

# B S R & Associates LLP

Chartered Accountants

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## Independent Auditors' Report

To The Board of Directors of Sasken Technologies Limited

### Report on the audit of the Consolidated Annual Financial Results

#### Opinion

We have audited the accompanying consolidated annual financial results of Sasken Technologies Limited ( hereinafter referred to as the “Holding Company”) and its subsidiaries (Holding Company and its subsidiaries together referred to as “the Group”) for the year ended 31 March 2020 (“the Statement”), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (‘Listing Regulations’).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated annual financial results:

- a. include the annual financial results of the following entities:
  - Sasken Technologies Limited;
  - Sasken Communication Technologies (Shanghai) Co. Ltd. ('Sasken China');
  - Sasken Communication Technologies Mexico S.A. de C.V ('Sasken Mexico');
  - Sasken Finland Oy. ('Sasken Finland');
  - Sasken Inc. ('Sasken USA');
  - Sasken Foundation; and
  - Sasken Employees Welfare Trust.
- b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- c. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of consolidated net profit and other comprehensive income and other financial information of the Group for the year ended 31 March 2020.

**Independent Auditors' Report (continued)**  
**Sasken Technologies Limited**

**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 (“the Act”). Our responsibilities under those SAs are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Annual Financial Results* 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the consolidated annual financial results.

**Management’s and Board of Directors’ Responsibilities for the Consolidated Annual Financial Results**

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

The Holding Company’s Management and the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the consolidated net profit/ loss and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results 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 annual financial results by the Management and the Directors of the Holding Company, as aforesaid.

In preparing the consolidated annual financial results, the Management and the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

**Independent Auditors' Report (continued)**  
**Sasken Technologies Limited**

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

**Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results**

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

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

- Identify and assess the risks of material misstatement of the consolidated annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors 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 appropriateness of this assumption. 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 annual financial results 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.

**Independent Auditors' Report (continued)**  
**Sasken Technologies Limited**

- Evaluate the overall presentation, structure and content of the consolidated annual financial results, including the disclosures, and whether the consolidated annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/ financial information of the entities within the Group to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company 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.

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

**Other Matter**

The consolidated annual financial results include the results for the quarter ended 31 March 2020 being the balancing figure between the audited figures in respect of the full financial year and the published audited year to date figures up to the third quarter of the current financial year.

**For B S R & Associates LLP**

*Chartered Accountants*

Firm's Registration No. 116231 W/W-100024

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**Ashish Chadha**

*Partner*

Bengaluru  
Date: 27 April 2020

Membership Number: 500160  
UDIN: 20500160AAAAAV4228

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND FOR THE YEAR ENDED MARCH 31, 2020

(Rs. in lakhs)

Sl. No.	Particulars	Quarter ended			For the year ended	
		March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
I	Revenue from operations	11,285.25	11,901.00	13,554.18	49,222.22	50,431.12
II	Other income	(267.05)	1,250.02	1,079.13	3,574.89	4,602.34
III	Total income (I+II)	11,018.20	13,151.02	14,633.31	52,797.11	55,033.46
IV	<b>EXPENSES</b>					
	Employee benefits expense	7,421.70	7,248.32	8,675.77	32,166.65	33,861.88
	Finance costs	16.54	22.38	-	70.50	-
	Depreciation and amortization expense	293.83	292.81	182.75	1,115.87	660.52
	Other expenses	1,663.70	2,229.74	2,434.23	8,247.50	9,456.16
	Total expenses (IV)	9,395.77	9,793.24	11,292.75	41,600.52	43,978.56
V	Profit before tax (III-IV)	1,622.43	3,357.78	3,340.56	11,196.59	11,054.90
VI	Tax expense:	677.54	1,012.50	595.17	3,313.84	2,012.61
	(1) Current tax	1,172.09	900.41	199.77	3,867.47	1,948.67
	(2) Deferred tax	(494.55)	112.09	395.40	(553.63)	63.94
VII	Profit after tax (V-VI)	944.89	2,345.28	2,745.39	7,882.75	9,042.29
VIII	Other comprehensive income	(1,242.93)	(101.06)	330.93	(1,972.27)	835.26
	A (i) Items that will not be reclassified to profit or loss- remeasurement gain on defined benefit plans	(927.53)	(0.18)	69.38	(1,073.52)	81.27
	(ii) Income tax relating to items that will not be reclassified to profit or loss	228.45	0.06	(24.04)	279.46	(28.20)
	B (i) Items that will be reclassified to profit or loss- Net change in fair value of forward contracts designated as cash flows hedges	(1,035.58)	(243.08)	464.72	(1,820.15)	1,066.57
	Exchange differences in translating financial statements of foreign operations	212.93	56.96	(16.49)	89.13	87.91
	(iii) Income tax relating to items that will be reclassified to profit or loss	278.80	85.18	(162.64)	552.81	(372.29)
IX	Total comprehensive income for the period (VII+VIII) (comprising profit and other comprehensive income for the period)	(298.04)	2,244.22	3,076.32	5,910.48	9,877.55
X	Paid up equity share capital (face value: Rs 10 per share)	1,505.09	1,505.09	1,711.01	1,505.09	1,711.01
XI	Other equity					68,087.10
XII	Earnings per equity share					
	(1) Basic	6.29	14.83	16.11	48.57	52.92
	(2) Diluted	6.29	14.83	16.11	48.57	52.92


