIR enabled provider apps
- MHealth and Remote Care includes Patient Engagement Tools , tele health applications
- Clinical Analytics: Population Health Management ,P4P and value based reports
- Chronic Care Management and Patient portals

VERTICAL  
3

## RETAIL & E-COMMERCE



5% OF COMPANY'S  
REVENUE DERIVED  
FROM THIS VERTICAL

### Overview

The slowdown in the global economy has resulted in declining consumer spending. China, the leader in the e-commerce space, accounts for 54.7% share of the global e-commerce market. The e-commerce revenue in China was estimated at USD 1.935 trillion in 2019 followed by USA, with an estimated USD 587 billion in retail e-commerce sales.

### Growth drivers

**Shift in preference:** Various technologies like predictive analysis, AI and IoT help in understanding buying patterns and trends, resulting in accurate estimation. The interactive interface is facilitating faster and accurate projections.

**Points of Sale:** The entire payment process streamlined due to the emergence of technologies. Reduced waiting time and convenience of buying goods (irrespective of locations and contactless payments) are driving the sector.

**Enriching customer satisfaction:** Personalization and Augmented Reality allows customers to get an enhanced experience of online purchase.

**Increased proliferation of mobile internet:** The adoption of the latest mobile technologies is playing a big role in e-commerce growth. The ease of shopping from anywhere has grown with increased smartphone adoption. Mobile internet penetration along with

increasing disposable income is driving more customers to online mobile shopping, catalyzing e-commerce growth.

**Bank account penetration:** Bank accounts are essential to carry on with the e-commerce purchases. Credit cards, debit cards and mobile wallets are the most popular ways to make online purchases and require bank accounts.

**Inventory management:** Inventory management through automation has resulted in better tracking and stacking of products. Real-time product information and predictive analysis have resulted in making inventory management easier and cheaper (while reducing theft).

**Price auditing:** Companies enjoy the convenience of auditing price by automating price checks when products are scanned, resulting in accurate pricing and saving employee costs/ time.

### Retail and E-commerce sector trends

**Data analytics:** An understanding of demographics and customer traffic enables organizations to forecast and make decisions based on predictions and customise products accordingly.

**Omni-channel retail:** This approach focuses on making use of the right technologies, providing customers products seamlessly and conveniently.

**Personalization:** Personalization is the biggest trend in e-commerce as shopping experiences are based on personal preferences. Companies are embracing cutting-edge technologies for detailed insights.

**Interactive shopping:** This approach includes getting information, insights directly from customers. This is facilitated through the use of Chatbots, live chats, enabling to establish a personalised real-time one-to-one conversation to understand customers.

**Artificial Intelligence:** Artificial Intelligence is encouraging e-commerce companies with recommendation engines, chatbots, virtual assistants and warehouse automation. AI-driven tech enables the companies to understand consumer behaviour and buying patterns. The

Company's ability to predict trends accurately is enabling customers to address demand accurately.

**Augmented Reality:** Augmented Reality helps customers decide before buying products. They can virtually try clothes and take decisions to buy. The Augmented Reality market is estimated to grow from USD 10.7 billion in 2019 to USD 72.7 billion by 2024.

**Anticipatory Shipping:** Imagine your order is on its way, even before you've made an online purchase! Predictive analytics has enabled consumer behavior based anticipatory shipping, which means quick or even same day delivery to consumers.

**Pure play Marketplaces:** e-Commerce platforms will move towards being a pure play marketplace, where they do not charge product commissions but only work on a pay-per-click model. This would mean more transparency between the manufacturer/supplier and consumer

**Drone delivery:** E-commerce organizations are reducing the human intervention in delivering to the last mile. Owing to its cost-efficient and faster delivery model, drones have an immense potential to replace local delivery.

**Sensor data:** Beacon is the most popular sensor placed at strategic locations around stores. These get connected to a customer's Bluetooth-enabled phone and installs the retail

app. The global motion sensor market was pegged at USD 4.5 billion in 2018 and projected to reach USD 8.6 billion by 2024.

**Advanced product filtering:** Advanced product filtering allows shoppers to find the exact match fast. Companies are set to invest more in creating a well-optimised filtering system with different product attributes.

**Counterfeit detection A.I.:** To counter the issue of counterfeit products, companies are using A.I. technology.

**Facial recognition:** This technology helps track customers preference, inspiring a productive store layout. The global facial recognition market of USD 3.2 billion in 2019 is projected to grow USD 7.0 billion by 2024.

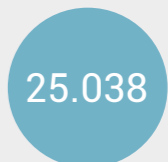
**Cloud services:** Automation of inventory tracking, stack management, shipping details are facilitated by the increased use of cloud computing. The retailers get data from the point of sale and website cookies as well. These are used by them to understand, observe the customer buying patterns with the aid of technologies. The global retail cloud market size of USD 11.89 billion in 2018 is anticipated to reach USD 39.63 billion in 2026.

**Mobile shopping app security:** Online shopping and digital payments are driving companies to invest more in cyber security to protect data and confidential information.

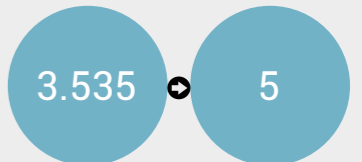
### Saksoft's services

- Social listening (microinfluencers)
- Customer 360\*
- Customer journey tracking
- Storefront solutions
- Logistic solutions which includes Behaviour based inventory optimisation
- E-commerce portal development

### Retail sector in numbers



USD trillion, estimated global retail industry, 2019



USD trillion, estimated global ecommerce market, 2019

USD trillion, projected global ecommerce market, 2021

(Source: Emarketer, ViSenze, Gartner, Biztechmagazine, Fresnobserver, Marketsandmarkets, Prnewswire)

### Saksoft's role

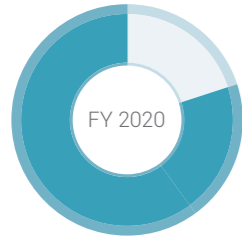
Saksoft leverages technologies- analytics, application development and Cloud - to provide an end-to-end solution for retailers, customers and

employees. Saksoft ensures to deliver a seamless experience with their applications, strengthening prospects.



VERTICAL  
4

## TELECOMMUNICATION



20% OF COMPANY'S  
REVENUE DERIVED  
FROM THIS VERTICAL

### Overview

The global telecom sector (telecom equipment being largest, telecom services being the next largest and wireless communication) is an evolving industry due to the emergence of new technologies and infrastructure.

Emerging market economies continue to be a boon for the industry with growth of the cell phone industry in countries such as China and India strengthening the market of hardware producers.

### Growth drivers

**M&A deals:** Mergers and acquisitions have been a growth driver of the telecom industry. These activities have transformed the telecom sector landscape. America continues to witness a vast number of deals followed by Europe, the Middle East and Africa.

**Cutting edge technologies:** Technologies like AI and ML have the ability to extract data and identify patterns and trends, enabling superior informed decisions with minimal manual intervention. Telecom providers are also increasingly adopting these technologies to identify, predict and mitigate security risks in real time.

**Growing mobile ecosystem:** There is a vast growth in the mobile ecosystem

### Telecom sector trends

**5G and NFV:** 5G and the transforming network infrastructures of NFV are the two major drivers, which are set to transform the sector with faster data speeds and better and wider connectivity. Network functions virtualization (NFV) capabilities is expected to enable network slicing, the architecture that will allow multiple and custom services to be offered to vertical industries.

Post 5G implementation, the industry is projected to witness 1GB access move to 10GB and 10GB aggregation to 100GB to cope with 4G growth and to lay the groundwork for new 5G-bearing core networks.

**Value-added managed services:** Increased competition, shifting

with the rise of IoT. The number of connected things in use this year alone is predicted to hit 14.2 billion and then grow to 25 billion by 2021.

**Conducive telecom policies:** Supportive government initiatives to boost the national broadband deployment projects, long-term evolution (LTE) network roll outs and increased adoption of fibre-to-the-x (FTTx) network are bolstering sectoral growth.

**Security and adoption:** Advanced technologies (VoLTE support in Cat-M1) possess the ability to make voice calls to devices, creating headroom for service providers.

preference of customers and advancing technologies are moderating margins of telecom service providers. Companies are adopting new technologies to stay relevant. Many organizations are outsourcing certain services to partners to capitalise on innovative technologies that may be expensive and time-consuming to build in-house.

**Cybersecurity:** Data privacy and security are a top priority among service providers. To identity theft, financial loss and unauthorised use of sensitive data, companies are investing on the cyber security infrastructure to witness encryption transition from a niche play to a more pervasive technology.

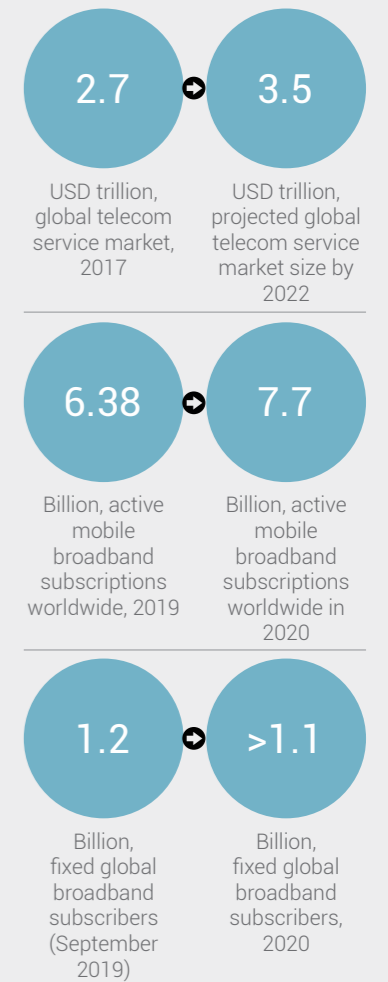
### Saksoft's role

Saksoft possesses strong knowledge directed towards enhanced customer engagement solutions, simplified business operations and predict patterns and preferences in real time. Customised end-to-end solutions and the company's agility have helped strengthen service delivery, enhancing customer delight and loyalty.

### Services provided by Saksoft

- SharePoint development
- Advanced analytics
- Oracle support
- TestingCoE
- Mobile Development
- Cloud Migration Services
- Customer Engagement Solutions
- Automation

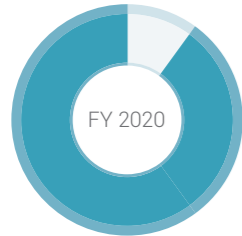
### Telecommunication sector in numbers



(Source: Marketwatch, Statista, Informationage, Businesswire, Digitaltveurope, Knoema)

VERTICAL  
5

## TRANSPORTATION AND LOGISTICS



10% OF COMPANY'S REVENUE DERIVED FROM THIS VERTICAL

### Overview

Conventional logistics players are being reformed by a new era of global connected logistics fueled by technology. Growing importance of operational efficiencies, investments in technology adoption are the major points of focus for the logistics industry. With the objective to enhance customer experience and streamlining operations, freight forwarders are offering innovative online solutions and warehouses are being automated.

### Growth drivers

**Traceability:** For better traceability and transparent supply chain, the organizations are embracing advanced technologies. Along with increased flow of data and its vulnerable nature, they are investing in enhanced cyber security software, making it a business operation imperative.

**Enhanced sustainability:** With an objective to manage hazardous material and reduce carbon emission by the vehicles, organizations are implementing IoT- based fleet management solutions to facilitate optimal route and load management.

**Focus on safety:** Companies ensure that the warehouses and workplaces

are safe for employees. They closely monitor the work in factories and in the case of logistics, the working hours of service of drivers with the help of technology-enabled devices.

**New transportation initiatives:** Emerging markets such as India and ASEAN countries is expected to lead the logistics industry growth in 2019-20, owing to enhanced domestic demand, rapid urbanization and infrastructure developments. The initiatives of government to boost the infrastructure, road connectivity have resulted in the demand for logistics services.

### Transportation and logistics sector trends

**On-demand Logistics:** The logistics industry, just like travel and hospitality, is moving towards on demand logistics. Marketplaces and Aggregators are consolidating ground, air and ocean carriers to serve the needs of global shippers much more efficiently. Shippers will increasingly have access to multiple logistics providers resulting in competitive and dynamic pricing.

**Blockchain:** This emerging technology facilitates decentralised distributed technology to transform business operations, records transactions track assets and create a transparent and efficient system for managing the logistics process. Smart contracts enable enhanced security and operational efficiency in the supply chain, reducing frauds and errors.

**IoT:** IoT is set to revolutionise the transportation system through real-time driving, mapping, and video data. IoT-enabled smart vehicles are programmed to detect blind turns and corners from a distance, identify pedestrians and cyclists and any other road blockages.

**Autonomous transportation:** Drones and self-driving delivery trucks are gradually making its presence felt through improved traffic safety, ability to keep roads safer and on-time delivery, reducing car accidents. The use of autonomous forklifts and robot arms in the modern warehouse enable loading, unloading and transporting goods. Other technologies such as sensors, vision and geo-guidance technology facilitate the logistics workflows.

**Radio-Frequency Identification (RFID) technology:** Transportation tracking through Radio-Frequency Identification (RFID) technology helps in assisting ground-handling agents to track freight, cargo, goods or lost shipments.

**Robotic Process Automation:** End to end automation of workflows with minimal human intervention, delegation of repetitive time-consuming tasks like shipment tracking and customer service will be done by robots. Most of the service requests today are being handled by chatbots.

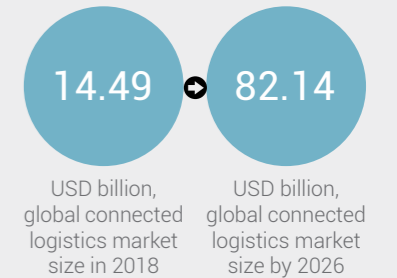
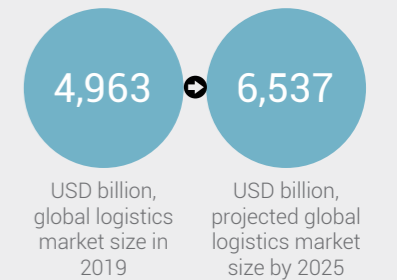
### Saksoft's role

Saksoft has been working in key logistics technology solutions for more than a decade and has a credible work experience. We have been quick to adopt forward-looking technologies to provide an end-to-end supply chain automation, enabling the customers to identify, predict and plan strategically. The Company's strong R&D team makes it possible to establish a prominent position among competitors.

### Saksoft's services

- Freight management Solutions
- IoT-based Fleet Management solutions
- Virtual warehouse management
- EDI integration
- Logistics marketplaces
- Robotic Process Automation
- Chatbots

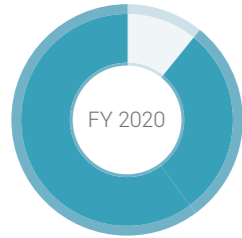
### Transportation and logistics sector in numbers



(Source: Imarcgroup, Fortunebusinessinsights)

VERTICAL  
6

## PUBLIC SECTOR



11% OF COMPANY'S  
REVENUE DERIVED  
FROM THIS VERTICAL

### Overview

The citizens are digital-driven, demanding data to be readily available and accessible to them at any point. The government is taking various initiatives to provide them with low cost plans, enhancing investments.

### Growth drivers

**Automated workflows:** The government is investing in the automation of all operations and work processes to cater to growing public demands for better life quality, saving time and costs.

**Collaborative work management:** To address the expectation of tech savvy citizens, the government is focusing on integrating all entities to improve programs and services or support innovation.

**Increased transparency:** With the help of advanced technology, the government is deploying automation for information-sharing and disseminating performance information, enhancing transparency and trust.

### Public sector trends

**Cyber Security:** The government is undertaking various initiatives to protect from cyber transgression.

**Smart Government and Cities:** Many cities and towns are embracing technologies to enhance operational and service delivery ease. Data is migrated to Cloud, enhancing the ability to manage large volumes. A transportation system app tracks

city buses to provide availability information.

**Cloud Services:** For better management and handling of data, the government is uploading enormous data to Cloud. Government spending on public cloud services could grow 17.1% per year through 2021 coupled with the plan to increase resource allocation, improving cloud services.

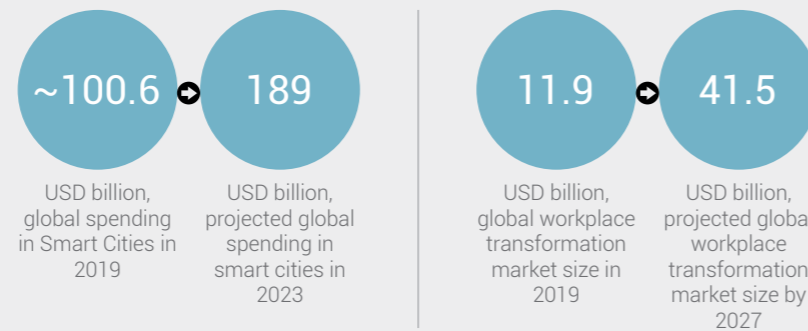
### Saksoft's role

Saksoft provides digital transformation solutions to public sector organizations. The Company facilitates a better management of information systems with applications customised to fit public needs coupled with reduced costs and increased efficiency / sustainability.

### Saksoft's services

- Legacy application modernization solutions
- Intelligent Automation Solutions
- Smart cities – Machine learning & facial recognition from IoT data feeds
- Public Healthcare Solutions
- Advanced Analytics solutions
- Enterprise applications to improve port users operational efficiency
- SharePoint solutions

### The public sector segment in numbers



(Source:Gartner, IDC, Grandview research)

## The Company's overview

Saksoft provides end-to-end digital and customised solutions that enhance customer delight.

### Key financial ratio

Ratio	FY 19-20	FY 18-19
Operating profit margin (%)	17%	17%
PAT margin (%)	11%	11%
Debt-equity ratio	0.13	0.19
Interest cover (x)	11.22	11.89
Return on capital employed (%)	25%	27%
Return on net worth (%)	19%	21%
Debtor's turnover ratio(days)	68.69	66.22
Earnings per share (Rs.)	38.67	36.66

### Internal control systems and their adequacy

The Company's robust and intricate internal control systems ensure there is efficient use and protection of resources and compliance with policies, procedures and statutory requirements. We have developed well-documented guidelines, procedures for authorization and approvals which include processes such as audits. Integral to the overall governance, we have a well-established internal audit frame work which extensively covers all aspects of financial and operational controls, covering all units, functions and departments. The Company also has an efficient financial reporting system in place. Our internal audit team consists of senior members across various functional departments some of whom are also key managerial personnel of Saksoft.



ANNEXURE-9

## Managing risks at Saksoft

Saksoft's consistent growth has been derived from a framework of robust risk management. This framework comprises a culture of proactive risk identification, timely safeguards and effective counter-initiatives. These initiatives have covered the company's scale, geographic presence, portfolio, nature of client engagement and verticals of presence.

Over the years, this framework has been reinforced through an institutionalised process that evaluates risks as an ongoing process, which is documented, discussed and deliberated upon by the relevant management team, senior management and the Board of Directors.



### Regulatory risk

The changes required by the increase in the regulatory compliances by the authorities is proactively managed in Saksoft by the presence of a robust Compliance team.

### Customer loyalty risk

Saksoft is quick in catering to demands of customers resulting in enhanced customer loyalty.

### Technology Obsolescence risk

The forward-looking approach of Saksoft in terms of investment in technologies and the digitalization-centric transformation service that it provides has helped counter technology obsolescence.

### Protectionism risk

Saksoft focuses on increasing resources stationed in India and providing offshore solutions to counter risks related to visa restrictions.

### Currency risk

This is an ongoing risk addressed by Saksoft through hedging strategies.

### Resource retention risk

The risk from an attrition of human capital has been counteracted with the introduction of adequate measures and training to upgrade their skills, enhancing their relevance to the organization and enhancing people stability.

## STANDALONE FINANCIAL STATEMENTS

## Independent Auditor's Report

To  
The Members of  
SAKSOFT LIMITED

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the standalone financial statements of SAKSOFT LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit, total comprehensive income, 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 Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements

and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

#### Key Audit Matters

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

#### Valuation of investments in subsidiaries:

The carrying amount of the company's investments in its subsidiaries, held at cost, amount to Rs.1172.53 million (representing 76 % of the total assets) as at 31st March 2020. The recoverability of these amounts are tested by comparing the carrying value of these Equity Investments of the parent in its subsidiaries, with their respective fair value, derived by the valuation principles prescribed by Ind AS 113 – Fair Value Measurement. In view of the significance of the assumptions underlying the ascertainment of the fair value of the individual investments, valuation of subsidiaries is considered a key audit matter.

#### How the matter was disposed of:

The Management reviews the need for impairment of its investments in its subsidiaries, by comparing the carrying amount of investments with the fair value of such investments derived under the principles contained in Ind AS 113 Fair Value Measurement. In doing so, the amount by which the present value of the free cash flows fall below the carrying value of investments, an impairment provision to that extent is considered in the books. Such provision is reviewed at every subsequent reporting date for necessary adjustments as may be required.

#### Principal audit procedures:

We reviewed the process of impairment assessment and selection of valuation model for deriving the fair value of the Company's equity investments with reference to assumptions

underlying ascertainment of future free cash flows from each Cash Generating Unit and concluded, that, in view of the present values of such cash flows being in excess of the cost of investments carried in parent's books there was no need for diminution in the value of investments carried in the financial statements.

#### Emphasis of Matters

We invite attention to Note No 22 (o) to the financial statements wherein management while concluding no significant impact due to COVID on the current years financial results, has considered internal and external source of information relating to economic forecasts and estimates on realizability of various classes of assets and expects to recover them in full. Management's assumptions and estimates on operational and financial performance of the company would largely depend on future developments as they emerge as stated in the said note. Our opinion is not modified in respect of this matter.

#### Other Information

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Management Discussion and Analysis, Board's Report including Annexures to Board's Report, but does not include the standalone and consolidated financial statements and our respective 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 on information provided 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 financial statements or our knowledge obtained in the audit 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.

### Management's Responsibility for the 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes 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 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 standalone financial statements 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, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an audit 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 will always detect a material misstatement where it exists. Mis-statements 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.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has an adequate internal financial controls system in place and 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 report to the related disclosures in the standalone 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 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 communicate to 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.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2016 ("Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraph 3 and 4 of the Order.
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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss including other comprehensive income, the Standalone Statement of Cash Flows and Statement of Changes in Equity 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 Ind AS specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2020 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended; In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in

accordance with the provisions of section 197 of the Act.

- (h) 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, as amended, 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 on its financial position in its financial statements – Refer Note 22 (a) to the standalone financial statements;
  - ii. The Company has long-term contracts and derivative contracts for which there were no material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **R.G.N. Price & Co.**,  
Chartered Accountants  
Firm registration no.: 002785S

**Mahesh Krishnan**  
Partner

Place: Chennai  
Date: 27th May 2020

Membership No.: 206520  
UDIN No.: 20206520AAAABT6789



## Annexure A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements section our report to the Members of SAKSOFT LIMITED of even date)

- I a. The Company has maintained proper records for its fixed assets showing full particulars including quantitative details and situation of those assets.
- b. The Company has a policy of physically verifying its fixed assets once in two years, which in our opinion is reasonable having regard to the size of the Company and its business. The Company had physically verified the assets during the year and noted no major discrepancies.
- c. According to information and explanations given to us and on the basis of examination of records of the Company, there are no immovable properties held in the name of the Company.
- II In our opinion and according to the information and explanations given to us, having regard to the nature of the Company's business / activities during the year, clause (ii) of paragraph 3 of the Order relating to inventories is not applicable to the company.
- III The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered 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 Section 185 and 186 of the Act in respect of investments made and the Company has not granted any loans to Directors nor has granted any loan or guarantee or security to any company, body corporate or to any person.
- V The Company has not accepted any deposits during the year and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder are not applicable to the Company.
- VI Having regard to the nature of the Company's business / activities, the maintenance of cost records has not been specified by the Central Government under section 148(1) of the Act.
- VII a. The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods & Service tax, cess and other statutory dues applicable to it. There are no arrears of undisputed statutory dues outstanding as at 31st March 2020 for a period of more than six months from the date they became payable.
- b. There are no dues of Income Tax, Sales tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax or Cess which have not been deposited on account of any dispute as at 31st March 2020, except for an amount of 12.58 millions as detailed below:

Name of the Statute	Nature of the dues	Amount involved (Rs in Million)	Amount unpaid (Rs in Million)	Period to which the amount relates to	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	29.56	5.93	A.Y. 2009-10	CIT (Appeals)
Income Tax Act, 1961	Income Tax	20.45	6.56	A.Y. 2010-11	DCIT
Income Tax Act, 1961	Income Tax	11.36	0.09	A.Y. 2011-12	DCIT

- VIII According to the information and explanation given to us, and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowing from financial institutions and banks. The Company has not issued any debentures.
- IX The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. No new term loans have been obtained during the year.
- X During the course of our 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 explanation given to us, we have neither observed any instance of fraud by the Company or any material fraud on the Company by its officers or employees of the Company nor have we been informed of such case by the Management, during the year.
- XI In our opinion and according to the information and explanations given to us, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- XII The Company is not a Nidhi Company and hence, Clause 3(xii) of the Order is not applicable.

