

EMPLOYEE
WELL BEING

BUSINESS
CONTINUITY

ADAPTABILITY

CUSTOMER
FOCUS

Inch wide.

Mile deep.

WORK
FROM HOME

UNCERTAINTIES

LOCKDOWNS

COVID-19

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 2020-21.

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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 Operating Officer and Chief Financial Officer
Niraj Kumar Ganeriwala

Executive Vice President
Dhiraj Kumar Mangla

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

Senior Vice President - India and APAC Sales
Bhaskar Narayanan

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

CEO, DreamOrbit (A Saksoft company)
Sanchit Jain

Vice President, Global Head - Testing Services
Soumya Sashi

Senior Vice President Sales - US Region
Swaraj Kumar Dash

Vice President
Avantika Krishna

COMPANY SECRETARY & COMPLIANCE OFFICER

Meera Venkataramanan

WEBSITES

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www.acuma.co.uk
www.edprof.com
www.360logica.com
www.dreamorbit.com
www.faichi.com

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complianceofficer@saksoft.co.in
investorqueries@saksoft.co.in

AUDITORS

R.G.N.Price & Co.,
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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Block A, 2nd Floor,
#40, Dr. MGR Salai, Kandanchavadi,
Perungudi, Chennai - 600 096
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Fax: +91 44 24543510

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, Ireland

REGISTRAR AND SHARE TRANSFER AGENT

Cameo Corporate Services Limited
Subramanian Building,
No. 1, Club House Road, Chennai - 600 002
Ph: +91 44 28460390
Fax: +91 44 28460129

DEVELOPMENT CENTERS

INDIA					UK
Chennai	Noida	Bengaluru	Pune	Mumbai	Stockport
Global Infocity Park, Block A, 2nd Floor, #40, Dr. MGR Salai, Kandanchavadi, Perungudi, Chennai - 600 096 Ph.: + 91 44 2454 3500 Fax: + 91 44 2454 3510	B 35-36, Sector 80, Phase II, Noida - 201305 Ph.: +91 120 428 6231 33 Fax: + 91 120 2462 179	Ascend-19, 2nd Floor, 1st Cross, 17th C Main, 5th Block, Koramangala, Bangalore - 560 095 Ph.: 91-80-4098 9881	503, 5th Floor, Pride Purple Accord, Baner Road, Pune, Maharashtra - 411 045 Ph.: +91 20 27 29 3402	Emgeen Chambers II floor, 10, Vidyanaagari Marg CST Road, Kalina Santacruz (East) Mumbai - 400 098 Ph.: 022 4924 4642	Applicon House, Exchange Street, Stockport, United Kingdom, SK3 0EY Ph.: +44(0) 161 241 4321 Fax: +44 (0)161 241 4250



- 1 We delivered growth in a challenging year
- 2 We protected and built on our Balance Sheet during different phases of the year
- 3 We finished the year considerably stronger than when we had started out
- 4 We remained committed to protect our Human Resource Capital
- 5 We are more attractively placed to enhance value going ahead

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

The global economy passed through its most trying moment in living memory.

The global economy de-grew 3.5% during 2020 and the Indian economy de-grew 7.3%.

Saksoft reported 7.5% growth in revenue, 5.6% growth in EBITDA and 17.6% increase in Profit after Tax.

This outperformance was the result of the Company having consciously selected to focus on a handful of future-facing industry verticals with a deepening presence in each.

We believe that this strategic direction will empower the Company to capitalise on a widening digitalisation sweep across the verticals of the Company's presence over the foreseeable future.

*Strengthening solutions for our customers;
enhancing value for our stakeholders.*

(Source: IMF, Livemint)

Fintech, Retail e-commerce, Transportation & Logistics, Telecom, Healthcare and Public Sector.

Enhancing the competitiveness of its customers, strengthening their margins and enhancing their market position.

Playing the role of a responsible and value-accretive digital transformation partner.