Sasken Technologies Limited  
 CIN: L72100KA1989PLC014226  
 139/25, Ring Road, Domlur, Bengaluru - 560 071

AUDITED CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

(Rs. in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>		
<b>(1) Non-current assets</b>		
Property, plant and equipment	4,435.55	3,947.12
Capital work-in-progress	11.15	86.20
Intangible assets	9.70	17.86
Financial assets		
(i) Investments	23,294.07	42,897.43
(ii) Other financial assets	314.49	339.82
Deferred tax assets	1,201.13	269.22
Other tax assets	5,864.37	5,403.12
Other non-current assets	-	17.22
<b>Total non-current assets</b>	<b>35,130.46</b>	<b>52,977.99</b>
<b>(2) Current assets</b>		
Financial assets		
(i) Current investments	10,673.55	8,107.87
(ii) Trade receivables	9,319.85	8,228.36
(iii) Cash and cash equivalents	1,613.37	1,472.73
(iv) Other bank balances	211.72	275.43
(v) Unbilled revenue	1,667.14	1,955.37
(vi) Derivative assets	-	940.86
(vii) Other financial assets	420.84	1,148.69
Contract assets	2,319.07	3,145.30
Other current assets	943.77	1,134.91
<b>Total current assets</b>	<b>27,169.31</b>	<b>26,409.52</b>
<b>Total assets</b>	<b>62,299.77</b>	<b>79,387.51</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	1,505.09	1,711.01
Other equity	46,040.84	68,087.10
<b>Total equity</b>	<b>47,545.93</b>	<b>69,798.11</b>
<b>LIABILITIES</b>		
<b>(1) Non-current liabilities</b>		
Lease liabilities	379.17	-
Provisions	1,299.68	711.37
<b>Total non-current liabilities</b>	<b>1,678.85</b>	<b>711.37</b>
<b>(2) Current liabilities</b>		
Financial liabilities		
(i) Trade payables		
Outstanding dues to micro and small enterprises	1.57	32.27
Outstanding dues to creditors other than micro and small enterprises	1,726.20	1,802.24
(ii) Other financial liabilities	2,069.24	1,506.88
(iii) Derivative liabilities	890.17	-
Deferred revenue	594.48	380.22
Other current liabilities	1,881.72	1,365.99
Provisions	1,600.27	1,780.48
Other tax liabilities	4,311.34	2,009.95
<b>Total current liabilities</b>	<b>13,074.99</b>	<b>8,878.03</b>
<b>Total equity and liabilities</b>	<b>62,299.77</b>	<b>79,387.51</b>