- XIII In our opinion and according to the information and explanations given to us, transactions with related parties have been disclosed in the standalone financial statements with details as required by Ind AS 24 "Related Party Transactions". These transactions are in compliance with Section 177 and 188 of the Act.
- XIV The Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures during the year.
- XV According to the information and explanation provided to us and based on our examination of records, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- XVI The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For R.G.N. Price & Co.,  
Chartered Accountants  
Firm registration no.: 002785S

**Mahesh Krishnan**  
Partner

Place: Chennai  
Date: 27th May 2020

Membership No.: 206520  
UDIN No.: 20206520AAAABT6789

## Annexure B to the Independent Auditors' 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 over financial reporting of **Saksoft Limited** ('the Company') as of 31st March 2020 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 Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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). 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 over financial reporting 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' 34) and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention

or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

According to the information and explanations given to us and based on our audit, the Company has in all material respects,

adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For **R.G.N. Price & Co.**,  
Chartered Accountants  
Firm registration no.: 002785S

**Mahesh Krishnan**  
Partner

Place: Chennai  
Date: 27th May 2020

Membership No.: 206520  
UDIN No.: 20206520AAAABT6789

## Balance Sheet

as at 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

Particulars	Note No	Balance As at 31-03-2020	Balance As at 31-03-2019
<b>ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Property, plant and equipment	3	57.68	14.53
(b) Other Intangible assets	4	1.61	1.75
(c) Financial Assets			
(i) Investments	5.1	1,172.53	1,096.04
(ii) Loans	5.2	0.27	0.27
(iii) Others	5.3	12.50	12.47
(d) Deferred Tax Assets (net)	6	15.04	9.95
(e) Other non-current assets	7	-	0.26
<b>2 Current Assets</b>			
(a) Financial Assets			
(i) Trade and other receivables	8.1	168.85	153.38
(ii) Cash and cash equivalents	8.2	7.19	20.10
(iii) Loans	8.3	0.22	0.59
(iv) Others	8.4	54.88	42.20
(b) Current Tax Assets (Net of provisions)		27.76	21.78
(c) Other Current Assets	9	15.92	17.00
<b>TOTAL ASSETS</b>		<b>1,534.45</b>	<b>1,390.32</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share capital	10	104.75	104.75
(b) Other equity	11	1,004.62	795.93
<b>LIABILITIES</b>			
<b>1 Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	12.1	246.95	316.02
(ii) Others	12.2	10.56	-
(b) Provisions	13	23.44	11.25
<b>2 Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	14.1	8.54	73.91
(ii) Trade payables	14.2		
Total outstanding dues of micro enterprises and small enterprises		0.76	1.91
Total outstanding dues of creditors other than micro enterprises and small enterprises		29.73	26.86
(iii) Other financial liabilities	14.3	60.49	20.10
(b) Other current liabilities	15	37.60	33.18
(c) Provisions	16	7.01	6.41
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,534.45</b>	<b>1,390.32</b>

See accompanying Notes to standalone financial statements

Vide our report of even date attached

For R.G.N. Price &amp; Co.,

Chartered Accountants

Firm Registration No: 002785S

Mahesh Krishnan

Partner

Membership No: 206520

Date: May 27, 2020

Place: Chennai

For and on behalf of the Board of Directors

Aditya Krishna

Chairman &amp; Managing Director

DIN.00031345

Ajit Thomas

Director

DIN.00018691

Niraj Kumar Ganeriwal

Chief Financial Officer

S. Muthukrishnan

Company Secretary

## Statement of Profit and Loss

for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

Particulars	Note No	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations		1,158.87	945.42
Other Income	18	126.36	54.15
<b>Total income</b>		<b>1,285.23</b>	<b>999.57</b>
<b>Expenses:</b>			
Employee benefits expense	19	680.28	525.06
Finance costs	20	43.73	43.59
Depreciation and amortization expense	3	37.39	7.87
Support / Third party charges		74.49	78.93
Other expenses	21	92.38	134.97
<b>Total expenses</b>		<b>928.27</b>	<b>790.42</b>
<b>Profit before Tax</b>		<b>356.96</b>	<b>209.15</b>
<b>Tax expense:</b>			
Current Tax	17	66.24	47.31
Deferred Tax	17	(3.83)	(1.21)
<b>Profit / (Loss) for the period</b>		<b>294.55</b>	<b>163.05</b>
<b>Other Comprehensive Income, Net of Tax</b>			
A. (i) Items that will not be reclassified to Statement of Profit or Loss -			
Remeasurement of defined benefit plan (net of taxes)		(3.01)	1.67
B. (i) Items that will be reclassified to Statement of Profit & Loss -			
Changes in fair value of derivative instrument (net of taxes)		(3.32)	2.44
<b>Total Other comprehensive Income for the year</b>		<b>(6.33)</b>	<b>4.11</b>
<b>Total Comprehensive Income for the year</b>		<b>288.22</b>	<b>167.16</b>
<b>Total Profit attributable to Equity Shareholders</b>		<b>294.55</b>	<b>163.05</b>
<b>Earnings per equity share of Rs 10 each</b>			
(1) Basic	22	28.12	15.57
(2) Diluted		28.09	15.51

See accompanying Notes to standalone financial statements

Vide our report of even date attached

For R.G.N. Price &amp; Co.,

Chartered Accountants

Firm Registration No: 002785S

Mahesh Krishnan

Partner

Membership No: 206520

Date: May 27, 2020

Place: Chennai

For and on behalf of the Board of Directors

Aditya Krishna

Chairman &amp; Managing Director

DIN.00031345

Ajit Thomas

Director

DIN.00018691

Niraj Kumar Ganeriwal

Chief Financial Officer

S. Muthukrishnan

Company Secretary



## Statement of Cash Flow

 for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>A. Cash Flow from Operating Activities:</b>		
Profit before tax:	356.96	209.15
Adjustments for:		
Depreciation & amortisation	8.22	7.87
Expenses on employee stock based compensation	-	3.12
(Profit)/Loss on sale of Investments	0.17	(1.18)
Advance no longer payable taken to income	-	(0.38)
Interest and other Income	(0.05)	(0.04)
Dividend Income	(113.06)	(52.50)
Interest and Finance charges	43.73	42.81
<b>Operating Profit before Working Capital / Other Changes</b>	<b>295.97</b>	<b>208.85</b>
(Increase) / Decrease in Trade receivables	(15.40)	(21.34)
(Increase) / Decrease in Other Assets	(11.45)	(34.76)
Increase / (Decrease) in Trade Payables	1.72	(4.82)
Increase / (Decrease) in Other liabilities	50.78	(29.14)
Increase / (Decrease) in Provisions	9.78	6.55
<b>Cash Generated From Operations</b>	<b>331.40</b>	<b>125.34</b>
Income tax paid	(72.22)	(50.42)
<b>Net Cash Flow from Operating Activities</b>	<b>259.18</b>	<b>74.92</b>
<b>B. Cash Flow from Investing Activities:</b>		
Purchase of Property, Plant and Equipment	(51.94)	(8.15)
Proceeds from sale of Property, Plant and Equipment	0.54	-
Purchase of Intangible assets	(0.58)	(0.66)
Interest and other Income	0.05	0.04
Sale / (Purchase) of Current Investments , (net)	-	33.87
Sale / (Purchase) of Non current Investments , (net)	(76.50)	(75.00)
Dividend income Received	113.06	52.50
<b>Net Cash Used in Investing Activities</b>	<b>(15.37)</b>	<b>2.60</b>
<b>C. Cash Flow from Financing Activities:</b>		
Proceeds/ (repayment) of borrowings	(134.43)	30.10
Interest and Finance charges	(43.73)	(42.81)
Dividend paid (including Dividend Distribution Tax)	(78.56)	(47.14)
<b>Net Cash Used in Financing Activities</b>	<b>(256.72)</b>	<b>(59.85)</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents [A+B+C]</b>	<b>(12.91)</b>	<b>17.67</b>
Cash and Cash Equivalents at the Beginning of the Year	20.10	2.43
Cash and Cash Equivalents as at End of the Year	7.19	20.10

## Statement of Cash Flow

 for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

**Note:**

- The above Cash Flow Statement is prepared under Indirect Method as provided by Ind AS 7 "Statement of Cash Flow" notified under Companies (Indian Accounting Standards) Rules, 2015. Figures in brackets represents cash outflow.
- Cash and Cash Equivalents comprise of:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Balance with Schedule banks in current accounts	7.14	20.06
Cash and Cheques on Hand and in-transit	0.05	0.04
<b>Total</b>	<b>7.19</b>	<b>20.10</b>

The notes form an integral part of the Statement of Cash Flow

This is the Statement of Cash Flows referred to in our Report of even date.

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

**Mahesh Krishnan**  
Partner  
Membership No: 206520

Date: May 27, 2020  
Place: Chennai

For and on behalf of the Board of Directors

**Aditya Krishna**  
Chairman & Managing Director  
DIN.00031345

**Ajit Thomas**  
Director  
DIN.00018691

**Niraj Kumar Ganeriwal**  
Chief Financial Officer

**S. Muthukrishnan**  
Company Secretary

## Statement of changes in equity

 for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### (a) Equity Share Capital

Balance as at 1st April 2018	104.75
Add: Shares issued on exercise of employee stock options	-
<b>Balance as at 31st March 2019</b>	<b>104.75</b>
Balance as at 1st April 2019	104.75
Add: Shares issued on exercise of employee stock options	-
<b>Balance as at 31st March 2020</b>	<b>104.75</b>

### (b) Other Equity

Particulars	Reserves and Surplus					Items of Other Comprehensive Income		Total Other Equity
	Capital reserve	General reserve	Securities Premium Reserve	Share Options outstanding reserve	Retained earnings	Financial instruments through Other Comprehensive Income	Remeasurement of Defined benefit plans through Other Comprehensive Income	
Balance as at 1st April 2018	0.21	46.44	90.18	15.70	519.18	0.50	0.56	672.78
Profit for the year	-	-	-	-	163.05	-	-	163.05
Other Comprehensive Income (Net of taxes)	-	-	-	-	-	2.44	1.67	4.11
Cost related to employee share based payments	-	-	-	3.12	-	-	-	3.12
Cash Dividends	-	-	-	-	(47.13)	-	-	(47.13)
<b>Balance as at 31st March 2019</b>	<b>0.21</b>	<b>46.44</b>	<b>90.18</b>	<b>18.82</b>	<b>635.10</b>	<b>2.94</b>	<b>2.24</b>	<b>795.93</b>
Balance as at 1st April 2019	0.21	46.44	90.18	18.82	635.10	2.94	2.24	795.93
Profit for the year	-	-	-	-	294.55	-	-	294.55
Other Comprehensive Income (Net of taxes)	-	-	-	-	-	(3.32)	(3.01)	(6.33)
Cost related to employee share based payments	-	-	-	(3.68)	2.71	-	-	(0.97)
Cash Dividends	-	-	-	-	(78.56)	-	-	(78.56)
<b>Balance as at 31st March 2020</b>	<b>0.21</b>	<b>46.44</b>	<b>90.18</b>	<b>15.14</b>	<b>853.80</b>	<b>(0.38)</b>	<b>(0.77)</b>	<b>1,004.62</b>

See accompanying Notes to financial statements  
Vide our report of even date attached.

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

Mahesh Krishnan  
Partner  
Membership No: 206520

Date: May 27, 2020  
Place: Chennai

For and on behalf of the Board of Directors

Aditya Krishna  
Chairman & Managing Director  
DIN.00031345

Ajit Thomas  
Director  
DIN.00018691

Niraj Kumar Ganeriwal  
Chief Financial Officer

S. Muthukrishnan  
Company Secretary

## Notes forming part of the Financial Statements

 for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### Company Overview and Significant Accounting Policies

#### Note-1: Company Overview

Saksoft Limited('the Company') is a Public Limited Company incorporated and domiciled in India listed with National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange (BSE) and has its registered office at Chennai, Tami Nadu, India.

The Company is a leading player in providing digital transformation solutions to help businesses stay relevant in a highly connected, rapidly evolving world. Saksoft is a niche technology specialist that provides a comprehensive suite of business transformation, information management, application development and testing services. Saksoft helps their clients level the playing field by helping them transform their business spaces.

The financial statements were authorized for issue by the Company's Board of Directors on 27th May 2020.

#### Note-2: Significant accounting policies

##### a. Basis of preparation of financial statements

The financial statements in all material aspects have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as applicable.

##### b. Basis of measurement

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

- Derivative financial instruments;
- Certain financial assets and liabilities measured at fair value
- Share based payments; and
- Defined benefit plans and other long-term employee benefits

##### c. Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the reported amounts of revenues and expenses, balances of assets and liabilities, and disclosure of contingent liabilities as at the date of the financial statements. Actual results could differ from those estimates. Accounting estimates could change from period to period. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in notes to financial statements. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have most significant effects on the amounts recognized in the financial statements is included in the following notes:

##### Revenue Recognition

The Company uses the percentage of completion method in accounting for its fixed price contracts. Use of the percentage of completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the estimated total efforts or costs to be expended, as applicable. Provisions for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the estimates at the reporting date.

## Notes forming part of the Financial Statements for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### Income Taxes

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

### Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and its residual value at the end of its life. Useful life and residual value of an asset is determined by the Management at the time an asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

### Employee Benefits

The company's defined benefit obligation to its employees and net periodic defined benefit cost / income requires the use of certain assumptions, including, among others, estimates of discount rates and expected return on plan assets. Changes in these assumptions may affect the future funding requirements of the plans. Actuarial gains / losses are recognized in Other Comprehensive Income. The sensitivity analysis for changes in estimates is disclosed under relevant Notes.

### Other estimates

The Company estimates the probability of the collection of the accounts receivable by analysing historical payment of patterns and customer credit worthiness. Stock compensation expense is determined based on the company's estimate of exercise pattern of equity instruments that vests with the employees. Estimates with regard to deferred taxes and provisions are made based on the extent of uncertainty prevalent on the date of financial statements, which may cause material adjustment to the carrying amounts of assets and liabilities.

### d. Revenue recognition

The Company derives revenue primarily from software development and related services. Revenue is measured at the fair value of the consideration received or receivable.

Revenue disclosed is net of discounts and Goods and service tax. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses. The Company has to apply the principles of revenue recognition to each of the distinct performance obligation and transaction price is recognized for each of the performance obligation of the contract.

The Company recognizes revenue when the performance obligations as promised have been satisfied with a transaction price and when where there is no uncertainty as to measurement or collectability of the consideration. Recognition criteria for various types of contracts are as follows:

#### Time and Material Contracts:

Revenue from time-and-material contracts is recognized based on the time / efforts spent and billed to clients.

#### Fixed-Price Contracts:

In case of fixed-price contracts, revenue is recognized based on percentage of completion basis. Where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

## Notes forming part of the Financial Statements for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### Annual Maintenance Contract:

Revenue from annual maintenance contracts are recognized proportionately over the period in which services are rendered.

### Sale of products:

Revenue from sale of third party software products and hardware is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on physical or electronic dispatch of goods.

Unbilled revenue represents earnings in excess of efforts billed on software development and service contracts as at the end of the reporting period and is included as part of Other Financial Assets.

Unearned revenues represent billing in excess of revenue recognized on software development and service contracts and is included in Other Current Liabilities until the above revenue recognition criteria is met. Advance payments received from customers for whom no services have been rendered are presented as "Advance from customers".

### Other Income

Other income primarily comprises of interest, dividend, foreign exchange gain/loss on financial assets / financial liabilities and on translation of other assets and liabilities. Interest income is recognized in the Statement of Profit and Loss using effective interest method at the time of accrual. Dividend income is recognized in the Statement of Profit and Loss when the right to receive payment is established. Foreign currency gain or loss is reported on net basis and includes gain or loss in respect of concluded forward contracts.

### e. Property, Plant & Equipment

Property, Plant and Equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditure directly attributable to acquisition until the property, plant and equipment are ready for the intended use.

Property, plant and equipment are depreciated / amortized over their estimated useful lives using straight-line method from the date the assets are ready for the intended use. Assets acquired under finance lease and leasehold improvements are amortized over the lower of estimated useful life or primary lease term.

Depreciation on Computer and Office equipment is provided on straight line method over their respective useful lives as prescribed in Schedule II of the Companies Act 2013. In respect of assets other than these, depreciation is provided over the economic useful life determined by technical evaluation. The useful lives of those assets are as under:

Description	Useful Lives (in years)
Lease hold improvement	5
Office Equipment	5
Furniture and fixtures	5
Vehicles	5
Electrical installations	5
Computer equipment	3

Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which Management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013

Depreciation methods, useful life and residual value are reviewed at each reporting date.



**Notes forming part of the Financial Statements** for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

Individual asset costing Rs.5,000/- or less are depreciated in full in the year of purchase.

Gains or losses on disposal are determined by comparing proceeds with the carrying amount.

Cost and related accumulated depreciation are eliminated from the financial statements upon sale of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Capital work-in-progress includes cost of fixed assets that are not ready for their intended use.

Advances paid towards the acquisition of Property, plant and equipment outstanding at each Balance Sheet Date is classified as capital advances under other non-current assets.

**f. Intangible assets and amortization**

Intangible assets are measured at acquisition cost less accumulated amortization and impairment losses, if any. Intangible assets are amortized over their respective estimated useful lives on a straight line basis from the date they are available for use as follows:

Description	Useful Lives
Intellectual property	36 months
Software Costs	60 months

Self-generated intangible assets are generally not capitalized.

The estimated useful life of an intangible asset is based on factors including obsolescence and the level of maintenance expenditure required to obtain the expected future cash flows from the asset.

**g. Leases**

The Company adopted Ind AS 116 - "Leases" from 1st April 2019 using the Modified Retrospective Approach. In accordance with the Modified Retrospective Approach, a Right to Use asset equal to the lease liability in the Balance Sheet immediately before the date of initial application has been recognized on the date of initial application and the comparatives have not been retrospectively adjusted.

A lessee recognizes assets and liabilities for both operating and finance leases with a term of more than twelve months, unless the underlying asset is of low value. Lease liability is recognized as the present value of minimum lease payment (including the escalation clause as per the lease agreement) outstanding as at the date of the Balance Sheet immediately prior to the date of initial application.

The right to asset so recognized are depreciated over the lease term on a straight line basis and the lease payment are made at respective intervals and the present value of lease liability is remeasured at every reporting period and accounted for as interest expense.

Short term leases and low value leases have been exempted from lease accounting. These leases have been accounted by debit to the Statement of the Profit and Loss as and when the lease rentals are paid.

**h. Impairment****Non-financial assets**

The Company assesses at each balance sheet date whether there is any indication that a carrying amount of a non-financial asset or a group of non-financial assets may not be recoverable and hence require to be impaired. If any such indication exists, the Company estimates the recoverable amount of these assets. Recoverable amount is the higher of an asset's fair

**Notes forming part of the Financial Statements** for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

value adjusted for costs of disposal and the value in use. If such recoverable amount of these assets or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. This reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the Balance Sheet date, there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at such reassessed recoverable amount subject to a maximum of carrying value of the asset. Non-financial assets (other than Goodwill) that are already impaired are reviewed for possible reversal of impairment provision at the end of every reporting period.

**Financial assets**

Receivables: The Company follows 'simplified approach' for recognition of impairment loss on trade receivables, whereby, it recognizes impairment loss allowances based on life time expected credit loss at each reporting period from its initial recognition.

Other financial assets: For all other financial assets, expected credit losses (ECL) are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case the same is measured at lifetime ECL.

Impairment gain or loss recognized in the Statement of Profit and Loss is the difference between loss allowance reassessed on the reporting date and that determined on the immediately preceding reporting date.

**i. Investments**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non-current.

- Non-current investments in subsidiaries, associates and joint ventures are stated at cost and any decline other than temporary in the value of these investments is recognized in the Statement of Profit and Loss.
- Other non-current investments are stated at their fair value.
- Current investments are stated at their fair value.

On disposal of investments, the difference between proceeds and the carrying amount is recognized in the Statement of Profit and Loss.

**j. Derivative financial instruments**

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in foreign exchange rates on foreign currency assets or liabilities and forecasted cash flows denominated in foreign currencies. The counterparty for these contracts is generally a bank.

Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in the Statement of Profit and Loss.

**Cash flow hedges**

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and presented within equity in the cash flow hedging reserve to the extent that the hedge is effective.

To the extent that the hedge is ineffective, changes in fair value are recognized in the statement of profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then

## Notes forming part of the Financial Statements for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the related forecasted transaction.

### Others

Changes in fair value of foreign currency derivative instruments not designated as cash flow hedges and the ineffective portion of cash flow hedges are recognized in the Statement of Profit and Loss and reported within foreign exchange gains/ (losses).

### k. Non-derivative financial instruments

#### INITIAL MEASUREMENT:

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measure at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognized on trade date.

#### SUBSEQUENT MEASUREMENT:

##### Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business model whose objective is to hold these assets in order 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. Financial assets are subsequently measured at amortized cost using effective interest method, less any impairment losses.

Amortized assets are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

They are presented as current assets except for those maturing later than 12 months after the reporting date, which are presented as non-current assets.

##### Financial assets at fair value through other comprehensive income: (FVTOCI)

Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets 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.

##### Financial assets at fair value through profit or loss: (FVTPL)

Any financial asset not subsequently measured at amortized cost or at fair value through other comprehensive income, is subsequently measured at fair value through profit or loss. Financial assets falling in this category are measured at fair value and all changes are recognized in the Statement of Profit and Loss.

##### Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination that is subsequently measured at fair value through profit and loss. For

## Notes forming part of the Financial Statements for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for De-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

### Fair value hierarchy:

The company's policy on Fair Valuation is stated below.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - The fair value of financial instruments traded in active markets (such as publicly traded securities) is based on quoted (unadjusted) market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price.

Level 2 - The fair valuation of instruments not traded in active markets is determined using valuation techniques. These valuation techniques maximize the use of observable market data and minimize the use of entity specific estimates (All significant inputs to the fair value measurement is observable)

Level 3 - Valuation techniques for one or more significant inputs to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### l. Foreign Currency Translation

#### Functional and Presentation Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (i.e. the "functional currency). The functional currency of the Company is the Indian Rupee. These financial statements are presented in Indian Rupee.

#### Foreign currency Transactions and Balances

Foreign current Transactions are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of foreign - currency denominated monetary assets and liabilities into the relevant functional currency at exchange rates in effect at the reporting date are recognized in the Statement of Profit and Loss and reported within foreign exchange gains / (losses).

Non-monetary assets and liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

### m. Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders. Interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

**Notes forming part of the Financial Statements** for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

**n. Cash and Cash equivalents**

Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage. For the purpose of presentation in the Statement of Cash flows, cash and cash equivalents include cash on hand, deposits held at call with Banks, other short-term, highly liquid investments with original maturities of three months or less and that are readily convertible to known amounts of cash which are subject to an insignificant change in value.

Statement of cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**o. Employee benefits****Defined Contribution Plans**

The Company pays Provident Fund contributions payable to the recognized provident fund. The contributions are accounted for as defined contribution plans and recognized as employee benefit expense in the Statement of Profit and Loss.

**Defined Benefit Plans**

The company provides a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company as per the provisions of the Payment of Gratuity Act, 1972. The Company makes contributions to a fund administered and managed by the Saksoft Employees' Gratuity Trust to fund the gratuity liability.

The liability or asset recognized in the Balance Sheet in respect of a defined gratuity plan is the present value of defined benefit obligation at the end of the reporting period less the fair value of plan assets. Gratuity liability is a defined benefit obligation and is recorded based on actuarial valuation using the projected unit credit method made at the end of the year.

The present value of defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The gratuity liability and net periodic gratuity cost is actuarially determined after considering discount rates, expected long term return on plan assets and increase in compensation levels.

Remeasurement gains or losses arising from Experience Adjustments and changes in actuarial assumptions are recognized in the period they occur, directly in the Other Comprehensive Income. They are included in the statement of changes in equity and in the Balance Sheet. Remeasurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to Statement of Profit or Loss in subsequent periods.

Changes in present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the Statement of Profit and Loss.

**Other short term Employee Benefits**

As per the employment policy of the Company, employees are required to avail their annual leave by the end of the respective calendar year. At the end of the financial year, the Company accounts for the remaining short term compensated absences. Liability towards leave encashment is recognized in the Statement of Profit and Loss.

Undiscounted liability of performance incentive is recognized during the period when the employee renders the services, based on management estimate.

**Notes forming part of the Financial Statements** for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

**Share-based payments**

Employees of the Company receive remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of the grant arrived at by using the Black-Scholes Model valuation and recognizes the cost (net of estimated forfeitures) over the vesting period.

The equity instruments generally vest in a graded manner over the vesting period. The stock compensation expense is determined based on company's estimate of equity instruments that will eventually vest and be exercised. The expenses in respect of the above share based payment schemes is recognized over the vesting period in the Statement of Profit and Loss with a corresponding adjustment to the share based payment reserve, a component of equity.

**p. Taxation**

Income-tax expense comprises current tax (amount of tax for the period determined in accordance with The Income Tax law) and deferred tax charge or credit (reflecting the tax effects of temporary differences between tax bases of assets and liabilities and their carrying amounts in the financial statements). Taxes are recognized in the Statement of Profit and Loss except to the extent it relates to items directly recognized in equity or in the Other Comprehensive Income.

**Current tax**

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

**Deferred Income Tax**

Deferred income tax is recognized using the Balance Sheet Approach. The corresponding deferred income tax liabilities or assets are recognized for deductible and taxable temporary differences between tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets are recognized only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax income liabilities are recognized for all taxable temporary differences.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the deferred income tax asset to be utilized.

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

**q. Earnings per share**

Basic earnings per share ('EPS') amounts are computed by dividing the net profit or loss after tax, for the year, by the weighted average number of shares outstanding during the year.

For the purpose of calculating Diluted earnings per share, amounts are computed by dividing the net profit or loss after tax for the year by the weighted average number of shares outstanding during the year considered for computation of Basic EPS and also adjusted for the effects of all measurable dilutive potential equity shares.



## Notes forming part of the Financial Statements for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

The shares issued to the Saksoft Employees Welfare Trust have been considered as outstanding for Basic EPS purposes. For diluted EPS purpose, the shares, which are not yet eligible for exercise, have also been considered as outstanding to the extent these shares are dilutive.

### r. Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred and subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in Statement of Profit and Loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after reporting period.

### s. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

### t. Segment Reporting

Operating segments are reported in a manner consistent with internal reporting provided by the Chief Operating Decision Maker.

### u. Provisions and Contingent liabilities

A provision is recognized when an enterprise has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, in respect of which the amount can be reliably estimated. Provisions are not discounted to its 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 estimate.