Rich experience

Saksoft, founded and promoted by the Late Mr. Autar Krishna and stewarded by Mr. Aditya Krishna, has emerged as one of the leading digital transformation partners for its clientele. The Company is a global leader in providing digital transformation solutions, enabling businesses to stay connected in a rapidly evolving world.

Presence

Headquartered in Chennai (India), the Company has 14 offices across the USA, Europe and Asia. The US accounted for the Company's largest market, generating ~ 47% of revenues in 2020-21, followed by Europe at 31% and APAC & others at 22%.

Clientele

The Company provides services across verticals such as Fintech, Transportation & Logistics, Healthcare, Telecom 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 by deepening its presence in the verticals of infrastructure services and cloud services.

Employee base

The Company employed about 1260 full-time professionals as on March 31, 2021. The average age of the Company's workforce ranged between 30-40 years as on March 31, 2021.

Credibility

The credit rating for the long-term bank facilities taken by the Company was reaffirmed at CARE A- during the year under review.

Listing

Saksoft is listed on the National Stock Exchange with a trading permission on the Bombay Stock Exchange. The

Company's market capitalisation was Rs.377 Crore (March 31, 2021).

Compliance

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.

Capabilities and offerings

Powered by Digital Intelligence Framework	Agile / Waterfall / Hybrid delivery models	Value innovation programs	Centre of Excellence
Cost and operations efficiency	Value chain optimisation	Faster time to market	Training and support

Legacy modernisation

Architecture / Technology Upgrade	Mobility Solutions	Application / Platform Integration	User Experience	On-Premise to Cloud
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Intelligent automation

Robotics Process Automation	Internet of Things	Data Analytics	ML / AI	Test Automation
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Managed analytics

Reporting Factory	Scripting Factory	Data Science Factory	System Management
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Managed infrastructure

IT Infrastructure Support; 24X7 Monitoring	End Point Management	Application & DB operations	Software asset management
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The highlights of Saksoft's 2020-21 performance

Business highlights, 2020-21

The Company strengthened its Predictive Analytics capability	The Company strengthened its marketing by deepening its presence in the select industry verticals	The Company increased revenues from its offshore division by 1% during the year
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Financial highlights, 2020-21

Revenues increased 7.53% to Rs.385.81 crore	EBITDA increased by 5.6% to Rs.64.42 Crore	RoCE was at an attractive 22%	Debtors' turnover was 62 days	Net profit grew by 17.6% to Rs.45.44 crore	EPS increased by 18.1% to Rs.45.68
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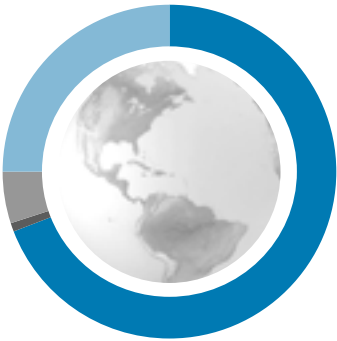
Value dashboard

377
Rs. crore, our market valuation as on March 31, 2021

Dividend

5
Rs. share, dividend proposed for 2020-21 (including interim dividend of Rs.2.5)

Our shareholding pattern as on March 31, 2021



■ Promoter: 69.11%
■ FI (FPI): 2.15%
■ ESOP Trust: 5.07%
■ Public (other than FI): 23.67%