A disclosure for contingent liability is made when there is a possible obligation that arises from the past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company and that may, but not probable that an outflow of resources would be required to settle the obligation. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

## Notes forming part of the Financial Statements for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 3. PROPERTY, PLANT and EQUIPMENT

#### Reconciliation of the gross carrying amounts and net carrying amounts at the beginning and at the end of the year

Particulars	Plant & Machinery	Leasehold improvements	Computers	Office equipments	Electrical Installations	Furniture & Fixings	Motor Vehicles Owned	Motor Vehicles Leased	Right of Use Asset	Total
<b>Gross carrying value</b>										
At April 1, 2018	10.42	25.16	47.00	9.71	10.18	18.22	0.22	1.65	-	122.56
Additions	-	-	4.15	1.84	1.74	0.42	-	-	-	8.15
Disposals / adjustments	-	-	-	-	-	-	-	-	-	-
At March 31, 2019	10.42	25.16	51.15	11.55	11.92	18.64	0.22	1.65	-	130.71
At April 1, 2019	10.42	25.16	51.15	11.55	11.92	18.64	0.22	1.65	65.17	195.88
Additions	-	2.63	7.45	0.93	0.69	0.28	-	-	3.39	15.37
Disposals / adjustments	1.33	-	2.21	0.13	1.34	0.90	-	1.65	-	7.56
At March 31, 2020	9.09	27.79	56.39	12.35	11.27	18.02	0.22	-	68.56	203.69
<b>Accumulated depreciation</b>										
At April 1, 2018	10.36	25.16	41.21	7.56	8.37	15.33	0.13	0.85	-	108.97
Depreciation expense	0.01	-	4.02	1.07	0.67	0.85	0.04	0.55	-	7.21
Disposals / adjustments	-	-	-	-	-	-	-	-	-	-
At March 31, 2019	10.37	25.16	45.23	8.63	9.04	16.18	0.17	1.40	-	116.18
At April 1, 2019	10.37	25.16	45.23	8.63	9.04	16.18	0.17	1.40	-	116.18
Depreciation expense	0.01	0.07	4.21	1.14	1.02	0.79	0.02	0.23	29.17	36.66
Disposals / adjustments	1.33	-	2.20	0.13	1.34	0.20	-	1.63	-	6.83
At March 31, 2020	9.05	25.23	47.24	9.64	8.72	16.77	0.19	-	29.17	146.01
<b>Net carrying value March 31, 2020</b>	0.04	2.56	9.15	2.71	2.55	1.25	0.03	-	39.39	57.68
<b>Net carrying value March 31, 2019</b>	0.05	-	5.92	2.92	2.88	2.46	0.05	0.25	-	14.53

Note: The above assets are charged to the banks for various credit facilities availed by the company. Refer Note. 12.1 and 14.1

**Notes forming part of the Financial Statements** for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

**4. OTHER INTANGIBLE ASSETS**

Particulars	Intellectual property	Acquired Computer Software	Total
<b>Gross carrying value</b>			
At April 1, 2018	4.50	24.17	28.67
Additions	-	0.66	0.66
Disposals / adjustments	-	-	-
At March 31, 2019	4.50	24.83	29.33
At April 1, 2019	4.50	24.83	29.33
Additions	-	0.58	0.58
Disposals / adjustments	-	-	-
At March 31, 2020	4.50	25.41	29.91
<b>Accumulated amortization</b>			
At April 1, 2018	4.50	22.42	26.92
Amortisation expense	-	0.66	0.66
Disposals / adjustments	-	-	-
At March 31, 2019	4.50	23.08	27.58
At April 1, 2019	4.50	23.08	27.58
Amortisation expense	-	0.72	0.72
Disposals / adjustments	-	-	-
At March 31, 2020	4.50	23.80	28.31
Net carrying value March 31, 2020	-	1.61	1.61
Net carrying value March 31, 2019	-	1.75	1.75

**Notes forming part of the Financial Statements** for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

**NON-CURRENT ASSETS****5.1. FINANCIAL ASSETS - NON-CURRENT INVESTMENTS**

Particulars	Face value (fully paid up)	As at March 31, 2020		As at March 31, 2019	
		No. of shares / units	Cost	No. of shares / units	Cost
1) Investment in equity instruments (unquoted)					
In subsidiary companies					
Saksoft Inc, USA	USD 1	1,95,000	9.24	1,95,000	9.24
Saksoft Pte Limited, Singapore	SGD 1	5,55,002	19.17	5,55,002	19.17
Saksoft Solutions Limited, United Kingdom	GBP 1	50,01,000	434.45	50,01,000	434.45
ThreeSixty Logica Testing Services Private Limited *	INR 10	10,000	389.68	10,000	389.68
DreamOrbit Softech Private Limited#	INR 10	14,150	319.99	11,320	243.50
<b>Total</b>		-	1,172.53	-	1,096.04
Aggregate amount of unquoted investments		-	1,172.53	-	1,096.04
Aggregate amount of impairment in value of investments					-

\* Subsidiary of Three sixty Logica Testing services Pvt Ltd namely Three sixty Logica Testing Services Inc was dissolved during the FY2019-20

#The company acquired the last tranche of 20% in the subsidiary Dream Orbit amounting to Rs. 76,500,000.

**5.2. FINANCIAL ASSETS - LONG TERM LOANS & ADVANCES**

Particulars	As at March 31, 2020	As at March 31, 2019
(unsecured and considered good)*		
Loan to related parties	0.27	0.27
	0.27	0.27

\* Related party balances are presented in Note no. 22 (d)

**5.3. FINANCIAL ASSETS - OTHERS**

Particulars	As at March 31, 2020	As at March 31, 2019
Security Deposit	12.18	12.18
Bank deposits with more than 12 months maturity	0.32	0.29
	12.50	12.47

**Notes forming part of the Financial Statements** for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

**6. DEFERRED TAX ASSETS (Net)**

Particulars	As at March 31, 2020	As at March 31, 2019
Arising from timing difference in respect of:		
Property, Plant and Equipment	5.46	6.74
Retirement Benefits	8.94	4.27
Financial instruments - FVTOCI	0.13	(1.13)
Lease liability	0.51	-
MAT Credit	-	0.07
	<b>15.04</b>	<b>9.95</b>

**7. OTHER NON-CURRENT ASSETS**

Particulars	As at March 31, 2020	As at March 31, 2019
Prepaid expenses	-	0.26
	-	<b>0.26</b>

**CURRENT ASSETS****8.1. FINANCIAL ASSETS - TRADE RECEIVABLES**

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good)*		
Considered good	168.85	153.38
Significant increase in credit risk	-	-
Credit Impaired	-	-
Less: Allowance for credit losses#	-	-
	<b>168.85</b>	<b>153.38</b>

\* Related party balances are presented in Note no. 22 ( d )

# There were no significant expected credit losses , computed based on Lifetime ECL of trade receivables as at 31st March 2020

**8.2. FINANCIAL ASSETS - CASH & CASH EQUIVALENTS**

Particulars	As at March 31, 2020	As at March 31, 2019
a. Cash on hand	0.05	0.04
b. Balances with banks in current accounts and deposit accounts	6.53	19.58
c. Other bank balances #	0.61	0.48
	<b>7.19</b>	<b>20.10</b>

# Other bank balances represent earmarked balances in respect of unclaimed dividends and dividend payable

**Notes forming part of the Financial Statements** for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

**8.3. FINANCIAL ASSETS - LOANS**

Particulars	As at March 31, 2020	As at March 31, 2019
(unsecured, considered good)		
Employee loans and advances	0.22	0.59
	<b>0.22</b>	<b>0.59</b>

**8.4. FINANCIAL ASSETS - OTHERS**

Particulars	As at March 31, 2020	As at March 31, 2019
Security Deposits	1.25	1.26
Forward Contract	(0.52)	3.88
Unbilled revenue	54.15	37.06
	<b>54.88</b>	<b>42.20</b>

**9. OTHER CURRENT ASSETS**

Particulars	As at March 31, 2020	As at March 31, 2019
Balance with statutory Authorities	7.50	10.00
Prepaid expenses	6.09	6.58
Advance to suppliers	2.33	0.42
	<b>15.92</b>	<b>17.00</b>

**10. SHARE CAPITAL**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>A) Authorised, Issued, Subscribed and Fully Paid up Share capital</b>		
<b>Authorised:</b>		
20,100,000 Equity Shares of Rs.10 each	201.00	201.00
<b>Issued &amp; Subscribed &amp; Fully Paid-up:</b>		
10,475,000 Equity Shares of Rs.10 each (March 2020: 10,475,000 shares and March 2019: 10,475,000 shares)	104.75	104.75
<b>Total</b>	<b>104.75</b>	<b>104.75</b>

**B) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year**

Particulars	As at March 31, 2020	As at March 31, 2019
Outstanding as at beginning of the year	1,04,75,000	1,04,75,000
Add: Shares allotted to employees pursuant to ESOP 2009	-	-
Outstanding as at the end of the year	<b>1,04,75,000</b>	<b>1,04,75,000</b>



**Notes forming part of the Financial Statements** for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

**C) Rights attached to Equity shares**

Each share entitles to a pari passu right to vote, to receive dividend and surplus at the time of liquidation

**D) Shares in the company held by each shareholder holding more than 5% shares**

S. No.	Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
		Number of shares held in the company	Percentage of shares held	Number of shares held in the company	Percentage of shares held
1	Aditya Krishna	22,18,640	21.18%	22,18,640	21.18%
2	Sak Industries Private Limited	48,47,715	46.28%	48,47,715	46.28%
3	Saksoft Employees Welfare Trust	5,32,460	5.09%	5,32,460	5.09%
	<b>Total</b>	<b>75,98,815</b>	<b>72.55%</b>	<b>75,98,815</b>	<b>72.55%</b>

**E) Shares reserved for issue under options and contracts [Refer Note - 22(f)]**

S. No.	Number and class of shares reserved for issue	Party in whose favour reserved	Details of contracts/options under which shares reserved for issue
1	During the FY 2019-2020 grant of options were Nil (Net of surrender of options)	Employees	ESOP 2009

**11. OTHER EQUITY**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>a) Capital reserve</b>	0.21	0.21
Any profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments is transferred to capital reserve.		
<b>b) Securities premium reserve</b>	90.18	90.18
Amounts received (on issue of shares) in excess of the par value has been classified as securities premium.		
<b>c) General reserve</b>	46.44	46.44
This represents appropriation of profit by the Company.		
<b>d) Retained earnings</b>	853.80	635.10
Retained earnings comprise of the Company's undistributed earnings after taxes.		
<b>e) Share option outstanding account</b>	15.14	18.82
The share option outstanding account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to share premium upon exercise of stock options by employees. In case of forfeiture, corresponding balance is transferred to retained earnings.		
<b>f) Financial Instruments through other comprehensive income</b>	(0.38)	2.94
Changes in the fair value of equity instruments is recognized in equity instruments through other comprehensive income (net of taxes), and presented within other equity.		
<b>g) Other items of other comprehensive income</b>	(0.77)	2.24
Other items of other comprehensive income consist of re-measurement of net defined liability/asset.		
	<b>1,004.62</b>	<b>795.93</b>

**Notes forming part of the Financial Statements** for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

**NON- CURRENT LIABILITY****12.1. FINANCIAL LIABILITIES- BORROWINGS**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Term Loans From Bank - Secured</b>	16.95	46.02
Secured by pari passu charge on company's unencumbered movable fixed assets and current assets of the company and the personal guarantee of the Managing Director.		
<b>Repayment Terms:</b>		
Repayable in 16 Quarterly installments commencing from March, 2018.		
Rate of interest - 10.00% linked to banks one year MCLR		
Period and amount of continuing default: NIL		
Unsecured, From a related party		
From Sak Industries Private Limited	230.00	270.00
<b>Repayment Terms:</b>		
The Loan is repayable by 30th September 2022.		
Rate of interest - SBI rate prime rate + 1.5%		
	<b>246.95</b>	<b>316.02</b>

**12.2. FINANCIAL LIABILITIES - OTHERS**

Particulars	As at March 31, 2020	As at March 31, 2019
Lease liability	10.56	-
	<b>10.56</b>	<b>-</b>

**13. PROVISIONS**

Particulars	As at March 31, 2020	As at March 31, 2019
Gratuity Payable (Net)*	23.44	11.25
	<b>23.44</b>	<b>11.25</b>

\* Refer Note 22 ( e ) for details of gratuity plan as per Ind AS 19

**CURRENT LIABILITIES****14.1. FINANCIAL LIABILITIES- BORROWINGS**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Cash Credit From Bank - Secured</b>	8.54	73.91
Secured by first charge current assets of the Company and second charge on unencumbered movable fixed assets and the personal guarantee of the Managing Director.		
Rate of interest - 0.50 % plus twelve month MCLR of the bank		
Period and amount of continuing default: NIL		
	<b>8.54</b>	<b>73.91</b>

**Notes forming part of the Financial Statements** for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

**14.2. FINANCIAL LIABILITY- TRADE PAYABLES**

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Payables-Micro,small enterprises*	0.76	1.91
Trade payables - Others #	29.73	26.86
	<b>30.49</b>	<b>28.77</b>

# Related Party Balances are presented in Note no 22 (d)

\* Refer Note No. 22 (h)

**14.3. FINANCIAL LIABILITY- OTHERS**

Particulars	As at March 31, 2020	As at March 31, 2019
Current maturities of long term loans*	29.06	19.38
Current maturities of finance lease obligations	-	0.28
Unclaimed Dividends	0.56	0.44
Lease Liability	30.87	-
	<b>60.49</b>	<b>20.10</b>

\* The details of interest rates, repayment and other terms are disclosed under Note 12.1

**15. OTHER CURRENT LIABILITIES**

Particulars	As at March 31, 2020	As at March 31, 2019
Advance from customers	2.47	2.64
Statutory dues	14.80	10.85
Others - Ascertained liabilities for expenses	20.33	19.69
	<b>37.60</b>	<b>33.18</b>

**16. PROVISIONS**

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for compensated absences	4.01	3.41
Provision for gratuity*	3.00	3.00
	<b>7.01</b>	<b>6.41</b>

\* Refer Note 22 ( e ) for details of gratuity plan as per Ind AS 19

**Notes forming part of the Financial Statements** for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

**17. INCOME TAX****Income tax expense in the statement of profit and loss consists of:**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Current income tax:</b>		
In respect of the current year	66.24	47.31
<b>Deferred tax:</b>		
In respect of the current year	(3.83)	(1.21)
<b>Income tax expense recognised in the statement of profit or loss:</b>	<b>62.41</b>	<b>46.10</b>
<b>Income tax recognised in other comprehensive income</b>		
Current tax arising on income and expense recognised in other comprehensive income	(1.01)	0.69
Deferred tax arising on income and expense recognised in other comprehensive income	(1.26)	0.94
<b>Total</b>	<b>(2.27)</b>	<b>1.63</b>

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit before tax	356.96	209.15
Enacted income tax rate in India	25.17%	29.12%
<b>Computed expected tax expenses</b>	<b>89.84</b>	<b>60.90</b>
<b>Effect of:</b>		
Income that is exempt from tax	(26.54)	(15.29)
Income considered under other heads	-	(0.34)
Expenses that are not deductible in determining taxable profit	2.25	1.03
Income subject to different taxes	(0.59)	-
Disallowance under 14A	1.66	1.71
Depreciation allowance / disallowance under IT Act	(0.38)	(0.01)
Taxes recognised in OCI	(1.01)	-
<b>Income tax expenses recognized in the Statement of Profit and Loss</b>	<b>65.23</b>	<b>48.00</b>

**Calculation of Applicable Tax Rate:**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Basic tax rate	22.00%	25.00%
Surcharge @ 10% (PY 12% ) on the basic tax rate	2.20%	3.00%
Aggregate of tax and surcharge	24.20%	28.00%
Cess @ 4% (PY 4% ) on tax and Surcharge	0.97%	1.12%
<b>Tax Rate applicable</b>	<b>25.17%</b>	<b>29.12%</b>

**Notes forming part of the Financial Statements** for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

**Deferred tax assets / liabilities as at March 31, 2020**

Particulars	As at March 31, 2019	Recognized in Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2020
Property, Plant and Equipment	6.74	(1.28)	-	5.46
Retirement and employee Benefits	4.27	4.67	-	8.94
Financial instruments - FVTOCI	(1.13)	-	-	0.13
Lease Liability	-	0.51	-	0.51
MAT Credit entitlement	0.07	(0.07)	-	-
<b>Total</b>	<b>9.95</b>	<b>3.83</b>	<b>-</b>	<b>15.04</b>

**Deferred tax assets / liabilities as at March 31, 2019**

Particulars	As at March 31, 2018	Recognized in Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2019
Property, Plant and Equipment	6.61	0.13	-	6.74
Retirement and employee Benefits	3.19	1.08	-	4.27
Derivative financial instruments - FVTOCI	(0.19)	-	(0.94)	(1.13)
MAT Credit entitlement	0.07	-	-	0.07
<b>Total</b>	<b>9.68</b>	<b>1.21</b>	<b>(0.94)</b>	<b>9.95</b>

Note: Long term capital loss as computed under the provisions of Income Tax Act, 1961 carried forward amounted to Rs.139.63 million as on the Balance Sheet date on which the Deferred Tax Asset has not been recognised as the probability of reversal of such deferred tax is not certain in the foreseeable future.

**18. OTHER INCOME**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>(A) Income from investments</b>		
Dividends	113.06	52.50
	<b>113.06</b>	<b>52.50</b>
<b>(B) Others</b>		
Exchange Fluctuation (net)	12.38	-
Interest income	0.05	0.04
Interest on fair valuation of security deposits	0.82	0.78
Miscellaneous Receipts	0.05	0.83
	<b>13.30</b>	<b>1.65</b>
	<b>126.36</b>	<b>54.15</b>

**Notes forming part of the Financial Statements** for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

**19. EMPLOYEE BENEFIT EXPENSE**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and wages	628.43	477.66
Contribution to Provident and other funds	32.03	26.13
Share based compensation to employees	-	3.12
Staff Welfare Expenses	19.82	18.15
	<b>680.28</b>	<b>525.06</b>

**20. FINANCE COSTS**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest Expense		
- on loans from banks	8.60	15.09
- on loans from a related party	26.76	26.76
- on fair valuation of security deposits	-	0.78
- on fair valuation of lease liability	7.59	-
Other borrowing cost	0.78	0.96
	<b>43.73</b>	<b>43.59</b>

**21. OTHERS EXPENSES**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Rent	0.86	33.86
Travel and conveyance	19.72	32.76
Insurance	4.77	4.99
Rates and Taxes	4.47	4.80
CSR Expenditure	2.82	1.53
Power and Fuel	9.24	11.13
Repairs to Buildings	14.64	12.67
Repairs to Plant	3.46	3.69
Communication Expenses	4.19	4.44
Loss on Sale of assets	0.17	-
Payment to statutory auditors		
- As Auditors	1.60	1.60
- For Certification	0.12	0.09
- reimbursement of expenses	0.04	0.04
Legal, Professional and consultancy charges	19.80	18.32
Advertisement, Publicity and Sale Promotion	1.05	0.75
Exchange Fluctuation (net)	-	0.15
Miscellaneous expenses	5.43	4.15
	<b>92.38</b>	<b>134.97</b>



**Notes forming part of the Financial Statements** for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

**22. Additional notes****(a) Contingent Liabilities**

Particulars	As at March 31, 2020	As at March 31, 2019
1. Income-tax matters	34.55	34.62

The future cash outflows on items 1 above are determinable only on receipt of the decision or judgment that is pending at various forums and authorities. The company does not expect the outcome of these proceedings to have an adverse material effect on the financial results.

**(b) Finance lease obligations**

Particulars	As at March 31, 2020	As at March 31, 2019
Future obligations for assets taken on lease		
Not later than 1 year	-	0.29
Later than 1 year but not later than 5 years	-	-
	-	0.29
Less: Amounts representing future interest		
Not later than 1 year	-	0.01
Later than 1 year but not later than 5 years	-	-
	-	0.01
Present value of minimum lease rentals		
Not later than 1 year	-	0.28
Later than 1 year but not later than 5 years	-	-
	-	0.28

**(c) Disclosure under Ind AS 116**

Particulars	Year ended March 31, 2020
Depreciation charge for ROU Asset	29.17
Interest expense on lease liability	6.77
Expenses relating to short term leases (need not include the expense relating to leases with a lease term of one month or less)	0.86
Expense relating to leases of low-value assets (not include the expense relating to short-term leases of low-value assets included in above line)	-
Expenses relating to variable lease payments	-
Income from sub-leasing of ROU Asset	-
Total Cash Outflow for leases	33.93
Additions to ROU Assets during the year	3.39
Gains or losses arising from sale and leaseback transactions	-
Carrying amount of right-of-use assets at the end of the reporting period for each asset category	39.39

**Notes forming part of the Financial Statements** for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

**(d) Related party disclosures**

Enterprise which has significant influence	Sak Industries Private Limited and its subsidiaries
Enterprises in which key managerial personnel exercise significant influence	Saksoft Employees Welfare Trust Saksoft Employees Gratuity Trust General Talkies (P) Ltd
Subsidiaries and step down subsidiaries and Joint Venture	Saksoft Inc, USA Saksoft Pte Ltd, Singapore Saksoft Solutions Limited, UK Acuma Solutions Limited, UK Electronic Data Professionals Inc, USA Faichi Solutions LLC, USA ThreeSixtyLogica Testing Services Pvt Ltd, India ThreeSixtyLogica Testing Services Inc, USA* ThreeSixty Logica Testing Services Pte Ltd, Singapore DreamOrbit Softech Pvt Ltd, India DreamOrbit Inc, USA Saksoft Ireland Ltd
Key managerial personnel	Mr Aditya Krishna- CMD Mr Niraj Kumar Ganeriwal-CFO Mr Muthukrishnan- Company Secretary Ms Kanika Krishna – Director
Relatives of Key Managerial Personnel	Ms Avantika Krishna – Employee

\*Three sixty Logica Testing Services Inc. was dissolved during FY-2019-20.

**Transactions entered during the year**

Description	Year ended March 31, 2020	Year ended March 31, 2019
<b>Revenues</b>		
Acuma Solutions Limited, United Kingdom	75.76	80.36
Saksoft Inc, USA	333.78	375.23
Saksoft Pte Limited, Singapore	7.01	10.36
DreamOrbit Inc	5.53	2.28
Faichi Solutions LLC	-	13.30
ThreeSixtyLogica Testing Services Pvt Ltd, India	18.00	18.00
Saksoft Solutions Limited, UK	4.51	10.06
DreamOrbit Softech Pvt Ltd, India	2.45	-
Sak Industries Pvt Ltd	13.50	-

**Notes forming part of the Financial Statements** for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

## Transactions entered during the year (contd...)

Description	Year ended March 31, 2020	Year ended March 31, 2019
<b>Dividend Income</b>		
Saksoft Pte Limited, Singapore	7.62	-
ThreeSixtyLogica Testing Services Pvt Ltd, India	35.00	37.50
DreamOrbit Softech Pvt Ltd, India	70.44	15.00
<b>Reimbursement of expenses (Net)</b>		
Saksoft Solutions Limited, United Kingdom	0.55	1.35
Acuma Solutions Limited, United Kingdom	0.48	-
Saksoft Inc, USA	3.77	5.56
Saksoft Pte Limited, Singapore	0.32	0.50
Sak Industries Pvt Ltd	0.71	0.72
ThreeSixty Logica Testing Services Pvt Ltd	2.44	2.45
<b>Rent Expense</b>		
Sak Industries Private Limited	-	8.64
<b>Support &amp; Third Party Expense</b>		
Dreamorbit Softech Private Limited India	10.58	0.60
<b>Dividend paid</b>		
Sak Industries Private Limited	36.36	21.46
Chairman and Managing Director	16.64	10.33
Chief Financial Officer	0.54	0.32
Saksoft employees welfare Trust	3.99	2.40
<b>Interest on loan</b>		
Sak Industries Private Limited	26.83	26.76
<b>Borrowings/(Repayment), net</b>		
Sak Industries Private Limited	(40.00)	25.00
<b>Payment towards lease liability</b>		
Sak Industries Private Liability	(9.24)	-
<b>Investment/(Redemption) made during the year</b>		
Investment in DreamOrbit Softech India Pvt Ltd	76.50	75.00
Redemption of 5% Redeemable Preference shares of Saksoft Solutions Limited, United Kingdom	-	(32.69)
Remuneration of Key Managerial Personnel	15.63	14.39
Non-Executive Director Commission	0.15	0.10
Non-Executive Director - Sitting Fees	0.24	0.09
Remuneration to relative of KMP	3.35	2.52

**Notes forming part of the Financial Statements** for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

## Year end balances

Description	As at March 31, 2020	As at March 31, 2019
<b>Investments</b>		
Saksoft Inc, USA	9.24	9.24
Saksoft Pte Limited, Singapore	19.17	19.17
Saksoft Solutions Limited, United Kingdom	434.45	434.45
ThreeSixtyLogica Testing Services Pvt Ltd, India	389.68	389.68
DreamOrbit Softech Pvt Ltd	319.99	243.49
<b>Right to Use Asset</b>		
Sak Industries Private Limited	12.60	-
<b>Receivables</b>		
Acuma Solutions Limited, United Kingdom	6.80	6.95
Saksoft Inc, USA	29.10	62.32
Saksoft Pte Limited, Singapore	0.35	1.82
Dreamorbit Inc	0.75	0.86
DreamOrbit Softech Pvt Ltd	0.25	-
<b>Payables</b>		
Dreamorbit Softech Pvt Ltd	2.47	3.07
Sak Industries Pvt Ltd	0.67	-
<b>Loans and advances</b>		
Saksoft employees welfare trust	0.25	0.25
Saksoft employees gratuity trust	0.03	0.03
<b>Borrowings</b>		
Sak Industries Private Limited	230.00	270.00
Lease Liability- Sak Industries Private Limited	13.24	-

## (e) Gratuity

## IMPACT IN THE STATEMENT OF PROFIT AND LOSS:

The expenses charged to the Statement of Profit and Loss for period along with the corresponding charge of the previous period is presented in the table below:

Particulars	Period Ended March 31, 2020	Period Ended March 31, 2019
Current service cost	7.24	6.05
Past service cost	-	-
Administration expenses.	-	-
Interest on net defined benefit liability / (asset)	0.94	0.66
(Gains) / losses on settlement	-	-
<b>Total expense charged to Statement of profit and loss</b>	<b>8.18</b>	<b>6.71</b>

**Notes forming part of the Financial Statements** for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

**FINANCIAL ASSUMPTIONS AT THE VALUATION DATE:**

Particulars	Period Ended March 31, 2020	Period Ended March 31, 2019
Discount rate (p.a.)	6.30%	7.55%
Salary escalation rate (p.a.)	7.00%	7.00%

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. 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.

**Amount Recorded in Other Comprehensive Income**

The total amount of remeasurement items and impact of liabilities assumed or settled, if any, which is recorded immediately in Other Comprehensive Income (OCI) during the period is shown in the table below:

Particulars	Period Ended March 31, 2020	Period Ended March 31, 2019
Opening amount recognized in OCI outside profit and loss account	(3.02)	(0.66)
Remeasurements during the period due to:		
Changes in financial assumptions	3.93	(0.17)
Changes in demographic assumptions	0.93	(0.24)
Experience adjustments	(1.24)	(2.05)
Actual return on plan assets less interest on plan assets	0.39	0.10
Adjustment to recognize the effect of asset ceiling	-	-
Closing amount recognized in OCI outside profit and loss account	0.99	(3.02)

The following table sets out the status of the gratuity plan.

Particulars	Period Ended March 31, 2020	Period Ended March 31, 2019
Opening of defined benefit obligation	20.93	18.09
Current service cost	7.24	6.05
Past service cost	-	-
Interest on defined benefit obligation	1.44	1.21
Remeasurements due to:		
Actuarial loss / (gain) arising from change in financial assumptions	3.93	(0.17)
Actuarial loss / (gain) arising from change in demographic assumptions	0.93	(0.24)
Actuarial loss / (gain) arising on account of experience changes	(1.24)	(2.05)
Benefits paid	(0.76)	(1.96)
Liabilities assumed / (settled)*	-	-
Liabilities extinguished on settlements	-	-
Closing of defined benefit obligation	32.47	20.93

**Notes forming part of the Financial Statements** for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

The following table sets out the status of the gratuity plan.

Particulars	Period Ended March 31, 2020	Period Ended March 31, 2019
Opening fair value of plan assets	6.68	7.19
Employer contributions	-	1.00
Interest on plan assets	0.50	0.55
Administration expenses	-	-
Remeasurements due to:		
Actual return on plan assets less interest on plan assets	(0.39)	(0.10)
Benefits paid	(0.76)	(1.96)
Assets acquired / (settled)*	-	-
Assets distributed on settlements	-	-
Closing fair value of plan assets	6.03	6.68

**Sensitivity Analysis:**

Gratuity is a defined benefit plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

Particulars	Period Ended March 31, 2020	
	Discount Rate	Salary Escalation Rate
Impact of increase in 50 bps on DBO	1.67	0.79
Impact of decrease in 50 bps on DBO	1.81	1.67

**Disaggregation of Plan Assets**

	Total
Property	-
Government Debt Instrument	-
Other Debt Instrument	-
Equity Instruments	-
Insurer managed funds	6.03
Others	-
	6.03



**Notes forming part of the Financial Statements** for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

The following table sets out the status of the gratuity plan.

Maturity Year	31-Mar-20
2021	3.90
2022	1.45
2023	1.38
2024	1.64
2025	2.05
2026-2031	61.79

**(f) Employee Stock option plans ('ESOP')****ESOP 2006 Plan**

The ESOP 2006 Plan was introduced by the Company in 2006 under which the Company grants options from time to time to employees of the Company and its subsidiaries. This Plan was approved by the Board of Directors in January 2006 and by the shareholders in February 2006. The Plan complies with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and is administered by the Saksoft Employees Welfare Trust ('the Trust') through the Nomination and Remuneration committee. The Trust purchased the shares of the Company using the proceeds of loans obtained from the Company and administers the allotment of shares to employees and other related matters. The eligible employees exercise the options under the terms of the Plan at an exercise price, which equals the fair value on the date of the grant, until which the shares are held by the Trust.

The Company had allotted 582,460 equity shares of Rs.10 each to the Trust to give effect to the ESOP Plan. As at the balance sheet date, the employees have exercised 50,000 options under this Plan and accordingly, 532,460 equity shares of Rs.10 each represent shares held by the Trust. During the year no options have been granted or outstanding under this plan.

**ESOP 2009 Plan**

The ESOP 2009 Plan was introduced by the Company with the consent of the shareholders in 2009 under which the Company grants options from time to time to employees of the Company and its subsidiaries. Further the scheme was amended at the AGM held on 26th September 2014 to increase the exercise period from 5 to 10 years. This Plan complies with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The plan considers an aggregate of 1,500,000 options to be granted and exercised in accordance with the ESOP 2009 plan as approved by the Nomination and Remuneration Committee.

During the year, no options have been exercised under this plan. During the year 3,00,000 shares have been issued to eligible employees at an exercise price of Rs 250.55. During the quarter ended March 31 2020, certain employees have waived their rights towards stock options totaling to 3,40,000 units. Consequently an amount of Rs. 2.75 Million net of tax of Rs. 0.92 Million have been transferred from ESOP reserve to Retained Earnings.

The outstanding options available for exercise under the ESOP 2009 as on 31st March 2020 is 1,85,000 options, which are 100 percent vested.

**Notes forming part of the Financial Statements** for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

The details of the ESOP 2009 Plan are

Particulars	Year ended March 31,			
	2020		2019	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Options outstanding at the beginning of the year	2,95,000	177.55	1,85,000	135.85
Options granted during the year	3,00,000	250.55	1,10,000	247.70
Options exercised during the year	-	-	-	-
Options forfeited during the year	70,000	247.70	-	-
Options lapsed during the year	3,40,000	250.36	-	-
Options outstanding at the end of the year	1,85,000	135.85	2,95,000	177.55
Options vested and exercisable at the end of the year	1,85,000	135.85	1,60,000	133.37

**(g) Earnings Per Share (EPS)**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Earnings</b>		
Net profit for the year (Rs. In million)	294.55	163.05
<b>Shares</b>		
Equity shares as at the balance sheet date	10,475,000	10,475,000
Total number of equity shares the end of the year – Basic	10,475,000	10,475,000
<b>Weighted average number of equity shares outstanding as at the end of the year – Basic</b>	<b>10,475,000</b>	<b>10,475,000</b>
<b>Diluted Shares</b>		
Weighted average number of equity shares outstanding as at the end of the year.	10,475,000	10,475,000
Add: Weighted average number of equity shares arising out of outstanding stock options that have dilutive effect on the EPS	12,065	39,673
<b>Weighted average number of equity shares outstanding during the year – Diluted</b>	<b>10,487,065</b>	<b>10,514,673</b>
Earnings per share of par value Rs.10 – Basic (Rs.)	28.12	15.57
Earnings per share of par value Rs.10 – Diluted (Rs.)	28.09	15.51

**Notes forming part of the Financial Statements** for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

**(h) Dues to Micro and small enterprises**

The Company has initiated the process of obtaining confirmation from suppliers who have registered under the Micro, Small and Medium Enterprises Development Act, 2006.

The information required to be disclosed under the Micro, Small And Medium Enterprises Development Act, 2006 ("the MSMED Act") has been determined to the extent such parties have been identified on the basis of information received from such parties and available with the Company. There are no overdue to parties on account of principal amount and / or interest as disclosed below:

Particulars	March 31, 2020	March 31, 2019
The principal amounts and interest overdue thereon, remaining unpaid to any supplier at the end of each accounting year		
- Principal	-	-
- Interest	-	-
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006	-	-
The amount of the payments made to suppliers beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years until such dates when the interest due above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	-	-

**(i) Dividend**

The Board of Directors have recommended two interim dividends during the financial year 2019-20 totaling to Rs 4.50 per equity share. The 2nd Interim dividend on equity shares declared and paid shall be considered as Final Dividend for the financial year 2019-20. The total dividend paid on equity shares for the current year is Rs. 4.50 per share as against Rs.4.00 per share for the previous year. This has resulted in a cash flow of Rs 47.10 million plus applicable dividend distribution tax.

The Board of Directors at its meeting held on 27th May 2019 had recommended a dividend of 30% (Rs.3.0 per equity share of Rs.10 face value fully paid up). The proposal was approved by the shareholders at the Annual General Meeting held on 12th August 2019. This had resulted in a cash flow of Rs.31.42 million plus applicable dividend distribution tax.

**(j) Disclosure under Ind AS 115****General:**

The entire revenue from operations for the year ended 31st March 2020 and 31st March 2019 related to revenue from software services.

**Disaggregation of revenue:**

Revenue earned by the company is disaggregated by its sources based on geographical location as disclosed in Note 24 (e) to the consolidated financial statements.

**Notes forming part of the Financial Statements** for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

**Information about contract balances**

The company classifies the right to consideration as Trade receivables and unbilled revenue.

Trade receivables are amounts billed to the customer on satisfaction of performance obligation. Unbilled revenue represents revenues in excess of efforts billed on software development and service contracts as at the end of the reporting period and is included as part of Other Financial Assets.

Billing in excess of revenue are classified as unearned revenue. Balances of trade receivables, unbilled revenue and unearned income are available in the relevant Schedules of the financial statements. Trade receivables and unbilled revenue are net of provision in the Balance Sheet.

**Information about performance obligations**

Performance obligations estimates are subject to change and are affected by several factors including change in scope of contracts, its termination, foreign currency adjustments and any other items influencing the measurement, collectability and performance of the contract.

Disclosure relating to remaining performance obligation across all live fixed bid price contracts relate to require the aggregate amounts of transaction price yet to be recognized as at the reporting date and expected timelines to recognize these amounts. In view of the fact that all outstanding contracts have an original expected duration for completion of less than a year no disclosure is warranted.

**(k) Capital Management**

The Company manages its capital to ensure that it will be able to continue as going concerns while maximizing the return to stakeholders through the optimisation of the debt and equity balance. The Company's policy is to maintain a strong capital base so as to maintain investors, creditors and market confidence to sustain future development of the business.

The capital structure of the Company consists of debt and equity as per table below:

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Total equity attributable to equity share holders of the Company</b>	<b>1,109.37</b>	<b>900.68</b>
Current borrowings	37.60	93.57
Non-current borrowings	246.95	316.02
<b>Total debt held by the Company</b>	<b>284.55</b>	<b>409.59</b>
<b>Total capital (Equity and Debt)</b>	<b>1,393.92</b>	<b>1,310.27</b>
<b>Equity as a percentage of total capital</b>	<b>80%</b>	<b>69%</b>
<b>Debt as a percentage of total capital</b>	<b>20%</b>	<b>31%</b>

The Company is predominantly equity financed which is evident from the capital structure table above. The Company's risk management committee reviews the capital structure of the Company on an ongoing basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital.

**Notes forming part of the Financial Statements** for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

**(l) Financial Instruments**

The carrying value and fair value of financial instruments by categories as at March 31, 2020, March 31, 2019 is as follows:

Particulars	Balance as at March 31, 2020	Balance as at March 31, 2019
<b>Financial Assets</b>		
<b>Amortized Cost</b>		
Trade and other receivables	168.85	153.38
Cash and cash equivalents	7.19	20.10
Loans	0.49	0.86
Others financial assets	67.91	50.79
<b>FVTOCI</b>		
Derivative instruments in hedging relationship	(0.52)	3.88
<b>At Cost</b>		
Investments in subsidiaries, associates and joint ventures	1,172.53	1,096.04
<b>TOTAL ASSETS</b>	<b>1,416.45</b>	<b>1,325.05</b>
<b>Financial Liabilities</b>		
<b>Amortized Cost</b>		
Borrowings	255.49	389.93
Trade Payables	30.49	28.77
Other financial liabilities	71.04	20.10
<b>TOTAL LIABILITIES</b>	<b>357.02</b>	<b>438.80</b>

The Management assessment of fair value of cash and short-term deposits, trade receivables and trade payables, bank overdrafts, and other current financial assets and liabilities approximate the carrying amounts largely due to the short-term maturities of these instruments

The Company's derivative financial instruments consist of foreign currency forward exchange contracts. Fair values for derivative financial instruments are based on market observable inputs and are classified as Level 2. The most frequently applied valuation technique include forward pricing model, using present value calculations.

**Fair Value Measurement Hierarchy**

Foreign exchange forward contracts have been measured using Level 2 (Significant observable inputs) - Fair value measurement hierarchy. Balances as at March 31, 2020 and March 31, 2019 amounts to Rs.(0.52) million and Rs.3.88 million respectively. There have been no transfers between Level 1 and Level 2 during the year.

**Foreign Exchange Forward Contracts**

The Company is exposed to foreign currency fluctuations on foreign currency assets / liabilities and forecast cash flows denominated in foreign currency. The use of derivatives to hedge foreign currency forecast cash flows is governed by the Company's strategy, which provides principles on the use of such forward contracts and currency options consistent with the Company's Risk Management Policy. The counterparty in these derivative instruments is a bank and the Company considers the risks of non-performance by the counterparty as insignificant. The Company has entered into a series of

**Notes forming part of the Financial Statements** for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

foreign exchange forward contracts that are designated as cash flow hedges. The Company does not use forward covers and currency options for speculative purposes.

The following table represents the details of Company's forward contracts outstanding:

Particulars	Balance Sheet Exposure - Asset / (Liability)	
	As at March 31, 2020	As at March 31, 2019
Foreign currency forward - USD/INR	(1.18)	3.88
Foreign currency forward - GBP/INR	0.66	-
	<b>(0.52)</b>	<b>3.88</b>

The balance sheet exposure denotes the fair values of these contracts at the reporting date and is presented in millions. The Company presents its foreign exchange forward contracts on a net basis in the financial statements.

Various outstanding foreign currency exchange forward contracts (sell) entered into by the Company which have been designated as Cash Flow Hedges in the respective foreign currency:

Particulars	Amount outstanding in foreign currency	
	As at March 31, 2020	As at March 31, 2019
Foreign currency forward - (USD in Million)	0.80	1.10
Foreign currency forward - (GBP in Million)	0.33	-

**(m) Financial Risk Management**

The Company is exposed to a variety of financial risks; credit risk, liquidity risk and market risk, viz; foreign currency risk and interest rate risk. The Company has a risk management policy to manage & mitigate these risks.

The Company's risk management policy aims to reduce volatility in financial statements and aims to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The Board of Directors reviews and agrees policies for managing each of these risks as summarized below

**Credit risk:**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to the financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and investment securities.

Financial instruments that potentially subject the Company to concentration of credit risk consists of trade receivables, investments, loans, cash and cash equivalents, other balances with banks and other financial assets. The maximum exposure to credit risk is equal to the carrying value of the financial assets. By their nature, all such financial assets involve risks, including the credit risk of non-performance by counterparties.

The Company periodically assesses the credit quality of the counterparties by taking into account their financial position, past experience, ageing of accounts receivables and any other factor determined by individual characteristic of the counterparty.



**Notes forming part of the Financial Statements** for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

The maximum amount of exposure to credit was as follows:

Particulars	Balance as at March 31, 2020	Balance as at March 31, 2019
Investments	1,172.53	1,096.04
Trade receivables	168.85	153.38
Cash and cash equivalents	7.19	20.10
Loans	0.49	0.85
Other financial assets	67.39	54.67
<b>TOTAL</b>	<b>1,416.45</b>	<b>1,325.05</b>

**Trade receivables:**

The Company has used a practical expedient by computing the lifetime expected credit loss allowance for trade receivables based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information. The Company's exposure to customers is diversified. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

**Liquidity Risk:**

Liquidity risk is the risk that the Company will not be able to encounter its financial obligations associated with financial liabilities as they become due. The Company manages its liquidity risk by ensuring, as far as possible, to maintain sufficient liquid funds to meet its liabilities on the due date. The Company consistently generates sufficient cash flows from operations (with adequate reserves) and has access to multiple sources of funding (banking facilities and loans from promoter company) to meet the financial obligations and maintain adequate liquidity for use.

The processes and policies related to such risks are overseen by Senior Management.

Maturity profile of the Company's non-derivative financial liabilities based on contractual payments is as below:

Particulars	Year 1 (Current)	1 - 2 years	2 years and above
<b>As at March 31, 2020</b>			
Borrowings	37.60	246.95	-
Trade Payables	30.49	-	-
Other financial liabilities	11.11	30.87	-
<b>As at March 31, 2019</b>			
Borrowings	93.57	299.06	16.95
Trade Payables	28.77	-	-
Other financial liabilities	0.44	-	-

**Market risk:**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

**Notes forming part of the Financial Statements** for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

**Foreign Currency Risk:**

The fluctuation in foreign currency exchange rates may have potential impact on the Statement of Profit or Loss and Other Comprehensive Income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the Company.

The Company's exchange risk arises from its foreign currency revenues (primarily in U.S. Dollars, British Pound Sterling / Euros and Singapore Dollars). A significant portion of the Company's revenue are in these foreign currencies, while a significant portion of its corresponding costs are in Indian Rupee. As a result, if the value of Indian rupee appreciates relative to these foreign currencies, the Company's revenue measured in Indian Rupee may decrease and vice versa. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future.

The Company periodically determines its strategy to mitigate foreign currency risk. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies.

The following table presents foreign currency risk from non-derivative financial instruments as at each reporting period:

The maximum amount of exposure to foreign currency risk was as follows: (Millions in respective currencies)

Particulars	Balance as at March 31, 2020	Balance as at March 31, 2019
Investments		
In US Dollars	0.20	0.20
In Singapore Dollars	0.56	0.56
In Pound Sterling	5.00	5.00
Cash and cash equivalents		
In US Dollars	-	-
In Pound Sterling	-	-
Trade receivables		
In US Dollars	0.44	0.98
In Singapore Dollars	0.01	0.04
In Pound Sterling	0.07	0.08
In Euro	1.40	0.91
Trade payables		
In Euro	0.10	0.09

**Interest rate risk:**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates arises on Company's debt obligations with floating interest rate.

## Notes forming part of the Financial Statements for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### (n) Corporate Social Responsibility (CSR) Expenditure:

(a) Gross amount required to be spent by the company during the year - Rs.2.82 million

(b) Total amount spent for the financial year: Rs. Nil.

However an amount of Rs. 2.82 mn was spend during the financial year 2019-20, out of which Rs. 0.62 mn pertains to amount to be spent for FY 2017-18 and Rs. 2.19 mn for the previous financial year 2018-19.

### (o) COVID -19

The outbreak of Corona virus (COVID -19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company has evaluated impact of this pandemic on it's business operations and based on its review and current indicators of future economic conditions, there is no significant impact on its year end financial results.

In the preparation of the financial statements the Company has considered the possible effects which may arise from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues, goodwill and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions attributable to this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information, economic forecasts and estimates from market sources on the realisability of these assets. Based on the current estimates, the company expects the carrying amount of these assets will be recovered.

The extent of the impact of COVID-19 on the future operational and financial performance will depend on certain developments, including duration and spread of the outbreak, the future impact on the customers, employees and vendors, all of which are uncertain and cannot be predicted. As the impact of COVID-19, if any, on the future operational and financial performance of the company could be different from management's estimates in this regard, the company will continue to closely monitor any changes as they emerge.

Vide our report of even date attached.

For and on behalf of the Board of Directors

For R.G.N. Price & Co.,

Chartered Accountants

Firm Registration No: 002785S

**Aditya Krishna**

Chairman & Managing Director

DIN.00031345

**Ajit Thomas**

Director

DIN.00018691

**Mahesh Krishnan**

Partner

Membership No: 206520

**Niraj Kumar Ganeriwal**

Chief Financial Officer

**S. Muthukrishnan**

Company Secretary

Date: May 27, 2020

Place: Chennai

# CONSOLIDATED FINANCIAL STATEMENTS

## Independent Auditor's Report

To  
The Members of  
**SAKSOFT LIMITED**

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of **Saksoft Limited** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the consolidated financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements, 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the consolidated financial statements 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 Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance

with these requirements and the ICAI's Code of Ethics. 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 Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### 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, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Test of Impairment in Goodwill:

The Group adopts suitable growth strategies, in respect of both its investment in greenfield projects and additional equity stakes in acquired subsidiaries. Goodwill represented by the excess of cost of investments over the fair value of net assets in acquired entities, is to be tested for impairment, if any, on the date of reporting. The Group carries a sum of Rs 1403.02 million as Goodwill in its consolidated financial statements as at 31st March 2020. The assessment of impairment on Goodwill is considered a Key Audit Matter due to its size of balance (46% of the total assets of the consolidated financial statements) and the significant assumptions made by the Management for determining the fair value based on valuation techniques.

#### How the matter was disposed of:

Goodwill arising upon acquisition of a business is allocated to the Cash Generating Units (CGU) which receive the synergies of such acquisition. Impairment assessment is performed at the end of every reporting period in accordance with the principles of Ind AS 36 on Impairment of Assets. The recoverable amount of each CGU (viz, the subsidiary) is compared with carrying value of assets in the books and any shortfall is provided for with corresponding adjustment to Goodwill in Consolidated Financial Statements.

#### Principal audit procedures:

We assessed Holding Company's internal controls over its annual impairment test and key assumptions applied. We also examined Management's interpretation of reporting units.

The assumptions in support of valuation of entities, furnished by the company was critically examined for reasonableness. We also evaluated the sensitivity in the valuation to the vagaries of assumptions to conclude that recoverable value of investments would not fall below their respective carrying values and accordingly no adjustment was considered necessary for Goodwill carried in the Financial statements as at 31st March 2020.

#### Emphasis of Matters

We invite attention to Note No 24(p) to the consolidated financial statements wherein management while concluding no significant impact due to COVID on the current years financial results, has considered internal and external source of information relating to economic forecasts and estimates on realizability of various classes of assets and expects to recover them in full. Management's assumptions and estimates on operational and financial performance of the Group would largely depend on future developments as they emerge as stated in Note 24(p). Our opinion on the consolidated financial statements in this regard is not modified in respect of the above matter.

#### Other Matters

We did not audit the financial statements / consolidated financial statements / financial information of five subsidiaries and a trust, whose financial statements reflect total assets of Rs.1499 million as at 31st March 2020, total revenues of Rs.3098 million and net cash flows amounting to Rs.41 Million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

#### Other Information

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures

to Board's Report, but does not include the standalone and consolidated financial statements and our respective 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 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.

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

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability



to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

#### Auditor's Responsibility

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and

related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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.

#### Report on Other Legal and Regulatory Requirements

- As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of other auditors on separate financial statements as noted in 'Other Matters' paragraph, we report, to the extent applicable, that:
  - 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;
  - 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 and the report of other auditors.
  - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows 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.
  - In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - On the basis of the written representations received from the directors of the respective company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the companies incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

- With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.
- With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 24 (a) to the consolidated financial statements;
  - The Company has long-term contracts including derivative contracts for which there were no material foreseeable losses;
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.

For **R.G.N. Price & Co.**,  
Chartered Accountants  
Firm registration no.: 002785S

**Mahesh Krishnan**  
Partner

Place: Chennai  
Date: 27th May 2020

Membership No.: 206520  
UDIN No.: 20206520AAAABU8917

## Annexure A to the Independent Auditors' Report

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Saksoft Limited of even date)

### 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 SAKSOFT LIMITED (hereinafter referred to as "Holding Company") as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, which are companies incorporated in India, as of that date..

### Management's Responsibility for Internal Financial Controls

The Boards of Directors of the Holding Company and its subsidiary companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 over financial reporting of the Holding Company and its subsidiary companies, which are companies incorporated in India, 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 Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, 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 adequate internal financial controls over financial reporting 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 adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 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 internal financial controls system over financial reporting of the Holding Company and its subsidiary companies, which are companies incorporated in India.

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting

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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies incorporated in India, have, in all

material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting 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.

### Other Matters

Our aforesaid reports under Section 143(3) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding standalone/consolidated reports of the auditors, as applicable, of such companies incorporated in India.

Our opinion is not modified in respect of these matters.