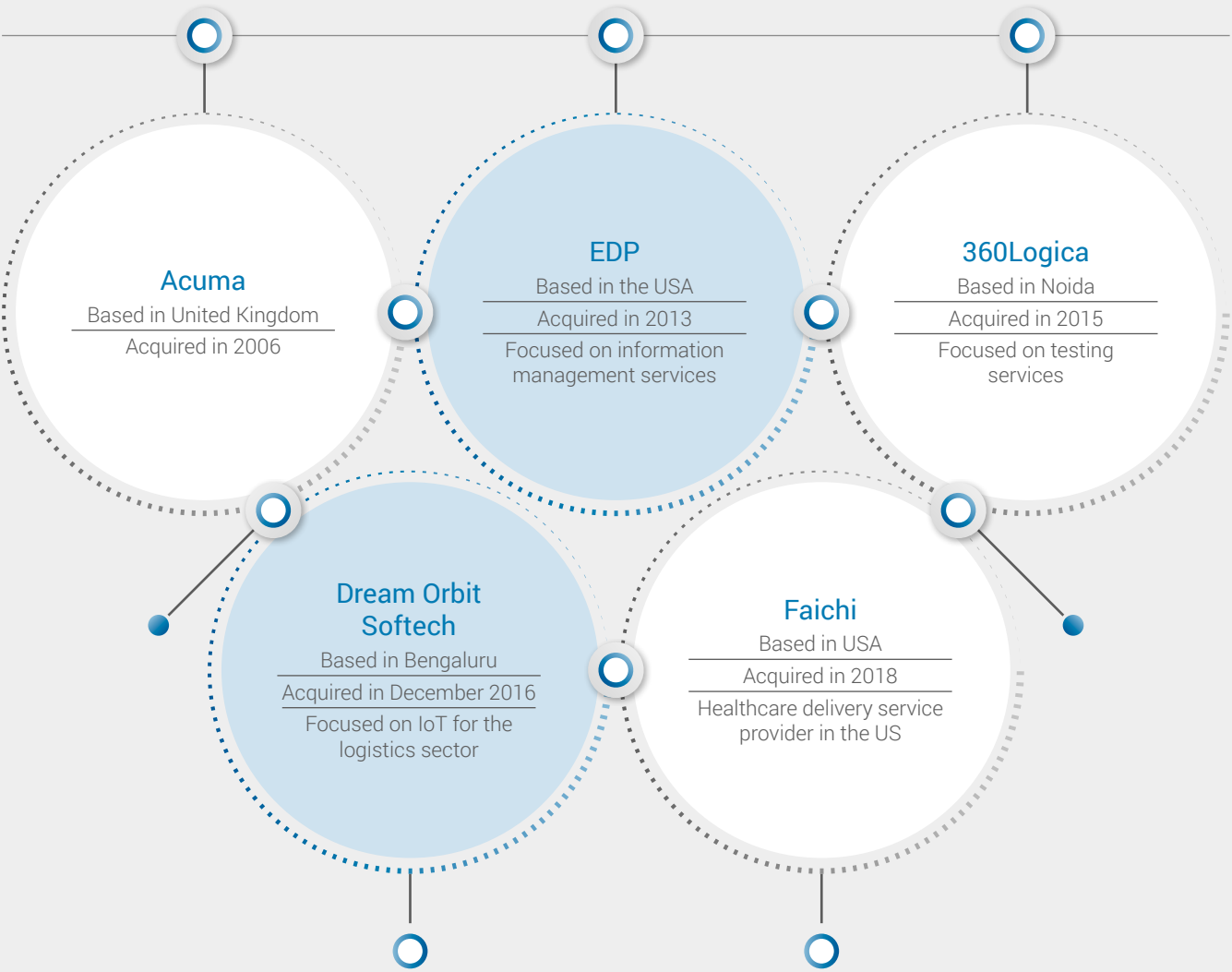
Big numbers at Saksoft

1260+
Number of employees as on March 31, 2021

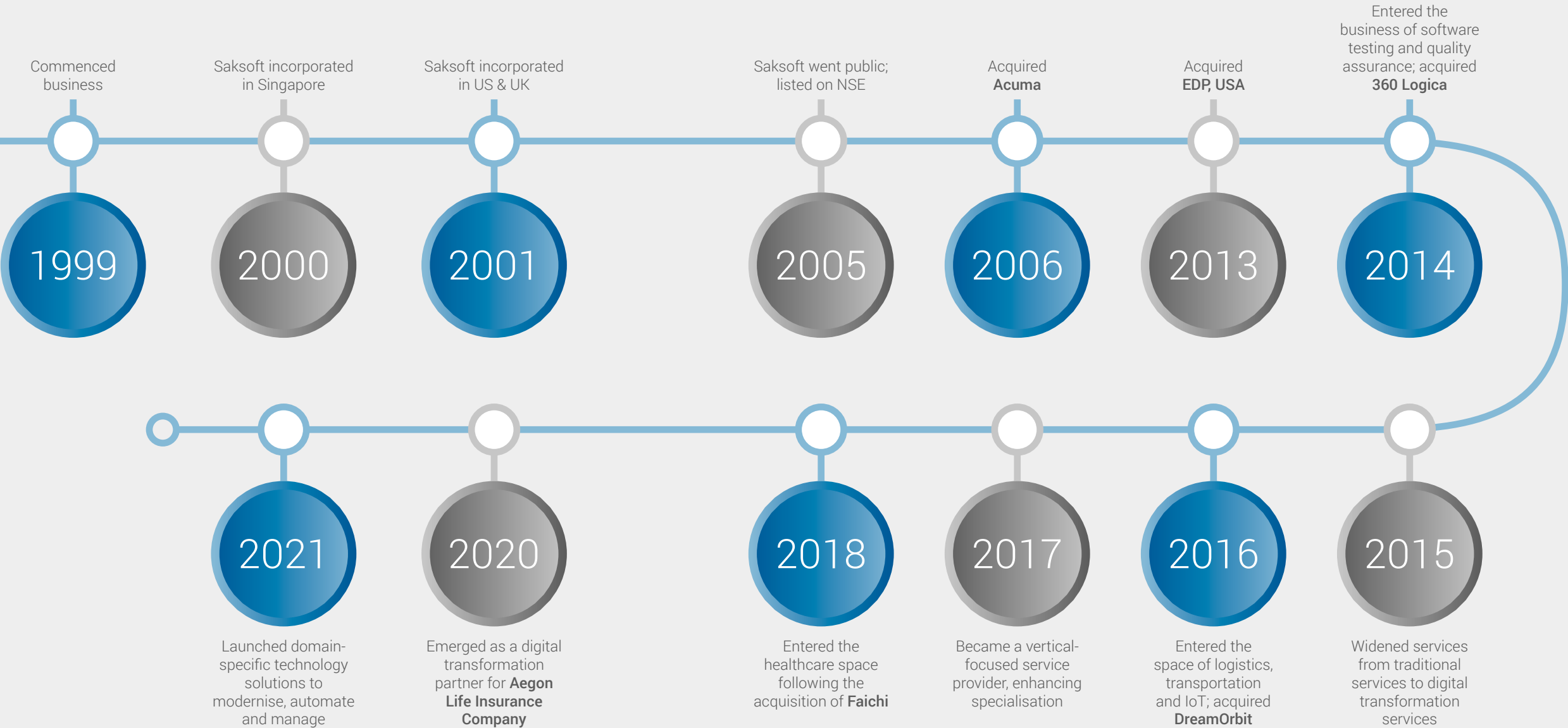
14
Number of strategic locations of the Company's presence

20+
Number of years of track record

Saksoft's 'String of Pearls'