For R.G.N. Price & Co.,  
Chartered Accountants  
Firm registration no.: 002785S

Mahesh Krishnan  
Partner

Place: Chennai

Date: 27th May 2020

Membership No.: 206520

UDIN No.: 20206520AAAABU8917

**Consolidated Balance Sheet** as at 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

Particulars	Note No	Balance As at 31-03-2020	Balance As at 31-03-2019
<b>ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Property, plant and equipment	3	84.95	21.36
(b) Goodwill on consolidation	4	1,403.02	1,370.63
(c) Other Intangible assets	4	21.72	29.32
(d) Financial Assets			
(i) Loans	5.1	0.03	0.03
(ii) Others	5.2	25.01	20.21
(e) Deferred Tax Assets (net)	6	28.84	15.57
(f) Other non-current assets	7	-	0.47
<b>2 Current Assets</b>			
(a) Financial Assets			
(i) Investments	8.1	55.14	-
(ii) Trade and other receivables	8.2	675.16	649.55
(iii) Cash and cash equivalents	8.3	429.33	400.57
(iv) Loans	8.4	1.40	0.59
(v) Others	8.5	120.04	64.89
(b) Current Tax Assets (Net of provisions)		18.78	13.77
(c) Other Current Assets	9	170.24	198.00
<b>TOTAL ASSETS</b>		<b>3,033.66</b>	<b>2,784.96</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share capital	10	99.43	99.43
(b) Other equity	11	1,962.37	1,653.95
(c) Non-controlling interest		-	48.18
<b>LIABILITIES</b>			
<b>1 Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	12.1	246.95	316.02
(ii) Other financial liabilities	12.2	38.47	6.93
(b) Provisions	13	50.12	29.86
<b>2 Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	14.1	8.54	73.91
(ii) Trade payables	14.2		
Total outstanding dues of micro enterprises and small enterprises		2.44	2.08
Total outstanding dues of creditors other than micro enterprises and small enterprises		227.04	241.14
(iii) Other financial liabilities	14.3	87.00	39.14
(b) Other current liabilities	15	295.25	261.67
(c) Provisions	16	16.05	12.65
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,033.66</b>	<b>2,784.96</b>

See accompanying Notes to financial statements

Vide our report of even date attached

For R.G.N. Price & Co.,  
Chartered Accountants  
Firm Registration No: 002785SMahesh Krishnan  
Partner  
Membership No: 206520  
Date: May 27, 2020  
Place: Chennai

For and on behalf of the Board of Directors

Aditya Krishna  
Chairman & Managing Director  
DIN.00031345Ajit Thomas  
Director  
DIN.00018691Niraj Kumar Ganeriwal  
Chief Financial OfficerS. Muthukrishnan  
Company Secretary**Consolidated Statement of Profit and Loss** for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

Particulars	Note No	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations		3,587.81	3,580.45
Other Income	18	38.94	21.81
<b>Total income</b>		<b>3,626.75</b>	<b>3,602.26</b>
<b>Expenses:</b>			
Employee benefits expense	19	1,814.15	1,654.20
Finance costs	20	51.41	48.04
Depreciation and amortization expense	22	72.71	42.69
Support / Third party charges		898.90	914.03
Other expenses	21	264.51	420.59
<b>Total expenses</b>		<b>3,101.68</b>	<b>3,079.55</b>
<b>Profit before Tax</b>		<b>525.07</b>	<b>522.71</b>
<b>Tax expense:</b>			
Current Tax	17	150.33	146.88
Deferred Tax	17	(11.77)	(6.28)
<b>Profit / (Loss) for the period</b>		<b>386.51</b>	<b>382.11</b>
<b>Other Comprehensive Income, Net of Taxes</b>			
A. Items that will not be reclassified to Statement to Profit or Loss			
Remeasurement of defined benefit plan		(4.25)	1.73
Excess consideration on acquisition on non-controlling interest		-	(45.56)
B. Items that will be reclassified to Statement to Profit & Loss			
Changes in fair value of derivative instrument		(3.33)	2.44
Differences on account of translation of foreign operations		62.55	7.96
<b>Total Other comprehensive Income for the year</b>		<b>54.97</b>	<b>(33.43)</b>
<b>Total Comprehensive Income for the year</b>		<b>441.48</b>	<b>348.68</b>
<b>Profit for the period attributable to:</b>			
Shareholders of Saksoft Limited		384.49	364.52
Non-controlling interest		2.02	17.59
		<b>386.51</b>	<b>382.11</b>
<b>Total Comprehensive income for the period attributable to:</b>			
Shareholders of Saksoft Limited		439.46	331.06
Non-controlling interest		2.02	17.62
		<b>441.48</b>	<b>348.68</b>
<b>Earnings per equity share of Rs 10 each</b>			
(1) Basic	24	38.67	36.66
(2) Diluted		36.67	34.67

See accompanying Notes to standalone financial statements

Vide our report of even date attached

For R.G.N. Price & Co.,  
Chartered Accountants  
Firm Registration No: 002785SMahesh Krishnan  
Partner  
Membership No: 206520Date: May 27, 2020  
Place: Chennai

For and on behalf of the Board of Directors

Aditya Krishna  
Chairman & Managing Director  
DIN.00031345Ajit Thomas  
Director  
DIN.00018691Niraj Kumar Ganeriwal  
Chief Financial OfficerS. Muthukrishnan  
Company Secretary



**Consolidated Statement of Cash Flow** for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>A. Cash Flow from Operating Activities:</b>		
Profit before tax:	525.07	522.71
<b>Adjustments for:</b>		
Depreciation & amortisation	72.71	42.69
Expenses on employee stock based compensation	-	(3.12)
(Profit)/Loss on sale of Investments and fixed assets	-	(0.03)
(Profit)/Loss on redemption of investments	-	(1.18)
Interest and other Income	(0.89)	(1.15)
Dividend Income	(1.11)	(0.68)
Interest and Finance charges	51.41	48.04
Net actuarial gain / loss on defined benefit plan	(4.25)	(2.41)
Unrealised Derivatives	(3.33)	(2.44)
Unrealised exchange fluctuation	-	(2.61)
<b>Operating Profit before Working Capital / Other Changes</b>	<b>639.61</b>	<b>599.82</b>
(Increase) / Decrease in Trade receivables	(18.97)	(60.62)
(Increase) / Decrease in Other Assets	(32.55)	(47.52)
Increase / (Decrease) in Trade Payables	(7.59)	(41.02)
Increase / (Decrease) in Other liabilities	112.99	(32.70)
Increase / (Decrease) in Provisions	23.65	6.09
<b>Cash Generated From Operations</b>	<b>717.15</b>	<b>424.06</b>
Income tax paid	(156.26)	(158.42)
<b>Net Cash Flow from Operating Activities</b>	<b>560.91</b>	<b>265.64</b>
<b>B. Cash Flow from Investing Activities:</b>		
Purchase of Property, Plant and Equipment	(136.30)	(16.61)
Proceeds from sale of Property, Plant and Equipment	-	0.03
Purchase of Intangible assets	7.60	(2.27)
Interest and other Income	0.89	1.15
Sale / (Purchase) of Current Investments , (net)	(55.14)	1.18
Excess net assets acquires on acquisition of Non controlling interest	(76.50)	(58.27)
Payment towards acquisition of business and (Increase)/Decrease on account of goodwill on consolidation	2.24	52.63
Dividend income Received	1.11	0.68
<b>Net Cash Used in Investing Activities</b>	<b>(256.10)</b>	<b>(21.47)</b>

**Consolidated Statement of Cash Flow** for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>C. Cash Flow from Financing Activities:</b>		
Proceeds/ (repayment) of borrowings	(134.43)	(34.75)
Interest and Finance charges	(51.36)	(48.04)
Dividend paid (including Dividend Distribution Tax)	(90.26)	(60.99)
<b>Net Cash Used in Financing Activities</b>	<b>(276.05)</b>	<b>(143.78)</b>
<b>Net Increase in Cash and Cash Equivalents [A+B+C]</b>	<b>28.76</b>	<b>100.37</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>400.57</b>	<b>300.20</b>
<b>Cash and Cash Equivalents as at End of the Year</b>	<b>429.33</b>	<b>400.57</b>

**Note:**

- The above Cash Flow Statement is prepared under Indirect Method as provided by Ind AS 7 "Statement of Cash Flow" notified under Companies (Indian Accounting Standards) Rules, 2015.
- Cash and Cash Equivalents comprise of:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Balance with Schedule banks in current accounts	429.19	400.44
Cash and Cheques on Hand and in-transit	0.14	0.13
<b>Total</b>	<b>429.33</b>	<b>400.57</b>

The notes form an integral part of the Statement of Cash Flow

This is the Statement of Cash Flows referred to in our Report of even date.

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

**Mahesh Krishnan**  
Partner  
Membership No: 206520

Date: May 27, 2020  
Place: Chennai

For and on behalf of the Board of Directors

**Aditya Krishna**  
Chairman & Managing Director  
DIN.00031345

**Ajit Thomas**  
Director  
DIN.00018691

**Niraj Kumar Ganeriwal**  
Chief Financial Officer

**S. Muthukrishnan**  
Company Secretary

## Consolidated Statement of changes in equity

for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### (a) Equity Share Capital

Balance as at 1st April 2018	99.43
Add: Shares issued on exercise of employee stock options	-
<b>Balance as at 31st March 2019</b>	<b>99.43</b>
Balance as at 1st April 2019	99.43
Add: Shares issued on exercise of employee stock options	-
<b>Balance as at 31st March 2020</b>	<b>99.43</b>

### (b) Other Equity

Particulars	Reserves and Surplus						Items of Other Comprehensive Income		Total Other Equity
	Capital reserve	General reserve	Securities Premium Reserve	Share Options outstanding reserve	Retained earnings	Foreign currency translation reserve	Financial instruments through Other Comprehensive Income	Remeasurement of Defined benefit plans through Other Comprehensive Income	
Balance as at 1st April 2018	0.21	48.93	90.18	15.70	1,171.94	52.15	0.50	1.13	1,380.74
Profit for the year	-	-	-	-	364.52	-	-	-	364.52
Other Comprehensive Income (Net of taxes)	-	-	-	-	(45.56)	7.96	2.44	1.73	(33.41)
Cost related to employee share based payments	-	-	-	3.12	-	-	-	-	3.12
Cash Dividends	-	-	-	-	(54.74)	-	-	-	(54.74)
Dividend Distribution Tax	-	-	-	-	(6.25)	-	-	-	(6.25)
<b>Balance as at 31st March 2019</b>	<b>0.21</b>	<b>48.93</b>	<b>90.18</b>	<b>18.82</b>	<b>1,429.90</b>	<b>60.11</b>	<b>2.94</b>	<b>2.86</b>	<b>1,653.95</b>
Balance as at 1st April 2019	0.21	48.93	90.18	18.82	1,429.90	60.11	2.94	2.86	1,653.95
Profit for the year	-	-	-	-	384.49	-	-	-	384.49
Other Comprehensive Income (Net of taxes)	-	-	-	-	-	62.55	(3.33)	(4.25)	54.97
Excess consideration paid towards acquisition of non controlling interest	-	-	-	-	(39.80)	-	-	-	(39.80)
Cost related to employee share based payments	-	-	-	(3.68)	2.71	-	-	-	(0.97)
Cash Dividends	-	-	-	-	(83.07)	-	-	-	(83.07)
Dividend Distribution Tax	-	-	-	-	(7.19)	-	-	-	(7.19)
<b>Balance as at 31st March 2020</b>	<b>0.21</b>	<b>48.93</b>	<b>90.18</b>	<b>15.14</b>	<b>1,687.03</b>	<b>122.66</b>	<b>(0.39)</b>	<b>(1.39)</b>	<b>1,962.37</b>

See accompanying Notes to financial statements  
Vide our report of even date attached.For R.G.N. Price & Co.,  
Chartered Accountants  
Firm Registration No: 002785SMahesh Krishnan  
Partner  
Membership No: 206520Date: May 27, 2020  
Place: Chennai

For and on behalf of the Board of Directors

Aditya Krishna  
Chairman & Managing Director  
DIN.00031345Ajit Thomas  
Director  
DIN.00018691Niraj Kumar Ganeriwal  
Chief Financial OfficerS. Muthukrishnan  
Company Secretary

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### Company Overview and Significant Accounting Policies

#### Note-1: Company Overview

Saksoft Limited ('the Company') is a Public Limited Company incorporated and domiciled in India listed with National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange (BSE) and has its registered office at Chennai, Tami Nadu, India.

The Company is a leading player in providing digital transformation solutions to help businesses stay relevant in a highly connected, rapidly evolving world. Saksoft is a niche technology specialist that provides a comprehensive suite of business transformation, information management, application development and testing services. Saksoft helps their clients level the playing field by helping them transform their business spaces. The consolidated financial statements were authorized for issue by the Company's Board of Directors on 27th May 2020.

The subsidiaries including the step down in the Group considered in the presentation of these consolidated financial statements are:

Name of the subsidiary	Country of incorporation	Percentage of ownership interest
Saksoft Inc	United States of America	100%
<b>Step down subsidiary of Saksoft Inc:</b>		
Nanda Infotech Services Inc (D.B.A Electronic Data Professionals)	United States of America	100%
Faichi Solutions LLC	United States of America	100%
Saksoft Pte Limited	Singapore	100%
Saksoft Solutions Limited	United Kingdom	100%
<b>Step down subsidiaries of Saksoft Solutions Limited</b>		
Acuma Solutions Limited	United Kingdom	100%
ThreeSixty Logica Testing Services Pvt Ltd	India	100%
<b>Step down Subsidiary of ThreeSixty Logica Testing Services Pvt Ltd:</b>		
ThreeSixty Logica Testing Services PTE	Singapore	100%
ThreeSixty Logica Testing Services Inc. (Dissolved during FY2019-20)	United States of America	100%
DreamOrbit Softech Pvt Ltd	India	100%
<b>Step down Subsidiary of DreamOrbit Softech Pvt Ltd:</b>		
DreamOrbit Inc	United States of America	100%

#### Note-2: Significant accounting policies

##### a. Basis of preparation of financial statements

The consolidated financial statements in all material aspects have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as applicable.

The audited financial statements of foreign subsidiaries have been prepared in accordance with the Generally Accepted Accounting Principle of its Country of Incorporation or International Financial Reporting Standards. The differences in accounting policy, if any of the Company and its subsidiaries are adjusted in the consolidated financial statements, if material.

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### b. Basis of measurement

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

- i. Derivative financial instruments;
- ii. Certain financial assets and liabilities measured at fair value
- iii. Share based payments; and
- iv. Defined benefit plans and other long-term employee benefits

### c. Use of estimates

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions that affect the reported amounts of revenues and expenses, balances of assets and liabilities, and disclosure of contingent liabilities as at the date of the consolidated financial statements. Actual results could differ from those estimates. Accounting estimates could change from period to period. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in notes to consolidated financial statements. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have most significant effects on the amounts recognized in the consolidated financial statements is included in the following notes:

#### Revenue Recognition

The Group uses the percentage-of completion method in accounting for its fixed price contracts. Use of the percentage-of-completion method requires the Group to estimate the efforts or costs expended to date as a proportion of the estimated total efforts or costs to be expended, as applicable. Provisions for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the estimates at the reporting date.

#### Income Taxes

The Group's two major tax jurisdictions are India and the U.S., though the Groups also files tax returns in other foreign Jurisdictions. Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

#### Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and its residual value at the end of its life. Useful life and residual value of an asset is determined by the Management at the time an asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

#### Employee Benefits

The Group's defined benefit obligation to its employees and net periodic defined benefit cost / income requires the use of certain assumptions, including, among others, estimates of discount rates and expected return on plan assets. Changes in these assumptions may affect the future funding requirements of the plans. Actuarial gains / losses are recognized in Other Comprehensive Income. The sensitivity analysis for changes in estimates is disclosed under relevant Notes.

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### Other estimates

The Group estimates the probability of the collection of the accounts receivable by analysing historical payment of patterns and customer credit worthiness. Stock compensation expense is determined based on the group's estimate of exercise pattern of equity instruments that vests with the employees. Estimates with regard to deferred taxes and provisions are made based on the extent of uncertainty prevalent on the date of consolidated financial statements, which may cause material adjustment to the carrying amounts of assets and liabilities.

### d. Principles of Consolidation

The Consolidated Financial Statements comprise the financial statements of the parent company and its subsidiaries consolidated for all entities which are controlled by the parent company. Control exists when the parent has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the effective date the control commences and ceases when the control is lost.

For preparation of consolidated financial statements of the Group, the financial statements of the parent company and its subsidiaries have been combined on a line-by-line basis by adding together book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and transactions and resulting unrealized gain/loss. The consolidated financial statements are prepared by applying uniform accounting policies in use by the Group.

The excess / deficit of cost to the parent company of its investment in the subsidiaries over its portion of equity at the respective dates on which investment in such entities were made are recognized in the financial statements as goodwill / capital reserve. The Group tests for impairment of goodwill at each balance sheet date. When the Group identifies that the goodwill has been impaired, the goodwill to the extent impaired is recognized in the Consolidated Statement of Profit and Loss.

Minority Interest in the Net income of the group have been identified and adjusted against the income of the group to arrive at the Net income attributable to the equity shareholders of the Parent Company. Minority Interest in the Net assets of the group have been identified and disclosed separately

### e. Business Combinations and Goodwill

In accordance with the provisions of Ind AS 101 related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from the transition date. As such, Previous GAAP balances relating to business combinations entered into before the transition date, including goodwill, have been carried forward at same values.

Business combinations are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Expense relating to acquisition is generally recognized in the Statement of Profit and Loss as and when the same is incurred.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as financial liability is measured at fair value with changes in fair value recognized in the statement of profit and loss



## Notes forming part of the Consolidated Financial Statements

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Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amounts of the identifiable assets acquired and the liabilities assumed on the acquisition date

### f. Revenue recognition

The Group derives revenue primarily from software development and related services. Revenue is measured at the fair value of the consideration received or receivable.

Revenue disclosed is net of discounts and Goods and service tax. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses. The Group has to apply the principles of revenue recognition to each of the distinct performance obligation and transaction price is recognized for each of the performance obligation of the contract.

The Group recognizes revenue when the performance obligations as promised have been satisfied with a transaction price and when where there is no uncertainty as to measurement or collectability of the consideration. Recognition criteria for various types of contracts are as follows:

#### Time and Material Contracts:

Revenue from time-and-material contracts is recognized based on the time / efforts spent and billed to clients.

#### Fixed-Price Contracts:

In case of fixed-price contracts, revenue is recognized based on percentage of completion basis. Where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

#### Annual Maintenance Contract:

Revenue from annual maintenance contracts are recognized proportionately over the period in which services are rendered.

#### Sale of products:

Revenue from sale of third party software products and hardware is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on physical or electronic dispatch of goods.

Unbilled revenue represents earnings in excess of efforts billed on software development and service contracts as at the end of the reporting period and is included as part of Other Financial Assets.

Unearned revenues represent billing in excess of revenue recognized on software development and service contracts and is included in Other Current Liabilities until the above revenue recognition criteria is met. Advance payments received from customers for whom no services have been rendered are presented as "Advance from customers".

#### Other Income

Other income primarily comprises of interest, dividend, foreign exchange gain/loss on financial assets / financial liabilities and on translation of other assets and liabilities. Interest income is recognized in the Statement of Profit and Loss using effective interest method at the time of accrual. Dividend income is recognized in the Statement of Profit and Loss when the right to receive payment is established. Foreign currency gain or loss is reported on net basis and includes gain or loss in respect of concluded forward contracts.

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### g. Property, Plant & Equipment

Property, Plant and Equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditure directly attributable to acquisition until the property, plant and equipment are ready for the intended use.

Property, plant and equipment are depreciated / amortized over their estimated useful lives using straight-line method from the date the assets are ready for the intended use. Assets acquired under finance lease and leasehold improvements are amortized over the lower of estimated useful life or primary lease term.

Depreciation on Computer and Office equipment is provided on straight line method over their respective useful lives as prescribed in Schedule II of the Companies Act 2013. In respect of assets other than these, depreciation is provided over the economic useful life determined by technical evaluation. The useful lives of those assets are as under:

Description	Useful Lives (in years)
Lease hold improvement	5
Office Equipment	5
Furniture and fixtures	5
Vehicles	5
Electrical installations	5
Computer equipment	3

Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which Management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013

Depreciation methods, useful life and residual value are reviewed at each reporting date.

Individual asset costing Rs.5,000/- or less are depreciated in full in the year of purchase.

Gains or losses on disposal are determined by comparing proceeds with the carrying amount. Cost and related accumulated depreciation are eliminated from the consolidated financial statements upon sale of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Capital work-in-progress includes cost of fixed assets that are not ready for their intended use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet Date is classified as capital advances under other non-current assets.

### h. Intangible assets and amortization

Intangible assets are measured at acquisition cost less accumulated amortization and impairment losses, if any. Intangible assets are amortized over their respective estimated useful lives on a straight line basis from the date they are available for use as follows:

Description	Useful Lives
Intellectual property	36 months
Software Costs	60 months

## Notes forming part of the Consolidated Financial Statements

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Self-generated intangible assets are generally not capitalized.

The estimated useful life of an intangible asset is based on factors including obsolescence and the level of maintenance expenditure required to obtain the expected future cash flows from the asset.

### i. Leases

The Company adopted Ind AS 116 - "Leases" from 1st April 2019 using the Modified Retrospective Approach. In accordance with the Modified Retrospective Approach, a right to use asset equal to the lease liability in the Balance Sheet immediately before the date of initial application has been recognized on the date of initial application and the comparatives have not been retrospectively adjusted.

A lessee recognizes assets and liabilities for both operating and finance leases with a term of more than twelve months, unless the underlying asset is of low value. Lease liability is recognized as the present value of minimum lease payment (including the escalation clause as per the lease agreement) outstanding as at the date of the Balance Sheet immediately prior to the date of initial application.

The right to asset so recognized are depreciated over the lease term on a straight line basis and the lease payment are made at respective intervals and the present value of lease liability is remeasured at every reporting period and accounted for as interest expense.

Short term leases and low value leases have been exempted from lease accounting. These leases have been accounted by debit to the Statement of the Profit and Loss as and when the lease rentals are paid.

### j. Impairment

#### Non-financial assets

The Group assesses at each balance sheet date whether there is any indication that a carrying amount of a non-financial asset or a group of non-financial assets may not be recoverable and hence require to be impaired. If any such indication exists, the Group estimates the recoverable amount of these assets. Recoverable amount is the higher of an asset's fair value adjusted for costs of disposal and the value in use. If such recoverable amount of these assets or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. This reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the Balance Sheet date, there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at such reassessed recoverable amount subject to a maximum of carrying value of the asset. Non-financial assets (other than Goodwill) that are already impaired are reviewed for possible reversal of impairment provision at the end of every reporting period.

#### Financial assets

Receivables: The Group follows 'simplified approach' for recognition of impairment loss on trade receivables, whereby, it recognizes impairment loss allowances based on life time expected credit loss at each reporting period from its initial recognition.

Other financial assets: For all other financial assets, expected credit losses (ECL) are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case the same is measured at lifetime ECL.

## Notes forming part of the Consolidated Financial Statements

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Impairment gain or loss recognized in the Statement of Profit and Loss is the difference between loss allowance reassessed on the reporting date and that determined on the immediately preceding reporting date.

### k. Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non-current.

- Non-current investments in associates and joint ventures are stated at cost and any decline other than temporary in the value of these investments is recognized in the Statement of Profit and Loss.
- Other non-current investments are stated at their fair value.
- Current investments are stated at their fair value.

On disposal of investments, the difference between proceeds and the carrying amount is recognized in the Statement of Profit and Loss.

### l. Derivative financial instruments

The Group holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in foreign exchange rates on foreign currency assets or liabilities and forecasted cash flows denominated in foreign currencies. The counterparty for these contracts is generally a bank.

Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in the Statement of Profit and Loss.

#### Cash flow hedges

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and presented within equity in the cash flow hedging reserve to the extent that the hedge is effective.

To the extent that the hedge is ineffective, changes in fair value are recognized in the statement of profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the related forecasted transaction.

#### Others

Changes in fair value of foreign currency derivative instruments not designated as cash flow hedges and the ineffective portion of cash flow hedges are recognized in the Statement of Profit and Loss and reported within foreign exchange gains / (losses).

### m. Non-derivative financial instruments

#### INITIAL MEASUREMENT:

Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measure at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the

## Notes forming part of the Consolidated Financial Statements

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market place (regular way trade) are recognized on trade date.

### SUBSEQUENT MEASUREMENT:

#### Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business model whose objective is to hold these assets in order 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. Financial assets are subsequently measured at amortized cost using effective interest method, less any impairment losses.

Amortized assets are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

They are presented as current assets except for those maturing later than 12 months after the reporting date, which are presented as non-current assets.

#### Financial assets at fair value through other comprehensive income: (FVTOCI)

Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets 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.

#### Financial assets at fair value through profit or loss: (FVTPL)

Any financial asset not subsequently measured at amortized cost or at fair value through other comprehensive income, is subsequently measured at fair value through profit or loss. Financial assets falling in this category are measured at fair value and all changes are recognized in the Statement of Profit and Loss.

#### Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination that is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for De-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

#### Fair value hierarchy:

The group's policy on Fair Valuation is stated below.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - The fair value of financial instruments traded in active markets (such as publicly traded securities) is based on quoted (unadjusted) market prices at the end of the reporting period. The quoted market price used for financial assets held

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by the Group is the current bid price.

Level 2 - The fair valuation of instruments not traded in active markets is determined using valuation techniques. These valuation techniques maximize the use of observable market data and minimize the use of entity specific estimates (All significant inputs to the fair value measurement is observable)

Level 3 - Valuation techniques for one or more significant inputs to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### n. Foreign Currency Translation

#### Functional and Presentation Currency

Items included in the consolidated financial statements of the Group's subsidiaries are measured using the currency of the primary economic environment in which the entity operates (i.e. the "functional currency"). The functional currency of the parent company is the Indian Rupee. These consolidated financial statements are presented in Indian Rupee.

#### Foreign currency Transactions and Balances

Foreign current Transactions are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of foreign - currency denominated monetary assets and liabilities into the relevant functional currency at exchange rates in effect at the reporting date are recognized in the Statement of Profit and Loss and reported within foreign exchange gains / (losses).

Non-monetary assets and liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

The translation of foreign operations from respective functional currency into INR (the reporting currency) for assets and liabilities is performed using the exchange rates in effect at the balance sheet date, and for revenue, expenses and cash flows is performed using an appropriate daily weighted average exchange rate for the respective years. The exchange differences arising on translation for consolidation are reported as a component of Other Comprehensive Income. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in the Statement of Profit and Loss.

### o. Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders. Interim dividends are recorded as a liability on the date of declaration by the by the Board of Directors of each company of the Group.

### p. Cash and Cash equivalents

Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage. For the purpose of presentation in the Statement of Cash flows, cash and cash equivalents include cash on hand, deposits held at call with Banks, other short-term, highly liquid investments with original maturities of three months or less and that are readily convertible to known amounts of cash which are subject to an insignificant change in value.

Statement of cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of



## Notes forming part of the Consolidated Financial Statements

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transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

### q. Employee benefits

#### Defined Contribution Plans

The Group pays Provident Fund contributions payable to the recognized provident fund for the parent company and the Indian subsidiaries. The contributions are accounted for as defined contribution plans and recognized as employee benefit expense in the Statement of Profit and Loss.

#### Defined Benefit Plans

The Company and its subsidiaries in India provides a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Group as per the provisions of the Payment of Gratuity Act, 1972.

The liability or asset recognized in the Balance Sheet in respect of a defined gratuity plan is the present value of defined benefit obligation at the end of the reporting period less the fair value of plan assets. Gratuity liability is a defined benefit obligation and is recorded based on actuarial valuation using the projected unit credit method made at the end of the year.

The present value of defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The gratuity liability and net periodic gratuity cost is actuarially determined after considering discount rates, expected long term return on plan assets and increase in compensation levels.

Remeasurement gains or losses arising from Experience Adjustments and changes in actuarial assumptions are recognized in the period they occur, directly in the Other Comprehensive Income. They are included in the statement of changes in equity and in the Balance Sheet. Remeasurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to Statement of Profit or Loss in subsequent periods.

Changes in present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the Statement of Profit and Loss.

#### Other short term Employee Benefits

The employees of the Group are entitled to compensated absences. At the end of the financial year, the Group accounts for the remaining short term compensated absences. Liability towards leave encashment is recognized in the Statement of Profit and Loss.

Undiscounted liability of performance incentive is recognized during the period when the employee renders the services, based on management estimate.

Contributions to other foreign defined contribution plans are recognized as expense when the employees have rendered services entitling them to such benefits.

#### Share-based payments

Employees of the Group receive remuneration in the form of equity settled instruments, for rendering services over a defined

## Notes forming part of the Consolidated Financial Statements

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vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of the grant arrived at by using the Black-Scholes Model valuation and recognizes the cost (net of estimated forfeitures) over the vesting period.

The equity instruments generally vest in a graded manner over the vesting period. The stock compensation expense is determined based on group's estimate of equity instruments that will eventually vest and be exercised. The expenses in respect of the above share based payment schemes is recognized over the vesting period in the Statement of Profit and Loss with a corresponding adjustment to the share based payment reserve, a component of equity.

### r. Taxation

Income-tax expense comprises current tax (amount of tax for the period determined in accordance with the Income Tax law of the respective geographies) and deferred tax charge or credit (reflecting the tax effects of temporary differences between tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements). Taxes are recognized in the Statement of Profit and Loss except to the extent it relates to items directly recognized in equity or in the Other Comprehensive Income.

#### Current tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Group offsets current tax assets and current tax liabilities, where it has legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

#### Deferred Income Tax

Deferred income tax is recognized using the Balance Sheet Approach. The corresponding deferred income tax liabilities or assets are recognized for deductible and taxable temporary differences between tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred income tax assets are recognized only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax income liabilities are recognized for all taxable temporary differences.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the deferred income tax asset to be utilized.

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

### s. Earnings per share

Basic earnings per share ('EPS') amounts are computed by dividing the net profit or loss after tax, for the year, by the weighted average number of shares outstanding during the year.

For the purpose of calculating Diluted earnings per share, amounts are computed by dividing the net profit or loss after tax for the year by the weighted average number of shares outstanding during the year considered for computation of Basic EPS and also adjusted for the effects of all measurable dilutive potential equity shares.

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### t. Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred and subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in Statement of Profit and Loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after reporting period.

### u. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expended in the period in which they are incurred.

### v. Segment Reporting

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker.

### w. Provisions and Contingent liabilities

A provision is recognized when an enterprise has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, in respect of which the amount can be reliably estimated. Provisions are not discounted to its 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 estimate.

A disclosure for contingent liability is made when there is a possible obligation that arises from the past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group and that may, but not probable that an outflow of resources would be required to settle the obligation. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

## Notes forming part of the Consolidated Financial Statements

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### 3. PROPERTY, PLANT and EQUIPMENT

#### Reconciliation of the gross carrying amounts and net carrying amounts at the beginning and at the end of the year

Particulars	Plant & Machinery	Leasehold improvements	Computers	Office equipments	Electrical Installations	Furniture & Fittings	Motor Vehicles Owned	Motor Vehicles Leased	Right of Use Asset	Total
<b>Gross carrying value</b>										
At April 1, 2018	10.41	30.26	127.73	21.49	10.23	22.58	1.91	1.65	-	226.26
Additions	-	-	12.22	2.24	1.74	0.42	-	-	-	16.62
Disposals / adjustments	-	-	-	-	-	-	0.76	-	-	0.76
Translation/Consolidation adjustment	-	0.03	(0.13)	(0.01)	-	0.05	-	-	-	(0.07)
At March 31, 2019	10.41	30.29	139.82	23.71	11.97	23.05	1.15	1.65	-	242.05
At April 1, 2019	10.41	30.29	139.82	23.71	11.97	23.05	1.15	1.65	106.75	348.79
Additions	-	2.63	11.07	2.75	0.69	0.32	-	-	3.39	20.85
Disposals / adjustments	1.33	-	2.27	0.13	1.34	0.90	-	1.65	-	7.62
Translation/Consolidation adjustment	-	0.17	1.04	0.10	-	0.08	-	-	-	1.39
At March 31, 2020	9.08	33.09	149.66	26.43	11.32	22.55	1.15	-	110.14	363.42
<b>Accumulated depreciation</b>										
At April 1, 2018	10.37	26.99	122.68	14.67	8.35	16.18	0.12	0.87	-	200.23
Depreciation expense	0.01	0.87	11.73	3.31	0.67	1.17	0.23	0.55	-	18.54
Disposals / adjustments	-	-	-	-	-	-	(0.75)	-	-	(0.75)
Translation/Consolidation adjustment	-	0.03	2.13	(0.07)	-	0.02	0.56	-	-	2.67
At March 31, 2019	10.38	27.89	136.54	17.91	9.02	17.37	0.16	1.42	-	220.69
At April 1, 2019	10.38	27.89	136.54	17.91	9.02	17.37	0.16	1.42	-	220.69
Depreciation expense	-	0.93	14.25	2.30	1.02	0.95	0.02	0.23	43.09	62.79
Disposals / adjustments	1.33	-	2.23	0.13	1.34	0.20	-	1.65	-	6.86
Translation/Consolidation adjustment	-	0.13	1.09	0.45	-	0.20	-	-	-	1.87
At March 31, 2020	9.05	28.95	149.65	20.53	8.70	18.32	0.18	-	43.09	278.47
Net carrying value March 31, 2020	0.03	4.14	-	5.90	2.62	4.23	0.97	-	67.05	84.95
Net carrying value March 31, 2019	0.04	2.40	3.28	5.81	2.95	5.68	0.99	0.22	-	21.36

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 4. GOODWILL And OTHER INTANGIBLE ASSETS

#### a) Reconciliation of the gross carrying amounts and net carrying amounts at the beginning and at the end of the year

Particulars	Goodwill on consolidation	Acquired contracts	Intellectual property	Computer Software	Total
<b>Gross carrying value</b>					
At April 1, 2018	1,421.12	30.30	4.50	48.73	1,504.65
Additions	-	-	-	2.27	2.27
Disposals / adjustments	54.45	-	-	-	54.45
Translation/Consolidation adjustment	3.96	2.10	-	0.15	6.21
At March 31, 2019	1,370.63	32.40	4.50	51.15	1,458.69
At April 1, 2019	1,370.63	32.40	4.50	51.15	1,458.69
Additions	-	-	-	1.69	1.69
Disposals / adjustments	-	-	-	-	-
Translation/Consolidation adjustment	32.39	2.55	-	0.11	35.05
At March 31, 2020	1,403.02	34.95	4.50	52.95	1,495.42
<b>Accumulated amortization</b>					
At April 1, 2018	-	4.36	4.50	28.22	37.08
Amortisation expense	-	20.02	-	4.13	24.15
Disposals / adjustments	-	-	-	-	-
Translation/Consolidation adjustment	-	0.17	-	(2.67)	(2.50)
At March 31, 2019	-	24.55	4.50	29.68	58.73
At April 1, 2019	-	24.55	4.50	29.68	58.73
Amortisation expense	-	8.08	-	1.55	9.63
Disposals / adjustments	-	-	-	-	-
Translation/Consolidation adjustment	-	2.32	-	-	2.32
At March 31, 2020	-	34.95	4.50	31.23	70.68
Net carrying value March 31, 2020	1,403.02	-	-	21.72	1,424.74
Net carrying value March 31, 2019	1,370.63	7.85	-	21.47	1,399.95

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### b) Assessment of Impairment

The changes in the carrying value of Goodwill balances

Particulars	Amount
Opening balance as at 1st April 2018	1,421.12
Additions on Acquisition through business combinations:	
Reversal of Goodwill relating to reversal of contingent consideration in Faichi Solutions Inc	(54.45)
Effect of translation differences	3.96
Closing balance as at 31st March 2019	1,370.63
Opening balance as at 1st April 2019	1,370.63
Effect of translation differences	32.39
Closing balance as at 31st March 2020	1,403.02

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Cash generating units (CGU) or group of CGUs, which benefit from the synergies of the acquisition.

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. The fair value of a CGU is determined based on the discounted cash flow approach, using turnover and EBITDA projections discounted at WACC rates of the company. The value-in-use is determined based on specific calculations. These calculations use post tax cash flow projections over a period of five years based on financial budgets and an average of the range of each assumption mentioned below.

As at March 31, 2020, the estimated recoverable amount of the CGU exceeds its carrying amount, hence impairment is not triggered. The key assumptions used for the calculations are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Terminal growth rate	5%	5%
Discount rate	WACC Rate	WACC Rate

The above discount rates are based on the Weighted Average Cost of Capital (WACC) of the Company. These estimates are likely to differ from future actual results of operations and cash flows. An analysis of the calculation's sensitivity to a change in the key parameters (turnover and earnings multiples), did not identify any probable scenarios where the CGU's recoverable amount would fall below its carrying amount.

### NON-CURRENT ASSETS

#### 5.1.FINANCIAL ASSETS-LOANS

Particulars	As at March 31, 2020	As at March 31, 2019
(unsecured and considered good)*		
Loan to related parties	0.03	0.03
	0.03	0.03

\* Related party balances are presented in Note no. 24 (d)



## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 5.2. FINANCIAL ASSETS- OTHERS

Particulars	As at March 31, 2020	As at March 31, 2019
Security Deposit	22.87	18.86
Bank deposits with more than 12 months	2.14	1.35
	<b>25.01</b>	<b>20.21</b>

### 6. DEFERRED TAX ASSETS (Net)

Particulars	As at March 31, 2020	As at March 31, 2019
Arising from timing difference in respect of:		
Property, Plant and Equipment	6.52	3.51
Retirement Benefits	16.42	15.81
Other tax disallowances	3.73	(2.69)
Lease liability	2.04	-
Financial instruments - FVTOCI	0.13	(1.13)
MAT Credit	-	0.07
	<b>28.84</b>	<b>15.57</b>

### 7. OTHER NON CURRENT ASSETS

Particulars	As at March 31, 2020	As at March 31, 2019
Prepaid expenses	-	0.47
	<b>-</b>	<b>0.47</b>

## CURRENT ASSETS

### 8.1. FINANCIAL ASSETS- INVESTMENTS

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares / units	Cost	No. of shares / units	Cost
Opening balance	-	-	-	-
Additions during the year	1,59,952	160.11	25,940	95.18
Deletions during the year	1,04,867	104.97	25,940	95.18
<b>Total</b>	<b>55,085</b>	<b>55.14</b>	<b>-</b>	<b>-</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 8.2. FINANCIAL ASSETS- TRADE RECEIVABLES

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good)		
Considered good	675.16	649.55
Significant increase in credit risk	-	-
Credit Impaired	13.12	9.04
Less: Allowance for doubtful debts	(13.12)	(9.04)
	<b>675.16</b>	<b>649.55</b>

### 8.3. FINANCIAL ASSETS- CASH & CASH EQUIVALENTS

Particulars	As at March 31, 2020	As at March 31, 2019
a. Cash on hand	0.14	0.13
b. Balances with banks in current accounts and deposit accounts	428.63	400.00
c. Other bank balances #	0.56	0.44
	<b>429.33</b>	<b>400.57</b>

# Other bank balances represent earmarked balances in respect of unclaimed dividends and dividend payable.

### 8.4. FINANCIAL ASSETS- LOANS

Particulars	As at March 31, 2020	As at March 31, 2019
(unsecured, considered good)		
Employee Loans	1.40	0.59
	<b>1.40</b>	<b>0.59</b>

### 8.5. FINANCIAL ASSETS- OTHERS

Particulars	As at March 31, 2020	As at March 31, 2019
Security Deposits	2.82	8.47
Forward Contract	(0.52)	3.88
Unbilled revenue	117.74	52.54
	<b>120.04</b>	<b>64.89</b>

### 9. OTHER CURRENT ASSETS

Particulars	As at March 31, 2020	As at March 31, 2019
Balance with statutory Authority	39.13	44.71
Prepaid expenses	127.34	151.31
Advance to suppliers	3.77	1.98
	<b>170.24</b>	<b>198.00</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 10. SHARE CAPITAL

Particulars	As at March 31, 2020	As at March 31, 2019
<b>A) Authorised, Issued, Subscribed and Fully Paid up Share capital</b>		
<b>Authorised:</b>		
20,100,000 Equity Shares of Rs.10 each	201.00	201.00
<b>Issued &amp; Subscribed &amp; Fully Paid-up:</b>		
9,942,540 Equity Shares of Rs.10 each (March 2019 : 9,942,540 shares ) (Equity shares have been disclosed as net of shares held by the trust)	99.43	99.43
<b>Total</b>	<b>99.43</b>	<b>99.43</b>
<b>B) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year</b>		
<b>Outstanding as at beginning of the year</b>	1,04,75,000	1,04,75,000
Add: Shares allotted to employees pursuant to ESOP 2009	-	-
<b>Outstanding as at the end of the year</b>	1,04,75,000	1,04,75,000
Less: Elimination on account of consolidation of Saksoft Employee Welfare Trust	(5,32,460)	(5,32,460)
<b>Outstanding as at the end of the year</b>	<b>99,42,540</b>	<b>99,42,540</b>

### C) Rights attached to Equity shares

Each share entitles to a pari passu right to vote, to receive dividend and surplus at the time of liquidation

### D) Shares in the company held by each shareholder holding more than 5% shares

S. No.	Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
		Number of shares held in the company	Percentage of shares held	Number of shares held in the company	Percentage of shares held
1	Aditya Krishna	22,18,640	21.18%	22,18,640	21.18%
2	Sak Industries Private Limited	48,47,715	46.28%	48,47,715	46.28%
3	Saksoft Employees Welfare Trust	5,32,460	5.09%	5,32,460	5.09%
	<b>Total</b>	<b>75,98,815</b>	<b>72.55%</b>	<b>75,98,815</b>	<b>72.55%</b>

### E) Shares reserved for issue under options and contracts [Refer Note - 24(g)]

S. No.	Number and class of shares reserved for issue	Party in whose favour reserved	Details of contracts/ options under which shares reserved for issue
1	During the FY 2019-2020 grant of options were Nil (Net of surrender of options)	Employees	ESOP 2009

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 11. OTHER EQUITY

Particulars	As at March 31, 2020	As at March 31, 2019
<b>a) Capital reserve</b>	0.21	0.21
Any profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments is transferred to capital reserve.		
<b>b) Securities premium reserve</b>	90.18	90.18
Amounts received (on issue of shares) in excess of the par value has been classified as securities premium.		
<b>c) General reserve</b>	48.93	48.93
This represents appropriation of profit by the Company.		
<b>d) Retained earnings</b>	1,687.03	1,429.90
Retained earnings comprise of the Company's undistributed earnings after taxes.		
<b>e) Share option outstanding account</b>	15.14	18.82
The share option outstanding account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to share premium upon exercise of stock options by employees. In case of forfeiture, corresponding balance is transferred to retained earnings.		
<b>f) Financial Instruments through other comprehensive income</b>	(0.39)	2.94
Changes in the fair value of equity instruments is recognized in equity instruments through other comprehensive income (net of taxes), and presented within other equity.		
<b>g) Foreign currency translation reserve</b>	122.66	60.11
<b>h) Other items of other comprehensive income</b>	(1.39)	2.86
Other items of other comprehensive income consist of re-measurement of net defined liability/asset.		
	<b>1,962.37</b>	<b>1,653.95</b>

### NON- CURRENT LIABILITY

#### 12.1. FINANCIAL LIABILITIES- BORROWINGS

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Term Loans From Bank - Secured</b>	16.95	46.02
Secured by pari passu charge on company's unencumbered movable fixed assets and current assets of the company and the personal guarantee of the Managing Director.		
<b>Repayment Terms:</b>		
Repayable in 16 Quarterly installments commencing from March, 2018.		
Rate of interest - 10.00% linked to banks one year MCLR		
Period and amount of continuing default: NIL		
<b>Unsecured, From a related party</b>		
From Sak Industries Private Limited*	230.00	270.00
<b>Repayment Terms:</b>		
The Loan is repayable on demand, not later than 30th September 2022		
Period and amount of continuing default: NIL		
Rate of interest - SBI rate prime rate + 1.50%		
	<b>246.95</b>	<b>316.02</b>

\* Please refer Note 24(d) related party transactions

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 12.2. FINANCIAL LIABILITIES- OTHERS

Particulars	As at March 31, 2020	As at March 31, 2019
Liability towards acquisition of business	7.47	6.93
Lease liability	31.00	-
	<b>38.47</b>	<b>6.93</b>

### 13. PROVISIONS

Particulars	As at March 31, 2020	As at March 31, 2019
Gratuity Payable (Net)*	50.12	29.86
	<b>50.12</b>	<b>29.86</b>

\* Refer Note 24 ( f ) for details of gratuity plan as per Ind AS 19

### 14.1. FINANCIAL LIABILITIES- BORROWINGS

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Cash Credit From Bank - Secured</b>		
Secured by first charge current assets of the Company and second charge on unencumbered movable fixed assets and the personal guarantee of the Managing Director.	8.54	73.91
Rate of interest - 0.50 % plus twelve month MCLR of the bank		
Period and amount of continuing default: NIL		
	<b>8.54</b>	<b>73.91</b>

### 14.2. FINANCIAL LIABILITIES - TRADE PAYABLES

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Payables-Micro,small and medium enterprises*	2.44	2.08
Trade payables - Others #	227.04	241.14
	<b>229.48</b>	<b>243.22</b>

\* Refer Note No. 24 ( i )

# Related Party Balances are presented in Note no 24 ( d )

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 14.3. FINANCIAL LIABILITIES-OTHERS

Particulars	As at March 31, 2020	As at March 31, 2019
Current maturities of long term loans*	29.06	19.38
Current maturities of finance lease obligations	-	0.28
Unclaimed Dividends	0.56	0.44
Lease liability	40.14	-
Others	17.24	19.04
	<b>87.00</b>	<b>39.14</b>

\* The details of interest rates, repayment and other terms are disclosed under Note 12.1

### 15. OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2020	As at March 31, 2019
Advance from customers	196.15	182.98
Statutory dues	26.37	23.37
Others	72.73	55.32
	<b>295.25</b>	<b>261.67</b>

### 16. PROVISIONS

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for compensated absences	13.05	8.30
Provision for gratuity *	3.00	4.35
	<b>16.05</b>	<b>12.65</b>

\* Refer Note 24 ( f ) for details of gratuity plan as per Ind AS 19

### 17. INCOME TAX

Income tax expense in the statement of profit and loss consists of:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Current income tax:</b>		
In respect of the current year	150.33	146.88
<b>Deferred tax:</b>		
In respect of the current year	(11.77)	(6.28)
<b>Income tax expense recognised in the statement of profit or loss:</b>	<b>138.56</b>	<b>140.60</b>
<b>Income tax recognised in other comprehensive income</b>		
Current tax arising on income and expense recognised in other comprehensive income	(1.43)	0.69
Deferred tax arising on income and expense recognised in other comprehensive income	(1.26)	0.94
<b>Total</b>	<b>(2.69)</b>	<b>1.63</b>



Inch wide. Mile deep!

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit before tax	525.07	522.71
Enacted income tax rate in India	25.17%	29.12%
<b>Computed expected tax expenses</b>	<b>132.15</b>	<b>152.21</b>
<b>Effect of:</b>		
Differential tax rates of branches/subsidiaries operating in other jurisdiction	43.29	11.02
Income that is exempt from tax	(26.82)	(15.48)
Income considered under other heads	(0.63)	(0.35)
Expenses that are not deductible in determining taxable profit	5.91	4.39
Income subject to different taxes	(6.18)	(4.86)
Disallowance under 14A	1.99	1.74
Depreciation allowance / disallowance under IT Act	0.46	0.66
Reversal of tax provisions of previous year	(1.27)	(1.76)
<b>Income tax expenses recognized in the Statement of Profit and Loss</b>	<b>148.90</b>	<b>147.57</b>

### Calculation of Applicable Tax Rate:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Basic tax rate	22.00%	25.00%
Surcharge @ 10% (PY 12%) on the basic tax rate	2.20%	3.00%
Aggregate of tax and surcharge	24.20%	28.00%
Cess @ 4% (PY 4%) on tax and Surcharge	0.97%	1.12%
<b>Tax Rate applicable</b>	<b>25.17%</b>	<b>29.12%</b>

### Deferred tax assets / liabilities as at March 31, 2020

Particulars	As at March 31, 2019	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at March 31, 2020
Property, Plant and Equipment	3.51	3.01	-	6.52
Retirement and employee Benefits	15.81	0.61	-	16.42
Other tax disallowances	(2.69)	6.42	-	3.73
Financial instruments - FVTOCI	(1.13)	-	1.26	0.13
Lease Liability	-	2.04	-	2.04
MAT Credit entitlement	0.07	(0.07)	-	-
<b>Total</b>	<b>15.57</b>	<b>12.01</b>	<b>1.26</b>	<b>28.84</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### Deferred tax assets / liabilities as at March 31, 2019

Particulars	As at March 31, 2018	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at March 31, 2019
Property, Plant and Equipment	2.83	0.68	-	3.51
Retirement and employee Benefits	12.91	2.90	-	15.81
Other tax disallowances	(4.71)	2.02	-	(2.69)
Financial instruments - FVTOCI	(0.19)	-	(0.94)	(1.13)
MAT Credit entitlement	0.07	-	-	0.07
<b>Total</b>	<b>10.91</b>	<b>5.60</b>	<b>(0.94)</b>	<b>15.57</b>

Note: Long term capital loss as computed under the provisions of Income Tax Act, 1961 carried forward amounted to Rs.139.63 million as on the Balance Sheet date on which the Deferred Tax Asset has not been recognised as the probability of reversal of such deferred tax is not certain in the foreseeable future.

### 18. OTHER INCOME

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>(A) Income from investments</b>		
Dividends	1.11	0.68
	<b>1.11</b>	<b>0.68</b>
<b>(B) Others</b>		
Exchange Fluctuation (net)	33.51	12.16
Interest income	0.89	1.15
Interest on fair valuation of security deposits	1.33	1.26
Profit on Sale of assets (fixed assets and investments)	-	0.03
Miscellaneous Receipts	2.10	6.53
	<b>37.83</b>	<b>21.13</b>
<b>Total Other Income</b>	<b>38.94</b>	<b>21.81</b>

### 19. EMPLOYEE BENEFIT EXPENSE

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and wages	1,711.15	1,552.49
Contribution to Provident and other funds	65.72	57.22
Share based compensation to employees	-	3.12
Staff Welfare Expenses	37.28	41.37
	<b>1,814.15</b>	<b>1,654.20</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 20. FINANCE COSTS

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest Expense		
- on loans from banks	8.93	16.94
- on loans from a related party	26.83	26.76
- on fair valuation of security deposits	-	1.26
- on fair valuation of lease liability	12.36	-
Other borrowing cost	3.29	3.08
	<b>51.41</b>	<b>48.04</b>

### 21. OTHERS EXPENSES

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Licence cost	15.53	87.04
Rent	25.75	75.82
Travel and conveyance	46.04	73.23
Insurance	19.48	20.18
Rates and Taxes	8.62	9.37
CSR Expenditure	3.32	1.53
Power and Fuel	16.95	18.99
Repairs to Buildings	24.69	22.09
Repairs to Plant	9.12	9.57
Communication Expenses	16.07	18.63
Loss on Sale of assets (fixed assets and investments)	0.17	-
Loss on liquidation of subsidiary	0.73	-
Bad debts written off	0.76	6.33
Provision for doubtful debts	5.60	8.56
Payment to statutory auditors		
- As Auditors	9.41	9.21
- For Certification	0.18	0.09
- reimbursement of expenses	0.20	0.09
Legal, Professional and consultancy charges	13.62	12.39
Advertisement, Publicity and Sale Promotion	21.04	22.55
Miscellaneous expenses	27.23	24.92
	<b>264.51</b>	<b>420.59</b>

### 22. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation	64.65	22.67
Amortisation expense	8.06	20.02
	<b>72.71</b>	<b>42.69</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### 23. Corporate Social Responsibility (CSR) Expenditure :

- (a) Gross amount required to be spent by the company during the year - Rs.6.10 million  
 (b) Total amount spent for the financial year: Rs.0.50. Also, an amount of Rs. 2.82 mn was spend during the financial year 2019-20, out of which Rs. 0.62 mn pertains to amount to be spent for FY 2017-18 and Rs. 2.19 mn for the previous financial year 2018-19.

### 24. Additional notes

#### a. Contingent Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
1. Income-tax matters	65.69	34.62

The future cash outflows on the items 1 above are determinable only on the receipt of the decision or judgment that is pending at various forums and authorities. The company does not expect the outcome of those proceedings to have an adverse material effect on its financial results.

#### b. Finance lease obligations

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Future obligations for assets taken on lease</b>		
Not later than 1 year	-	0.29
Later than 1 year but not later than 5 years	-	-
	-	<b>0.29</b>
<b>Less: Amounts representing future interest</b>		
Not later than 1 year	-	0.01
Later than 1 year but not later than 5 years	-	-
	-	<b>0.01</b>
<b>Present value of minimum lease rentals</b>		
Not later than 1 year	-	0.28
Later than 1 year but not later than 5 years	-	-
	-	<b>0.28</b>

#### c. Disclosure under Ind AS 116

Particulars	Year ended March 31, 2020
Depreciation charge for ROU Asset	43.09
Interest expense on lease liability	11.03
Expenses relating to short term leases (need not include the expense relating to leases with a lease term of one month or less)	25.75
Expense relating to leases of low-value assets (not include the expense relating to short-term leases of low-value assets included in above line)	-
Expenses relating to variable lease payments	-
Income from sub-leasing of ROU Asset	-
Total Cash Outflow for leases	50.05
Additions to ROU Assets during the year	3.39
Gains or losses arising from sale and leaseback transactions	-
Carrying amount of right-of-use assets at the end of the reporting period for each asset category	67.05

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

## d. Related party disclosures

Enterprise which has significant influence	Sak Industries Private Limited and its subsidiaries
Enterprises in which key managerial personnel exercise significant influence	Saksoft Employees Gratuity Trust The General Talkies Private Limited
Key managerial personnel	Mr Aditya Krishna – Chairman and Managing Director Mr Niraj Kumar Ganeriwal- Chief Financial Officer Mr Muthukrishnan S Company Secretary Ms Kanika Krishna – Director
Relatives of Key Managerial Personnel	Ms Avantika Krishna – Employee

## Transactions entered during the year

Description	Year ended March 31, 2020	Year ended March 31, 2019
<b>Revenue</b>		
Sak Industries Private Limited	13.50	-
<b>Rent expense</b>		
Sak Industries Private Limited	6.00	14.64
<b>Dividend paid</b>		
Sak Industries Private Limited	36.36	21.46
Chairman and Managing Director	16.64	10.33
Chief Financial Officer	0.54	0.32
<b>Interest on loan</b>		
Sak Industries Private Limited	26.83	26.76
Sak Industries Pte Limited	-	1.29
Interest income from Sak Abrasives Inc	-	0.05
<b>Borrowings / (Repayments), net</b>		
Sak Industries Private Limited	(40.00)	25.00
<b>Payment towards Lease Liability</b>		
Sak Industries Private Limited	(9.24)	-
<b>Reimbursement of expenses</b>		
Sak Industries Pvt Ltd	0.71	0.72
<b>Remuneration of Key Managerial Personnels</b>	15.63	14.39
Non-Executive Director Commission	0.15	0.10
Non-Executive Director - Sitting Fees	0.24	0.09
Remuneration to relative of KMP	3.35	2.52

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

## Year end balances

Description	As at March 31, 2020	As at March 31, 2019
<b>Loans and advances</b>		
Saksoft employees gratuity trust	0.03	0.03
<b>Borrowings</b>		
Sak Industries Private Limited	230.00	270.00
Lease Liability- Sak Industries Private Limited	13.24	-
<b>Right to Use Asset</b>		
Sak Industries Private Limited	12.60	-

## e. Segment information

The CFO of the Company has been identified as the Chief Operating Decision Maker. The CODM has considered only IT Business as the operating segment as defined under Ind AS 108. The Company's operations primarily relate to providing information technology ('IT') services:

Geographic location of customers	Year ended March 31, 2020	Year ended March 31, 2019
Revenue		
Europe	968.71	1069.12
USA	1793.90	1960.06
Asia Pacific and Others	825.20	551.27
	<b>3587.81</b>	<b>3580.45</b>

Fixed assets used in the Company's business, assets or liabilities contracted, other than those specifically identifiable, have not been identified to any of the reportable segments, as the fixed assets are used interchangeably between segments.