Milestones



Financial highlights, FY 2020-21

<div>Revenue from operations</div> <div>(Rs. in crore)</div> <div>+27.03</div> <div>(Rs. in crore)</div> <div><div>259.5</div><div>285.87</div><div>358.05</div><div>358.78</div><div>385.81</div></div> <div>2016-172017-182018-192019-202020-21</div> <div><div>Why we measure</div><div>To assess the effectiveness of our product/solutions mix, prudence in geographic presence, sales focus efficiency, execution and network capability, brand equity and competitiveness.</div><div>What it discloses</div><div>Saksoft reported a 7.5% increase in revenues over the preceding year, on the back of chosen industry verticals</div></div>	<div>Operating profit (EBITDA)</div> <div>(Rs. in crore)</div> <div>+3.39</div> <div>(Rs. in crore)</div> <div><div>32.91</div><div>39.60</div><div>59.16</div><div>61.03</div><div>64.42</div></div> <div>2016-172017-182018-192019-202020-21</div> <div><div>Why we measure</div><div>To ascertain business efficiency; an improvement in operating profit indicates a larger surplus for the Company, available for reinvestment or shareholder reward.</div><div>What it discloses</div><div>At Saksoft, we generated a 5.6% increase in EBITDA, arising from revenue growth and a deeper presence in customer environments.</div></div>	<div>Cash profit (PAT+Depreciation)</div> <div>(Rs. in crore)</div> <div>+6.19</div> <div>(Rs. in crore)</div> <div><div>21.41</div><div>27.28</div><div>42.48</div><div>45.92</div><div>52.11</div></div> <div>2016-172017-182018-192019-202020-21</div> <div><div>Why we measure</div><div>To arrive at an understanding of the Company's ability to grow the business through accruals.</div><div>What it discloses</div><div>At Saksoft, our cash profit of Rs.52.11 crore was attractive, indicating our commitment to grow accruals and strengthen working capital management.</div></div>	<div>Return on capital employed</div> <div>(%)</div> <div>-260</div> <div>(bps) (two years)</div> <div><div>20</div><div>20</div><div>27</div><div>25</div><div>22</div></div> <div>2016-172017-182018-192019-202020-21</div> <div><div>Why we measure</div><div>RoCE is a financial metric indicating business health – the percentage of surplus generated from the available funds pool of the Company.</div><div>What it discloses</div><div>There was a decline in RoCE on account of moderate revenue growth, a pandemic impact.</div></div>	<div>Interest cover</div> <div>(x)</div> <div>60.3%</div> <div>(%)</div> <div><div>7.21</div><div>7.49</div><div>11.89</div><div>11.22</div><div>17.97</div></div> <div>2016-172017-182018-192019-202020-21</div> <div><div>Why we measure</div><div>The interest coverage ratio determines how comfortably a company can pay its interest liabilities from its earnings.</div><div>What it discloses</div><div>A growing EBITDA and tightening interest outflow enabled better debt servicing, strengthen the interest cover.</div></div>	<div>Debt-equity ratio</div> <div>(x)</div> <div>38.46</div> <div>(%)</div> <div><div>0.33</div><div>0.30</div><div>0.19</div><div>0.13</div><div>0.08</div></div> <div>2016-172017-182018-192019-202020-21</div> <div><div>Why we measure</div><div>It indicates the debt outlay of a company relative to shareholders' funds.</div><div>What it discloses</div><div>Saksoft's progressive debt repayment and increased net worth helped strengthen gearing in 2020-21.</div></div>	<div>Earning per share</div> <div>(Rs.)</div> <div>+ 7.01</div> <div>(Rs.)</div> <div><div>17.30</div><div>21.98</div><div>36.66</div><div>38.67</div><div>45.68</div></div> <div>2016-172017-182018-192019-202020-21</div> <div><div>Why we measure</div><div>Earnings per share serves as an indicator of a company's profitability (in terms of the portion of profit allocated to each outstanding share).</div><div>What it discloses</div><div>At Saksoft, we strengthened our EPS through an undiluted equity base and sustainable profit growth.</div></div>	<div>Dividend per share</div> <div>(Rs.)</div> <div>+0.50</div> <div>(Rs.)</div> <div><div>3.00</div><div>3.50</div><div>4.00</div><div>4.50</div><div>5.00</div></div> <div>2016-172017-182018-192019-202020-21</div> <div><div>Why we measure</div><div>Dividend per share (DPS) is the declared dividend for every ordinary share outstanding.</div><div>What it discloses</div><div>Consistent with our focus on rewarding shareholders, we increased dividend per share during the last financial year.</div></div>
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Summary report