During the years ended 31 March 2020 and March 2019, two customers, each of them contribute to 10% or more of the Group's total revenue and the top five customers accounted for 47% and 45% of the revenue of the Group respectively.

## f. Gratuity

## PROFIT &amp; LOSS ACCOUNT EXPENSE:

The expenses charged to the profit & loss account for period along with the corresponding charge of the previous period is presented in the table below:

Particulars	Period Ended March 31, 2020	Period Ended March 31, 2019
Current service cost	13.51	11.65
Past service cost	-	-
Administration expenses.	-	-
Interest on net defined benefit liability / (asset)	2.29	1.84
(Gains) / losses on settlement	-	-
<b>Total expense charged to profit and loss account</b>	<b>15.80</b>	<b>13.49</b>



## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

## FINANCIAL ASSUMPTIONS AT THE VALUATION DATE:

Particulars	Period Ended March 31, 2020	Period Ended March 31, 2019
Discount rate (p.a.)	6.30%	7.55%
Salary escalation rate (p.a.)	7.00%	7.00%

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. 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.

## Amount Recorded in Other Comprehensive Income

The total amount of remeasurement items and impact of liabilities assumed or settled, if any, which is recorded immediately in Other Comprehensive Income (OCI) during the period is shown in the table below:

Particulars	Period Ended March 31, 2020	Period Ended March 31, 2019
Opening amount recognized in OCI outside profit and loss account	(5.58)	(3.10)
Remeasurements during the period due to:		
Changes in financial assumptions	7.23	(0.43)
Changes in demographic assumptions	0.43	(0.58)
Experience adjustments	(2.55)	(1.56)
Actual return on plan assets less interest on plan assets	0.57	0.09
Adjustment to recognize the effect of asset ceiling	-	-
<b>Closing amount recognized in OCI outside profit and loss account</b>	<b>0.10</b>	<b>(5.58)</b>

The following table sets out the status of the gratuity plan.

Particulars	Period Ended March 31, 2020	Period Ended March 31, 2019
Opening of defined benefit obligation	46.17	38.13
Current service cost	13.51	11.65
Past service cost	-	-
Interest on defined benefit obligation	3.23	2.63
Remeasurements due to:		
Actuarial loss / (gain) arising from change in financial assumptions	7.23	(0.43)
Actuarial loss / (gain) arising from change in demographic assumptions	0.43	(0.58)
Actuarial loss / (gain) arising on account of experience changes	(2.55)	(1.56)
Benefits paid	(4.59)	(3.67)
Liabilities assumed / (settled)*	-	-
Liabilities extinguished on settlements	-	-
<b>Closing of defined benefit obligation</b>	<b>63.43</b>	<b>46.17</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

Particulars	Period Ended March 31, 2020	Period Ended March 31, 2019
Opening fair value of plan assets	11.97	9.72
Employer contributions	2.57	5.21
Interest on plan assets	0.95	0.80
Administration expenses	-	-
Remeasurements due to:		
Actual return on plan assets less interest on plan assets	(0.57)	(0.09)
Benefits paid	(4.59)	(3.67)
Assets acquired / (settled)*	-	-
Assets distributed on settlements	-	-
<b>Closing fair value of plan assets</b>	<b>10.33</b>	<b>11.97</b>

## Sensitivity Analysis:

Gratuity is a Defined Benefit plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

Particulars	Period Ended March 31, 2020	
	Discount Rate	Salary Escalation Rate
Impact of increase in 50 bps on DBO	3.37	3.63
Impact of decrease in 50 bps on DBO	(3.68)	(3.36)

## Maturity profile of assets

Matrurity in	March 31, 2020	March 31, 2019
2020	8.08	6.68
2021	4.96	4.39
2022	4.02	4.25
2023	3.79	3.83
2024	3.46	3.56
2025-2029	127.25	92.04

## Disaggregation of Plan Assets

Investment	Total
Property	-
Government Debt Instrument	2.48
Other Debt Instrument	-
Equity Instruments	1.81
Insurer managed funds	6.03
Others	-
	<b>10.33</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### g. Employee Stock option plans ('ESOP')

#### ESOP 2006 Plan

The ESOP 2006 Plan was introduced by the Company in 2006 under which the Company grants options from time to time to employees of the Company and its subsidiaries. This Plan was approved by the Board of Directors in January 2006 and by the shareholders in February 2006. The Plan complies with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and is administered by the Saksoft Employees Welfare Trust ('the Trust') through the Nomination and Remuneration committee. The Trust purchased the shares of the Company using the proceeds of loans obtained from the Company and administers the allotment of shares to employees and other related matters. The eligible employees exercise the options under the terms of the Plan at an exercise price, which equals the fair value on the date of the grant, until which the shares are held by the Trust.

The Company had allotted 582,460 equity shares of Rs.10 each to the Trust to give effect to the ESOP Plan. As at the balance sheet date, the employees have exercised 50,000 options under this Plan and accordingly, 532,460 equity shares of Rs.10 each represent shares held by the Trust. During the year no options have been granted or outstanding under this plan.

#### ESOP 2009 Plan

The ESOP 2009 Plan was introduced by the Company with the consent of the shareholders in 2009 under which the Company grants options from time to time to employees of the Company and its subsidiaries. Further the scheme was amended at the AGM held on 26th September 2014 to increase the exercise period from 5 to 10 years. This Plan complies with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The plan considers an aggregate of 1,500,000 options to be granted and exercised in accordance with the ESOP 2009 plan as approved by the Nomination and Remuneration Committee.

During the year, no options have been exercised under this plan. During the year 3,00,000 shares have been issued to eligible employees at an exercise price of Rs 250.55. During the quarter ended March 31 2020, certain employees have waived their rights towards stock options totaling to 3,40,000 units. Consequently an amount of Rs. 2.75 Million net of tax of Rs. 0.92 Million have been transferred from ESOP reserve to Retained Earnings.

The outstanding options available for exercise under the ESOP 2009 as on 31st March 2020 is 1,85,000 options, which are 100 percent vested.

#### The details of the ESOP 2009 Plan are

Particulars	Year ended March 31,			
	2020		2019	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Options outstanding at the beginning of the year	2,95,000	177.55	1,85,000	135.85
Options granted during the year	3,00,000	250.55	1,10,000	247.70
Options exercised during the year	-	-	-	-
Options forfeited during the year	70,000	247.70	-	-
Options lapsed during the year	3,40,000	250.36	-	-
Options outstanding at the end of the year	1,85,000	135.85	2,95,000	177.55
Options vested and exercisable at the end of the year	1,85,000	135.85	1,60,000	133.37

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### h. Earnings Per Share (EPS)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Earnings</b>		
Net profit for the year (Rs. In million)	384.49	364.52
<b>Shares</b>		
Equity shares as at the balance sheet date	9,942,540	9,942,540
Total number of equity shares outstanding at the end of the year – Basic	9,942,540	9,942,540
<b>Weighted average number of equity shares outstanding as at the end of the year – Basic</b>	<b>99,42,540</b>	<b>99,42,540</b>
<b>Diluted Shares</b>		
Weighted average number of equity shares outstanding as at the end of the year.	9,942,540	9,942,540
Add: Weighted average number of equity Shares held by Saksoft employees welfare trust	532,460	532,460
Add: Weighted average number of equity shares arising out of outstanding stock options that have dilutive effect on the EPS	12,065	39,673
<b>Weighted average number of equity shares outstanding during the year – Diluted</b>	<b>10,487,065</b>	<b>10,514,673</b>
<b>Earnings per share of par value Rs.10 – Basic (Rs.)</b>	<b>38.67</b>	<b>36.66</b>
<b>Earnings per share of par value Rs.10 – Diluted (Rs.)</b>	<b>36.67</b>	<b>34.67</b>

### i. Dues to Micro and small enterprises

The Company has initiated the process of obtaining confirmation from suppliers who have registered under the Micro, Small and Medium Enterprises Development Act, 2006.

The information required to be disclosed under the Micro, Small And Medium Enterprises Development Act, 2006 ('the MSMED Act') has been determined to the extent such parties have been identified on the basis of information received from such parties and available with the Company. There are no overdue to parties on account of principal amount and / or interest as disclosed below:

Particulars	March 31, 2020	March 31, 2019
The principal amounts and interest overdue thereon, remaining unpaid to any supplier at the end of each accounting year		
- Principal	-	-
- Interest	-	-
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006	-	-
The amount of the payments made to suppliers beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment(which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years until such dates when the interest due above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act,2006	-	-

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### j. Dividend

The Board of Directors have recommended two interim dividends during the financial year 2019-20 totaling to Rs 4.50 per equity share. The 2nd Interim dividend on equity shares declared and paid shall be considered as Final Dividend for the financial year 2019-20. The total dividend paid on equity shares for the current year is Rs. 4.50 per share as against Rs.4.00 per share for the previous year. This has resulted in a cash flow of Rs 47.10 million plus applicable dividend distribution tax.

The Board of Directors at its meeting held on 27th May 2019 had recommended a dividend of 30% (Rs.3.0 per equity share of Rs.10 face value fully paid up). The proposal was approved by the shareholders at the Annual General Meeting held on 12th August 2019. This had resulted in a cash flow of Rs.31.42 million plus applicable dividend distribution tax.

### k. Disclosure under Ind AS 115

#### General:

The entire revenue from operations for the year ended 31st March 2020 and 31st March 2019 related to revenue from software services.

#### Disaggregation of revenue:

Revenue earned by the company is disaggregated by its sources based on geographical location as disclosed in Note 24 (e) to the financial statements.

#### Information about contract balances

The company classifies the right to consideration as Trade receivables and unbilled revenue.

Trade receivables are amounts billed to the customer on satisfaction of performance obligation. Unbilled revenue represents revenues in excess of efforts billed on software development and service contracts as at the end of the reporting period and is included as part of Other Financial Assets.

Billing in excess of revenue are classified as unearned revenue. Balances of trade receivables, unbilled revenue and unearned income are available in the relevant Schedules of the financial statements. Trade receivables and unbilled revenue are net of Provision in the Balance Sheet.

#### Information about performance obligations

Performance obligations estimates are subject to change and are affected by several factors including change in scope of contracts, its termination, foreign currency adjustments and any other items influencing the measurement, collectability and performance of the contract.

Disclosure relating to remaining performance obligation across all live fixed bid price contracts relate to require the aggregate amounts of transaction price yet to be recognized as at the reporting date and expected timelines to recognize these amounts. In view of the fact that all outstanding contracts have an original expected duration for completion of less than a year no disclosure is warranted.

### l. Capital Management

The Company manages its capital to ensure that it will be able to continue as going concerns while maximizing the return to stakeholders through the optimisation of the debt and equity balance. The Company's policy is to maintain a strong capital base so as to maintain investors, creditors and market confidence to sustain future development of the business.

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

The capital structure of the Company consists of debt and total equity of the Company as tabled below:

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Total equity attributable to equity share holders of the Company</b>	<b>2,061.80</b>	<b>1,753.37</b>
Current borrowings	37.60	93.57
Non-current borrowings	246.95	316.02
<b>Total debt held by the Company</b>	<b>284.55</b>	<b>409.59</b>
<b>Total capital (Equity and Debt)</b>	<b>2,346.35</b>	<b>2,162.96</b>
<b>Equity as a percentage of total capital</b>	<b>88%</b>	<b>81%</b>
<b>Debt as a percentage of total capital</b>	<b>12%</b>	<b>19%</b>

The Company is predominantly equity financed which is evident from the capital structure table above. The Company's risk management committee reviews the capital structure of the Company on an ongoing basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital.

### m. Financial Instruments

The carrying value and fair value of financial instruments by categories as at March 31, 2020 and March 31, 2019 is as follows:

Particulars	Balance as at March 31, 2020	Balance as at March 31, 2019
<b>Financial Assets</b>		
<b>Amortized Cost</b>		
Trade and other receivables	675.16	649.55
Cash and cash equivalents	429.33	400.57
Loans	1.43	0.62
Others financial assets	145.57	81.22
<b>Fair value through Other Comprehensive Income (FVTOCI)</b>		
Derivative instruments in hedging relationship	(0.52)	3.88
<b>Fair value through Profit and Loss (FVTPL)</b>		
Investments	55.14	-
<b>TOTAL ASSETS</b>	<b>1,306.11</b>	<b>1,135.84</b>
<b>Financial Liabilities</b>		
<b>Amortized Cost</b>		
Borrowings	255.49	389.93
Trade Payables	229.48	243.22
Other financial liabilities	125.47	46.07
<b>TOTAL LIABILITIES</b>	<b>610.44</b>	<b>679.22</b>

The Management assessment of the fair value of cash and short-term deposits, trade receivables and trade payables, book overdrafts, and other current financial assets and liabilities approximate the carrying amounts largely due to the short-term maturities of these instruments

The Company's derivative financial instruments consist of foreign currency forward exchange contracts. Fair values for derivative financial instruments are based on market observable inputs and are classified as Level 2. The most frequently applied valuation technique include forward pricing model, using present value calculations.

#### Fair Value Measurement Hierarchy

Foreign exchange forward contracts have been measured using Level 2 (Significant observable inputs) - Fair value measurement hierarchy. Balances as at March 31, 2020 and March 31, 2019 amounts to Rs. (0.52) million and Rs.3.88 million respectively. There have been no transfers between Level 1 and Level 2 during the year.



## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### Foreign Exchange Forward Contracts

The Company is exposed to foreign currency fluctuations on foreign currency assets / liabilities and forecast cash flows denominated in foreign currency. The use of derivatives to hedge foreign currency forecast cash flows is governed by the Company's strategy, which provides principles on the use of such forward contracts and currency options consistent with the Company's Risk Management Policy. The counterparty in these derivative instruments is a bank and the Company considers the risks of non-performance by the counterparty as insignificant. The Company has entered into a series of foreign exchange forward contracts that are designated as cash flow hedges. The Company does not use forward covers and currency options for speculative purposes.

The following table represents the details of Company's forward contracts outstanding:

Particulars	Balance Sheet Exposure - Asset / (Liability)	
	As at March 31, 2020	As at March 31, 2019
Foreign currency forward - USD/INR	(1.18)	3.88
Foreign currency forward - GBP/INR	0.66	-
	(0.52)	3.88

The balance sheet exposure denotes the fair values of these contracts at the reporting date and is presented in millions. The Company presents its foreign exchange forward contracts on a net basis in the financial statements.

Various outstanding foreign currency exchange forward contracts (sell) entered into by the Company which have been designated as Cash Flow Hedges in the respective foreign currency:

Particulars	Amount outstanding in foreign currency	
	As at March 31, 2020	As at March 31, 2019
Foreign currency forward - (USD in Million)	0.80	1.10
Foreign currency forward - (GBP in Million)	0.33	-

### n. Financial Risk Management

The Company is exposed to a variety of financial risks; credit risk, liquidity risk and market risk, viz; foreign currency risk and interest rate risk. The Company has a risk management policy to manage & mitigate these risks.

The Company's risk management policy aims to reduce volatility in financial statements and aims to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The Board of Directors reviews and agrees policies for managing each of these risks as summarized below:

#### Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to the financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and investment securities.

Financial instruments that potentially subject the Company to concentration of credit risk consists of trade receivables, investments, loans, cash and cash equivalents, other balances with banks and other financial assets. The maximum exposure to credit risk is equal to the carrying value of the financial assets. By their nature, all such financial assets involve risks, including the credit risk of non-performance by counterparties.

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

The Company periodically assesses the credit quality of the counterparties by taking into account their financial position, past experience, ageing of accounts receivables and any other factor determined by individual characteristic of the counterparty.

The maximum amount of exposure to credit was as follows:

Particulars	Balance as at March 31, 2020	Balance as at March 31, 2019
Investments	55.14	-
Trade receivables	675.16	649.55
Cash and cash equivalents	429.33	400.57
Loans	1.43	0.62
Other financial assets	145.05	85.10
<b>TOTAL</b>	<b>1,306.11</b>	<b>1,135.84</b>

#### Trade receivables:

The Company has used a practical expedient by computing the lifetime expected credit loss allowance for trade receivables based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information. The Company's exposure to customers is diversified. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

#### Liquidity Risk:

Liquidity risk is the risk that the Company will not be able to encounter its financial obligations associated with financial liabilities as they become due. The Company manages its liquidity risk by ensuring, as far as possible, to maintain sufficient liquid funds to meet its liabilities on the due date. The Company consistently generates sufficient cash flows from operations (with adequate reserves) and has access to multiple sources of funding (banking facilities and loans from promoter company) to meet the financial obligations and maintain adequate liquidity for use.

The processes and policies related to such risks are overseen by Senior Management.

Maturity profile of the Company's non-derivative financial liabilities based on contractual payments is as below:

Particulars	Year 1 (Current)	1 - 2 years	2 years and above
<b>As at March 31, 2020</b>			
Borrowings	37.60	16.95	230.00
Trade Payables	229.48		
Other financial liabilities	57.94	38.47	
<b>As at March 31, 2019</b>			
Borrowings	93.57	299.06	16.95
Trade Payables	243.23		
Other financial liabilities	26.42		

#### Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### Foreign Currency Risk:

The fluctuation in foreign currency exchange rates may have potential impact on the Statement of Profit or Loss and Other Comprehensive Income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the Company.

The Company's exchange risk arises from its foreign currency revenues (primarily in U.S. Dollars, British Pound Sterling / Euros and Singapore Dollars). A significant portion of the Company's revenue are in these foreign currencies, while a significant portion of its corresponding costs are in Indian Rupee. As a result, if the value of Indian rupee appreciates relative to these foreign currencies, the Company's revenue measured in Indian Rupee may decrease and vice versa. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future.

The Company periodically determines its strategy to mitigate foreign currency risk. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies.

The following table presents foreign currency risk from non-derivative financial instruments as at each reporting period:

The maximum amount of exposure to foreign currency risk was as follows: (Millions in respective currencies)

Particulars	Balance as at March 31, 2020	Balance as at March 31, 2019
Cash and cash equivalents		
In US Dollars	1.86	2.93
In Singapore Dollars	0.33	0.39
In Pound Sterling	1.50	0.33
In Euro	0.07	0.57
Trade receivables		
In US Dollars	6.44	6.53
In Canadian Dollars	0.04	-
In Singapore Dollars	0.63	0.54
In Pound Sterling	2.77	2.22
In Euro	1.79	0.91
Trade payables		
In US Dollars	0.42	1.09
In Singapore Dollars	0.13	0.01
In Pound Sterling	3.79	1.75
In Euro	0.10	0.09

### Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates arises on Company's debt obligations with floating interest rate.

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### o. Additional information required as per Part 2 of Schedule III of Companies Act, 2013.

Name of Entity	Net assets		Share in Profit or Loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of Consolidated Net assets	Amount	As a % of Consolidated Profit or Loss	Amount	As a % of Consolidated Comprehensive Income	Amount	As a % of Consolidated Total Comprehensive income	
<b>Parent</b>								
Saksoft Ltd	37.95%	1109.37	58.98%	294.55	-83.60%	(6.33)	58.90%	288.22
<b>Indian Subsidiaries</b>								
ThreeSixty Logica Testing Services Pvt Ltd and its subsidiary	5.69%	166.36	13.30%	66.43	-6.33%	(0.48)	13.31%	65.95
DreamOrbit Softech Pvt Ltd and its subsidiary	7.20%	210.50	14.43%	72.09	-10.07%	(0.76)	14.50%	71.33
<b>Foreign Subsidiaries</b>								
Saksoft Inc and its Subsidiaries	11.07%	323.50	6.34%	31.62	0%	-	6.43%	31.62
Saksoft Pte	2.41%	70.45	0.06%	0.29	0%	-	0.06%	0.29
Saksoft Solutions and its subsidiaries	35.69%	1043.34	6.90%	34.44	0%	-	7.01%	34.45
<b>Subtotal</b>		<b>2923.52</b>		<b>499.42</b>		<b>(7.57)</b>		<b>491.86</b>
Employee Welfare Trust		21.65		3.99		-		3.99
Adjustment arising out of consolidation		(883.37)		(116.90)		62.54		(54.37)
<b>Minority Interest in Subsidiary</b>								0
DreamOrbit Softech Pvt Ltd and its subsidiary		-		(2.02)		-		(2.02)
<b>Total</b>		<b>2061.80</b>		<b>384.49</b>		<b>54.97</b>		<b>439.46</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2020

(All amounts are in Indian rupees millions, except share data and as otherwise stated)

### p. COVID -19

The outbreak of Corona virus (COVID -19) pandemic globally and in India is causing Significant disturbance and slowdown of economic activity. The Group has evaluated impact of this pandemic on Its business operations and based on its review and current indicators off future economic conditions, there is no significant impact on its year end financial results.

In the preparation of the financial statements the Group has considered the possible effects which may arise from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues, goodwill and intangible assets. In developing the assumption relating to the possible future uncertainties in the global economic conditions attributable to this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information, economic forecasts and estimates from market sources on the realisability of these assets. Based on the current estimates, the company expects the carrying amount of these assets will be recovered.

The extent of the impact of COVID-19 on the future operational and financial performance will depend on certain developments, including duration and spread of the outbreak, the future impact on the customers, employees and vendors, all of which are uncertain and cannot be predicted. As the impact of COVID-19, if any, on the future operational and financial performance of the company could be different from management's estimates in this regard, the company will continue to closely monitor any changes as they emerge.

Vide our report of even date attached.

For and on behalf of the Board of Directors

#### For R.G.N. Price & Co.,

Chartered Accountants

Firm Registration No: 002785S

#### Mahesh Krishnan

Partner

Membership No: 206520

Date: May 27, 2020

Place: Chennai

**Aditya Krishna**

Chairman & Managing Director

DIN.00031345

**Ajit Thomas**

Director

DIN.00018691

**Niraj Kumar Ganerwal**

Chief Financial Officer

**S. Muthukrishnan**

Company Secretary

## Form AOC-I

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 (All amounts are in Indian rupees millions, except share data and as otherwise stated)

### Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

#### Part-A: Subsidiaries

S.No.	1	2	3	4	5
	Saksoft Inc & its subsidiaries	Saksoft Pte Ltd	Saksoft Solutions Ltd and its subsidiaries	Three Sixty Logica Testing Services Pvt Ltd & its subsidiaries	DreamOrbit Softech Private Limited & its subsidiaries
2	1st April - 31st March 2020	1st April - 31st March 2020	1st April - 31st March 2020	1st April - 31st March 2020	1st April - 31st March 2020
3	USD, Ex Rate 74.74 /USD	SGD, Ex Rate 52.48/ SGD	GBP, Ex Rate 92.48/ GBP	INR	INR
4	INR 9.24 m- 195000 equity shares of USD 1 each fully paid up	INR 19.17m- 555002 equity shares of SGD 1 each fully paid up	INR 434.45m- 5001000 equity shares of GBP 1 each fully paid up	INR 0.10m - 10000 equity shares of INR 10 each fully paid up	INR - 0.14m - 14150 equity shares of INR 10 each fully paid up
5	Reserves & Surplus	281.77	608.91	166.26	210.36
6	Total Assets	465.70	1,408.97	301.24	364.65
7	Total Liabilities	174.68	365.60	134.88	154.15
8	Investments	-	-	-	-
9	Turnover	1,156.45	914.75	330.23	540.37
10	Profit Before Taxation	42.31	35.27	88.38	114.59
11	Provision for Taxation	10.69	0.82	21.96	42.50
12	Profit After Taxation	31.62	34.45	66.42	72.09
13	Interim Dividend + Tax	-	7.74	42.19	78.94
14	Proposed Dividend	-	-	-	-
15	% of Shareholding	100.00	100.00	100.00	100.00





**Regd office:** Global Infocity Park, Block A, 2nd floor, #40, Dr MGR Salai, Kandanchavadi, Perungudi, Chennai – 600 096  
**Email Id:** complianceofficer@saksoft.co.in; investorqueries@saksoft.co.in  
**website:** www.saksoft.com; **Phone:** 044 – 24543500; **Fax:** 044 - 24543510

Dated: May 27, 2020

*Dear members*

You are cordially invited to attend the 21st Annual General Meeting of the members of Saksoft Limited ("the Company") to be held on Monday, August 10, 2020 at 10.30 A.M. IST through Video Conference/ Other Audio Visual Means (OAVM) facility.

The Notice of the meeting, containing the business to be transacted, is enclosed herewith. As per Section 108 of the Companies Act, 2013, ('the Act') read with the related Rules and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company is pleased to provide its members the facility to participate at the Annual General Meeting through Video Conference/ Other Audio Visual Means (OAVM) facility.

Very truly yours,

Sd/-

**Aditya Krishna**

*Chairman & Managing Director*



**Regd office:** Global Infocity Park, Block A, 2nd floor, #40, Dr MGR Salai, Kandanchavadi, Perungudi, Chennai – 600 096  
**Email Id:** complianceofficer@saksoft.co.in; investorqueries@saksoft.co.in  
**website:** www.saksoft.com; **Phone:** 044 – 24543500; **Fax:** 044 - 24543510

## NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Twenty First Annual General Meeting (AGM) of the members of the Company will be held on Monday, the 10<sup>th</sup> day of August, 2020 at 10.30 A.M Indian Standard Time (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

### Ordinary Business:

- To receive, consider and adopt
  - the Audited Standalone Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2020, together with the Reports of Board of Directors and the Auditors thereon.
  - the Audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2020 together with the Report of the Auditors thereon.
- To confirm the payment of Interim Dividends declared during the financial year 2019- 2020, on Equity Shares as the Final Dividend for the financial year 2019-2020.
- To appoint a Director in place of Ms. Kanika Krishna (DIN 06954593) who retires by rotation and being eligible, offers herself for re-appointment.

### Special Business:-

- Appointment of Mr.Ganesh Chella as an Independent Director  
To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:  
"RESOLVED THAT Mr.Ganesh Chella (DIN 01889831), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 3<sup>rd</sup> February, 2020 and who holds office up to the date

of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("Act") but who is eligible for appointment be and is hereby appointed as Director of the Company."

"RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, the appointment of Mr.Ganesh Chella, who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder, and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing 3<sup>rd</sup> February, 2020 to 2<sup>nd</sup> February, 2025 be and is hereby approved."

- Appointment of Ms. Malini Thadani as an Independent Director

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT Ms. Malini Thadani (DIN 01516555), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 27<sup>th</sup> May, 2020 and who holds office up to the date of this Annual General Meeting of the Company in terms of

Section 161(1) of the Companies Act, 2013 ("Act") but who is eligible for appointment be and is hereby appointed as Director of the Company."

"RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, the appointment of Ms. Malini Thadani, who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder, and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing 27<sup>th</sup> May, 2020 to 26<sup>th</sup> May, 2025 be and is hereby approved."

- Re- appointment of Mr. Aditya Krishna as Managing Director

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT subject to 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), approval of the Members be and is hereby accorded for the appointment of Mr. Aditya Krishna as Managing Director (DIN 00031345) of the Company, for a further period of five (5) years with effect from 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2026 on the terms and conditions including remuneration, perquisites and benefits as set out below:

Details of terms of remuneration: The Basic salary is Rs. 7,00,000/-per month.

**Perquisites and allowances:**

In addition to salary, the Managing Director shall be entitled to the following perquisites/benefits, which shall be evaluated as per the Income Tax Rules wherever applicable. In the absence of any such rule, perquisite shall be evaluated at actual cost.

**Perquisites include the following:**

- Rent free residential accommodation or house rent allowance in lieu thereof.
- Actual Medical expenses incurred for self and family towards domiciliary and hospitalization expenses.
- Contribution to Provident Fund as per the rules of the Company.
- Club fees for two-clubs excluding admission and life membership fees.
- Leave Travel Concession once in a year for self and family to any place in India by Air/Rail/Road.
- Company maintained car with Driver.
- Telephone facility at residence.

"RESOLVED FURTHER THAT Members of the Nomination and Remuneration Committee be and are hereby severally authorized to sign and execute an agreement with Mr. Aditya Krishna, Managing Director on behalf of the Company and to alter and vary the terms and conditions of the said appointment and/ or agreement in such manner as it may deem fit and as may be agreed between the Board of Directors and Mr. Aditya Krishna."

"RESOLVED FURTHER THAT where in any financial year, during the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the remuneration payable to him by way of salary, perquisites & allowances as noted above shall be paid as minimum remuneration for a period not exceeding 3 years, subject to the limits prescribed in Section II of Part II of Schedule V to the Companies Act, 2013 or such other limits as maybe prescribed by the Government from time to time and applicable to the Company."

"RESOLVED FURTHER THAT, subject to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company be

and are hereby severally authorized to make such other modifications, alterations, variations in the terms and conditions relating to remuneration of the Managing Director in terms of Schedule V and other applicable provisions of the Companies Act, 2013, at their own discretion from time to time."

"RESOLVED FURTHER THAT, wherever in any Act, Articles, Contract or otherwise it has been provided that any item relating to above matters shall have express approval of the Shareholders of the Company or the Company could carry out that transaction/activity only if the Shareholders

so authorizes, then and in that case this resolution hereby expressly authorizes and approves those transactions and it shall be deemed that such transactions/activities have been approved and permitted without any further action from the Shareholders."

By order of the Board of Directors  
For Saksoft Limited

Date: 27<sup>th</sup> May, 2020  
Place: Chennai

S. Muthukrishnan  
Company Secretary

**Notes:**

- The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 4 to 6 of the Notice, is annexed hereto.
- The relevant details, pursuant to Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this Annual General Meeting ("AGM") are also annexed to this notice.
- In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5<sup>th</sup>, 2020 read with circulars dated April 8<sup>th</sup>, 2020 and April 13<sup>th</sup>, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing Facility (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM. Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM
- The Annual General Meeting (AGM) is convened through

Video Conferencing Facility (VC) / Other Audio Visual Means (OAVM), in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8<sup>th</sup>, 2020 and MCA Circular No. 17/2020 dated April 13<sup>th</sup>, 2020 and MCA Circular No. 20/2020 dated May 05<sup>th</sup>, 2020.

- The Members can join the Annual General Meeting in the Video Conferencing Facility (VC)/ Other Audio Visual Means (OAVM) mode, 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
- Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment

of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

7. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer at [vscrutinizer@gmail.com](mailto:vscrutinizer@gmail.com) by email from their registered email address.
8. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12<sup>th</sup>, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories Registrar and Share Transfer Agent. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website [www.saksoft.com](http://www.saksoft.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com)
9. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
10. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
11. Register of Members and Share Transfer Books of the Company is closed from Saturday, the 1<sup>st</sup> August, 2020 to Monday, the 10<sup>th</sup> August, 2020 for the purpose of Annual General Meeting of the Company.
12. As per Regulation 40 of SEBI LODR Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 01<sup>st</sup>, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical

shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Cameo Corporate Services Limited for assistance in this regard.

13. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their Depository Participants ("DPs") in case the shares are held by them in electronic form and with Cameo Corporate Services Limited (Cameo) in case the shares are held by them in physical form.
14. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held in electronic form and to Cameo Corporate Services Limited in case the shares are held in physical form.
15. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said form to their DP in case the shares are held in electronic form and to Cameo Corporate Services Limited in case the shares are held in physical form.
16. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Cameo Corporate Services Limited, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
17. In case of joint holders attending the Annual General Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

18. Members seeking any information with regard to the accounts are requested to write to the Company on or before August 07<sup>th</sup>, 2020 5.00 PM (IST) in advance through email at [complianceofficer@saksoft.co.in](mailto:complianceofficer@saksoft.co.in). The same will be replied by the Company suitably.

19. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the dematerialised account of the IEPF Authority. In view of this, Members/Claimants are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/ shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in). The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules

20. Under Section 124 Of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company has accordingly transferred Rs.7,390 /-(Rupees Seven Thousand Three Hundred and Ninety Only) being the unpaid and unclaimed dividend amount pertaining to the year 2011-12 to IEPF on 23rd September, 2019. As per the above regulations no claim shall lie against the Company or the IEPF in relation to the amount remitted to IEPF.

The details of unpaid dividend relating to the years 2011-12 to 2018-19 as on 12<sup>th</sup> August, 2019 being the date of the last AGM is available on the website of the Company: <http://www.saksoft.com/company/investor-relations>.

21. Dividend for the year 2012-13 remaining unclaimed and unpaid will be transferred to IEPF during the second week of September 2020. Shareholders who are yet to encash their dividend warrants are required to contact the Company or Company's Registrars and Transfer Agents, Cameo Corporate Services Limited at an early date and

lodge their claims and accordingly no claims shall lie against the fund or the Company and it will not be possible for the Shareholders to make any further claims in this regard after the said transfer, unless the new provisions are notified prior to the transfer. Any unclaimed/ unpaid dividend amount shall be paid only on receipt of a valid request in this regard and the satisfactory compliance of the requisite procedure, as prescribed by Company's Registrars and Transfer Agents, Cameo Corporate Services Limited.

22. All documents as mentioned in the resolutions are available for inspection by the Members in electronic mode at the Registered Office of the Company.

23. At the Eighteenth Annual General Meeting held on August 07<sup>th</sup>, 2017 the members approved appointment of Messrs R.G.N.Price & Co., Chartered Accountants (Firm Registration No. 0042785S) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the twenty-third Annual General Meeting, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7<sup>th</sup>, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at this Annual General Meeting.

24. The following documents will be available for inspection by the Members electronically during the 21<sup>st</sup> AGM. Members seeking to inspect such documents can send an email to [complianceofficer@saksoft.co.in](mailto:complianceofficer@saksoft.co.in) before August 07<sup>th</sup>, 2020, 5.00 pm (IST).

- a) Certificate from the Statutory Auditors relating to the Company's Stock Options/Restricted Stock Units Plans under SEBI (Share Based Employee Benefits) Regulations, 2014.
- b) Register of Directors and Key Managerial Personnel and their shareholding, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under the Companies Act, 2013.



## Explanatory Statement

As required under Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to business mentioned under Item Nos. 4 to 6 of the accompanying Notice:

### Item Nos. 4 & 5:

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors appointed Mr. Ganesh Chella (DIN 01889831) as an Additional Director of the Company and also as Independent Director, not liable to retire by rotation, for a term of 5 years i.e. from 3<sup>rd</sup> February, 2020 to 2<sup>nd</sup> February, 2025 subject to approval of the Members.

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors appointed Ms. Malini Thadani (DIN 01516555) as Additional Director of the Company and also as an Independent Director, not liable to retire by rotation, for a term of 5 years i.e. from 27<sup>th</sup> May, 2020 till 26<sup>th</sup> May, 2025 subject to approval of the Members.

Pursuant to the provisions of Section 161(1) of the Act, each of these Directors shall hold office up to the date of this Annual General Meeting ("AGM") and are eligible to be appointed as Directors. The Company has received declarations from Mr. Ganesh Chella and Ms. Malini Thadani, Directors to the effect that they meet the criteria of independence as provided in Section 149(6) of the Act read with the Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. In the opinion of the Board, each of these Directors fulfil the conditions specified in the Act, Rules and SEBI Listing Regulations for appointment as Independent Director and they are independent of the management of the Company.

### Item No. 6:

Mr. Aditya Krishna was appointed as the Managing Director for a period of five years with effect from 1<sup>st</sup> April, 2016 till 31<sup>st</sup> March, 2021. This item is placed before the shareholders for their approval as a special resolution for his reappointment for another period of five years from 1<sup>st</sup> April, 2021 till 31<sup>st</sup> March, 2026.

Mr. Aditya Krishna, the founder promoter and the Managing Director of Saksoft Limited has been instrumental in driving the business development efforts of the Group with over three decades of experience in banking, financial services and IT industry. He has contributed significantly to the growth of the company in every year of its operation and under his able leadership Saksoft today has grown into a multi-faceted conglomerate with an excellent reputation for software development and testing services across industry verticals. In view of his valuable contribution and his profound knowledge of the industry and business acumen, the Board considers it desirable in the interest of the company to reap the benefit of his leadership for its continued growth in future and has approved his reappointment for a further period of five years, subject to the approval of the shareholders in the Annual General Meeting on the following terms of remuneration. Currently Mr. Aditya Krishna is the only Whole time Director of the Company. Details of terms of remuneration:

The Basic salary is Rs. 7,00,000/- per month.

#### Perquisites and allowances:

In addition to salary, the Managing Director shall be entitled to the following perquisites/benefits, which shall be evaluated as per the Income Tax Rules wherever applicable. In the absence of any such rule, perquisite shall be evaluated at actual cost. Perquisites include the following:

- Rent free residential accommodation or house rent allowance in lieu thereof.
- Actual Medical expenses incurred for self and family towards domiciliary and hospitalization expenses.
- Contribution to Provident Fund as per the rules of the Company.
- Club fees for two-clubs excluding admission and life membership fees.
- Leave Travel Concession once in a year for self and family to any place in India by Air/Rail/Road.
- Company maintained car with Driver.
- Telephone facility at residence.

#### Minimum remuneration:

Notwithstanding anything contained above, where in any financial year during the currency of the tenure of the

Managing Director, the company has no profits or the profits are inadequate, the company shall pay the aforesaid remuneration as minimum remuneration subject to all statutory approvals as may be required from time to time.

#### Sitting Fees:

Sitting fees will not be payable for attending the meeting of the Board of Directors or any committee thereof from the date of appointment.

## Statement pursuant to the provisions of Part II Section II of Schedule V of the Companies Act, 2013 in respect to reappointment of Mr. Aditya Krishna as Managing Director

### I. General Information:

#### (1) Nature of industry:

Saksoft Limited is a leading player in providing digital transformation solutions to help businesses stay relevant in a highly connected, rapidly evolving world. Saksoft is a niche technology specialist that provides a comprehensive suite of business transformation, information management, application development and testing services. Saksoft helps their clients level the playing field by helping them transform their business spaces.

Particulars	For the year ended 31st March, 2016 (Audited)	For the year ended 31st March, 2017 (Audited)	For the year ended 31st March, 2018 (Audited)	For the year ended 31st March, 2019 (Audited)	For the year ended 31st March, 2020 (Audited)
Total Income	551.11	533.26	647.43	999.57	1285.23
Profit before Tax	145.35	86.89	119.95	209.15	356.96
Profit after tax	104.74	61.30	91.08	163.05	294.55

#### (5) Foreign investments or collaborations, if any.

The Company has not entered into any foreign collaboration. As per the shareholding pattern as on 31<sup>st</sup> March, 2020, Foreign Portfolio Investor (FPI) holds 102300 equity shares aggregating to 0.98% of the total equity share capital of the Company.

### II. Information about the appointee:

#### (1) Background details

Mr. Aditya Krishna, the Founder and the Managing Director of the Saksoft Group, spearheads Saksoft 's growth across domains and geographies.

Mr. Aditya Krishna was with Citibank N.A, New York, USA from 1987 to 1990 as a member of the business analysis department of the Credit Card Business and from 1990 to 1995 was Vice President – Credit Director & Financial Controller, Citibank N.A, India responsible for managing

Citibank India's credit card portfolio. Mr. Aditya Krishna was the founder promoter of Nation Wide Finance Ltd. and was the Managing Director of the company from 1995 to 2001. In year 2000, Mr. Aditya Krishna sold 74% of the company to Citigroup, Inc and managed a transition to a Citigroup management team for 12 months and sold the balance 26% to Citigroup in 2003. The company was called Citi financial Consumer Finance India Ltd and was the market leader in small ticket, sub prime lending and was a part of the global Citi financial finance arm of Citigroup. He was a Director in Kennametal India Ltd (erstwhile Widia (India) Ltd from 1991 to 2002 as a member of the promoter group. He was also on the board of ING Vysya Bank as an independent director from 2007 to 2013. Mr Aditya Krishna, with his banking and retail lending domain knowledge, founded Saksoft Ltd. in 2000 and at present is its Chairman and Managing Director

(2) Past remuneration (Rs.in Million)

Particulars	FY 2015-16	For FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Salary Per Annum	3.00	5.40	5.40	5.40	5.82

(3) Recognition or awards: Mr. Aditya Krishna has completed the owner President Management programme of the Harvard Business School.

(4) Job profile and his suitability: He is responsible for overall strategy and day to day management under the supervision and control of the Board of Directors of the Company

(5) Remuneration proposed

The remuneration paid/proposed to be paid during the tenure of his directorship is detailed in resolution No. 6 of this Notice.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

The proposed remuneration is comparable and competitive, considering the industry, size of the company, the managerial position and the credentials of Mr. Aditya Krishna.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

Mr. Aditya Krishna is a promoter holding 22,18,640 equity shares in the Company. He has provided the personal guarantee for the term loan and other working capital facilities availed by the Company from banks. He is also a Director and Shareholder in Sak Industries Private. Limited, a company forming part of the Promoter group.

III. Other information:

(1) Reason of loss or inadequate profits:

At present, the Company has adequate profits. The Company is in a growth stage and revenues are increasing gradually. The company is also investing in the resources and technology to enable the growth in revenues for the coming years that might impact the profitability of the Company in the coming years.

(2) Steps taken or proposed to be taken for improvements:

The Leadership team is more focused on increasing the market. The executive team of the Company are devoted to developing customer relationship for gaining more business from them. The Company has implemented cost control measures to ensure effectiveness and efficiency of costs incurred. Foreign exchange risks are also being mitigated through forward cover and hedging techniques.

(3) Expected increase in productivity and profits in measurable terms:

In view of the above mentioned steps being taken by the Company, the productivity is expected to increase and consequently the profits are also expected to increase in measurable terms.

IV. Disclosures:

The details of remunerations and other information is given in the resolution and Corporate Governance report forming part of the Annual Report 2019-20.

Memorandum of Interest:

Mr. Aditya Krishna being a director of the Company is interested in his re-appointment as Managing Director. Ms. Kanika Krishna, Director being the daughter of Mr. Aditya Krishna may be deemed to be interested in his re-appointment as Managing Director.

No other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested in the re-appointment of Mr. Aditya Krishna as Managing Director. The Board recommends the resolution set forth in item no. 6 for the approval of the members.

The draft agreement to be entered into with the Managing Director for the appointment tenure from 1st April, 2021 till 31st March, 2026 is available for inspection and such document shall be so made available for inspection electronically during specified business and copies thereof shall also be available for inspection in electronic form.

By order of the Board of Directors  
For Saksoft Limited

Date: 27<sup>th</sup> May, 2020  
Place: Chennai

S.Muthukrishnan  
Company Secretary

“ANNEXURE 1”

In terms Regulation 36(3) of LODR, a brief resume of the Directors who are proposed to be appointed / re-appointed at this AGM are given below:

Particulars	Kanika Krishna	Aditya Krishna	Ganesh Chella	Malini Thadani
Brief Resume	MBA in Financial Management from Pace University, New York, USA. Prior to this she has completed the Master's program in International Business from the Manchester Business School, UK. She is also an alumnus of Stella Maris College, Chennai where she completed her Bachelor of Commerce degree	M.A. in Economics from St Stephens College, New Delhi and MBA (Finance and Marketing) from Northeastern University, Boston, USA.	An alumini of XLRI, Jamshedpur, a professional member of the India Society for Applied Behavioral Science. He is trained and certified as a Coach by Dr. Skiffington, Australia and Coaching Foundation India.	Bachelor's in History, Lady Shri Ram College, Delhi University. Master's in History, Hindu College, Delhi University. Master's in Public Administration, Ohio University, Ohio, USA. FT Board Director Diploma, Hong Kong. Insead Social Entrepreneurship Programme (ISEP), Insead, Paris, France. Diploma in Business and Government, Ecole Nationale d'Administration, Paris, France.
Nature of expertise in specific functional area	Ms. Kanika Krishna joined Sak Abrasives Limited in 2012 and is responsible for the company's growth in new markets and new areas. In the short time that she has been with the company, Kanika has grown the export business multi fold with focus on the UK and US markets. She has appointed manufacturer representatives and distributors in these markets to sell the company's products and established a fully stocked warehouse for the company's products in New Jersey, USA. She has demonstrated a quick understanding of the business and good leadership in her role with the Company. Prior to joining Sak Abrasives, Kanika worked with Deutsche Bank in India and Merrill Lynch in New York	Mr. Aditya Krishna brings with him over three decades of knowledge and experience in banking, financial services and IT industry. After a long career with Chase Manhattan Bank in New York and later with Citi bank, New York, he relocated to India in 1990, as part of a four-member team to establish Citi bank's Credit Card business in the country. Aditya was instrumental in developing City Bank's in-house software to run their credit card operations	Mr. Ganesh Chella has worked with a wide range of client organisations, his work with high growth entrepreneurial organisations to support their needs of managing growth as well as his work on organisation development assignments with top management. He pioneered the use of executive coaching for leader development in India.	With the acumen gained from two successful careers, the first in the Indian Revenue Service and the second at HSBC in India and Hong Kong, Ms. Malini Thadani advises corporates and not-for-profit Boards to design and operationalise the effective integration of sustainability, communications and investor relations into their strategic vision, so as to future-proof their organisations.

Particulars	Kanika Krishna	Aditya Krishna	Ganesh Chella	Malini Thadani
Directorships held in other listed companies	Nil	Nil	Nil	Nil
Chairman/ Member of the Committees of the Boards of the Listed Companies (other than Saksoft Limited) in which he/ she is a Director	Nil	Nil	Nil	Nil
No of shares held in the Company	Nil	22,18,640	Nil	Nil
Inter- se relationship with any Director	Ms.Kanika Krishna is the daughter of Mr.Aditya Krishna, Promoter and Managing Director of the Company.	Mr. Aditya Krishna is the father of Ms.Kanika Krishna, Non Executive Director of the Company.	Nil	Nil

By order of the Board of Directors  
For **Saksoft Limited**

**S.Muthukrishnan**  
Company Secretary

Date: 27<sup>th</sup> May, 2020  
Place: Chennai

## VOTING THROUGH ELECTRONIC MEANS

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended) and MCA Circulars dated April 08<sup>th</sup>, 2020, April 13<sup>th</sup>, 2020 and May 05<sup>th</sup>, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the Annual General Meeting will be provided by CDSL. The instructions for e-voting are given herein below.

The e-voting period commences on Thursday, August 06<sup>th</sup>, 2020 (9:00 a.m. IST) and ends on Sunday, August 09<sup>th</sup>, 2020 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Monday, August 03<sup>rd</sup>, 2020 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

Mr. V. Suresh, Practising Company Secretary, (CP No.6032) has been appointed as the Scrutinizer of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the

Notice and holding shares as of the cut-off date, may generate the password themselves to login to the e-voting system. Please refer point no (vi) of the remote e-voting process.

### PROCESS AND MANNER FOR REMOTE E-VOTING

- (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (ii) Click on "Shareholders" module.
- (iii) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in dematerialised form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

	For Shareholders holding shares in Dematerialised Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both dematerialised shareholders as well as physical shareholders).
Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your dematerialised account or in the company records in order to login.
OR Date of Birth (DOB)	If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).



- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in dematerialised form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> // SAKSOFT LIMITED// on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvi) If a dematerialised account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the

instructions as prompted by the mobile app while Remote Voting on your mobile.

**PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING ANNUAL REPORT AND USER ID/ PASSWORD FOR E-VOTING AND UPDATION OF BANK ACCOUNT MANDATE FOR RECEIPT OF DIVIDEND:**

Physical Holding	<p>Send a request to the Registrar and Transfer Agents of the Company, investor@cameoindia.com providing Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) for registering email address.</p> <p>Following additional details need to be provided in case of updating Bank Account Details:</p> <ul style="list-style-type: none"> <li>a) Name and Branch of the Bank in which you wish to receive the dividend,</li> <li>b) the Bank Account type,</li> <li>c) Bank Account Number allotted by their banks after implementation of Core Banking Solutions</li> <li>d) 9 digit MICR Code Number, and</li> <li>e) 11 digit IFSC Code</li> <li>f) a scanned copy of the cancelled cheque bearing the name of the first shareholder.</li> </ul>
Demat Holding	<p>Please contact your Depository Participant (DP) and register your email address and bank account details in your dematerialized account, as per the process advised by your DP.</p>

The Company/Registrar and Share Transfer Agent shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE ANNUAL GENERAL MEETING THROUGH VIDEO CONFERENCING FACILITY (VC) /OTHER AUDIO VISUAL MEANS (OAVM) ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting

system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views or ask questions during the AGM on video feature may register themselves as a speaker by sending a request from their registered email address mentioning their name, DP ID and Client ID/folio number and mobile number to [complianceofficer@saksoft.co.in](mailto:complianceofficer@saksoft.co.in) before 5 PM IST on August 07<sup>th</sup>, 2020. Members can also post their questions on the chat feature during the AGM. The Company reserves the right to limit the number of members asking questions depending on the availability of time at the AGM.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting

through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the EGM/AGM.

**OTHER INSTRUCTIONS**

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.saksoft.com](http://www.saksoft.com) and on the website of CDSL <https://www.evotingindia.com> immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited viz., [www.nseindia.com](http://www.nseindia.com) and BSE Limited [www.bseindia.com](http://www.bseindia.com), where the shares of the Company are listed.
3. Note for Non – Individual Shareholders and Custodians
  - a) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - b) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
    - a. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
    - b. The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able

- to cast their vote.
- c. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - d. Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz., vsscruinizer@gmail.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
  - e. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533/022-2305 8542 / 022 2305 8543 / 022 2305 8738.
  - f. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai- 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533 /022-2305 8542 / 022 2305 8543 / 022 2305 8738.

### Information at a Glance

Particulars	Details
Day, Date and Time	Monday, August 10, 2020 , 10.30 A.M. (IST)
Mode	Video Conference/ Other Audio-Visual Means
Participation through Video-Conferencing (CDSL)	<a href="https://www.evotingindia.com">https://www.evotingindia.com</a>
Link for Remote e-voting through (CDSL)	<a href="https://www.evotingindia.com">https://www.evotingindia.com</a>
Helpline number of CDSL for VC participation	1800225533/ 02223058542 / 0222305 8543 / 0222305 8738.
Cut-off date for e-voting	Monday, the 3rd August, 2020
E-voting start time and date	9.00 A.M. (IST) 6th August, 2020
E-voting end time and date	5.00 P.M. (IST) 9th August, 2020
E-voting website of CDSL	<a href="http://www.evotingindia.com">www.evotingindia.com</a>
Book Closure Dates	Saturday, 1st August, 2020 till Monday, 10th August, 2020
Name, address and contact details of e-voting service provider	Contact name Mr. Rakesh Dalvi, Manager, (CDSL) 'A' Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai- 400013 Email id: <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> Contact No. 1800225533 /022-2305 8542 / 022 2305 8543 / 022 2305 8738.
Name, address and contact details of Registrar and Transfer Agent and Contact Name	Cameo Corporate Services Limited, Subramanian Buildings, No. 1, Club House Road, Chennai – 600 002 Ph: +91 44 28460390 Fax: +91 44 28460129 Ms. Sofia (Unit): SAKSOFT LIMITED