Letter to shareholders



Aditya Krishna
Chairman and Managing Director

Dear shareholders,

NO FINANCIAL NUMBER AND NO PROFIT MARGIN CAN BE MORE IMPORTANT THAN THE FACT THAT WE FINISHED THE YEAR UNDER REVIEW STRIVING THE BEST TO KEEP OUR EMPLOYEES AND THEIR FAMILY MEMBERS SAFE.

Overview

Each year my communication to shareholders focuses on the various initiatives to grow the business and shareholder value.

This year I intend to focus on how we intend to protect our business instead.

At Saksoft, we are convinced that to finish first, one must first finish.

This statement has acquired a deeper connotation in today's environment marked by the sweeping resurgence of the second pandemic wave in India.

Any discussion about our business must begin and end with what needs to be done to protect our people, our most precious capital.

These are challenging times for people-intensive and knowledge-driven business; there is a premium on the ability to protect talent from the effects of the pandemic.

Responsive

As a responsive organisation, Saksoft had foreseen the impending lockdown in March 2020; within the space of a few days before the lockdown had been formally announced, the Company had ordered additional

FINANCIAL HIGHLIGHT, 2020-21

7.5%

Revenues increased to Rs.385.81 crore

16.7%

EBIDTA margin in FY 2020-21

WHAT WE EARNED IN 2020-21

52.11

Rs. Crore, cash profit generated from our business*

*Profit after tax + Depreciation

laptops that were given out to employees to work with from their homes; the Company created an entire operating architecture that could be shifted from our formal offices to hundreds of homes across cities.

This safety-first approach helped the Company protect most of its talent capital from the risk of infection – I must add here that we did not lose a single professional during the year to Covid-19 – and I consider this to be our biggest achievement of

the last financial year. No financial number and no profit margin can be more important than the fact that we finished the year under review with most of our talent capital intact and most of their family members safe. We believe that this 'internal customer' focus will continue to empower our Company to address the needs of our external customers across the foreseeable future.

Preparedness

At Saksoft, we believe that there has never been a moment when our business model has been more relevant than it is now.

During the last decade, the Company deepened its brand around digitalisation. The Company positioned itself as a digital transformation partner for companies intending to graduate from simplistic automation. We believe that the pandemic has proved to be a watershed moment for digitalisation. As consumers will seek to engage remotely with their vendors and offices, there will be a greater priority for product and service providers to strengthen their digitalised front-face consumer engagement coupled with robust digitalised back-end architecture. In view of this, we believe that the size of our market widened considerably during the last year; it is only a matter of time when the need for customers to restructure translates into order books for service providers like Saksoft.

Saksoft is attractively placed to capitalise on the emerging opportunity for another reason. Over the years,

the Company selected to specialise than generalise. This is reflected in our overarching 'inch wide mile deep' positioning. Our customers turn to us because we possess a multi-year domain expertise; we are not seen as a technology company but a solution provider; we are not just perceived as a service provider who can fix a specific problem but those who empower our clients through enhanced margins.

Saksoft is increasingly relevant because the relevance of each of its verticals has only deepened during the pandemic. The pandemic has brought to the forefront the prospects of the health care sector; there is a greater propensity of buying online; there is a widening need for supporting fin-tech solutions; products need to be delivered faster and more cost-effectively. Saksoft is present in each of these spaces, strengthening its relevance in a digitalised post-pandemic world.

Outlook

This is probably the first year when my overview will not provide any financial guidance.

The only resolution that one will make is that we will invest every resource in ensuring that all our employees and their family members are vaccinated, safe and secure.

In today's uncertain environment, there can be no bigger priority.