## Sasken Technologies Limited

## Audited Consolidated statement of cash flows for the year ended March 31, 2020

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

	Year ended March 31, 2020	Year ended March 31, 2019
<b>Cash flows from operating activities</b>		
Profit before tax	11,196.59	11,054.90
Adjustments for:		
Depreciation and amortization expense	1,115.87	660.52
Dividend income	(1,031.17)	(978.67)
Interest income	(939.72)	(1,426.60)
Gain on sale of investments	(102.13)	(24.12)
Change in fair value of investments	(186.97)	(1,769.15)
Profit on sale of property, plant and equipment	(7.71)	(37.73)
ESOP compensation cost	10.71	55.53
Exchange differences on translation of assets and liabilities	291.70	(50.85)
Reversal of allowances for credit losses on financial assets	-	(14.63)
Write back of unclaimed balances	(131.31)	(33.63)
Cash flow hedges - in-effective portion of changes in fair value	10.88	1.21
<b>Operating profit before working capital changes</b>	<b>10,226.74</b>	<b>7,436.78</b>
<b>Changes in assets and liabilities:</b>		
Trade receivables, unbilled revenue & contract assets	154.28	(2,196.33)
Other financial assets and other assets	(612.31)	(241.29)
Trade payables and deferred revenue	107.52	(918.46)
Provisions, other financial liabilities and other liabilities	785.30	(693.86)
<b>Cash generated from operating activities</b>	<b>10,661.53</b>	<b>3,386.85</b>
Income taxes Refund / (paid)	539.45	(1,386.92)
<b>Net cash generated from operating activities (A)</b>	<b>11,200.98</b>	<b>1,999.93</b>
<b>Cash flows from investing activities</b>		
Interest received	416.96	622.21
Dividends received	930.27	862.19
Proceeds from sale of property, plant and equipment	7.71	37.73
Acquisition of property, plant and equipment	(1,530.74)	(901.68)
Payments to acquire financial assets (mutual funds)	(49,183.58)	(26,087.87)
Payments to acquire financial assets ( series- A stock) / promissory notes	-	(1,472.90)
Proceeds from sale of financial assets (mutual funds)	66,611.27	24,388.33
Investment of bank deposits	63.71	44.39
<b>Net cash generated from / (Used in) investing activities (B)</b>	<b>17,315.60</b>	<b>(2,507.60)</b>
<b>Cash flows from financing activities</b>		
Dividend paid during the year (including dividend distribution tax)	(11,405.65)	(1,777.09)
Shares bought-back during the year	(16,767.72)	-
<b>Net cash used in financing activities (C)</b>	<b>(28,173.37)</b>	<b>(1,777.09)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>343.21</b>	<b>(2,284.76)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,472.73</b>	<b>4,023.40</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(202.57)</b>	<b>(265.92)</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,613.37</b>	<b>1,472.72</b>



**NOTES:**

1. These audited consolidated financial results, prepared in accordance with Indian Accounting Standards ('Ind AS') for the quarter and year ended March 31, 2020 have been approved by the Board of Directors of the Company at its meeting held on April 27, 2020. The statutory auditors have expressed an unqualified opinion on these consolidated financial results.

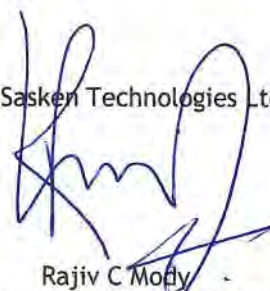
The figures for the quarters ended March 31, 2019 and March 31, 2020 are the balancing figures between the audited figures in respect of the full financial years and published audited year to date figures upto the end of the third quarter of the relevant financial year.

2. Segment Reporting

The Chairman and Managing Director of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, "Operating Segments". The Company operates in one segment only i.e. "Software Services". The CODM evaluates performance of the Company based on revenue and operating income from "Software Services". Accordingly, segment information has not been separately disclosed.

3. Effective April 1, 2019, the Company adopted Ind AS 116 "Leases", and has applied the same to its leases contracts existing on April 1, 2019 using the modified retrospective method. The Company has not restated comparative information. The adoption of the standard has resulted in recognition of Right-of-Use asset of Rs. 651.11 lacs and net lease liability, classified as borrowings of Rs. 651.11 lacs on transition. In the profit and loss account for the current period, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability.

For Sasken Technologies Ltd.



Rajiv C Mody  
Chairman and Managing Director  
DIN: 0092037



Place: Bengaluru  
Date: April 27, 2020



Sasken Technologies Limited  
 CIN: L72100KA1989PLC014226  
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Extract of audited consolidated financial results of Sasken and its subsidiaries for the quarter and year ended March 31, 2020

(Rs. In lakhs)

Sl.No.	Particulars	Quarter ended March 31, 2020	Quarter ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
1	Total income from operations	11,018.20	14,633.31	52,797.11	55,033.46
2	Net profit for the period (before tax)	1,622.43	3,340.55	11,196.59	11,054.90
4	Net profit for the period after tax	944.89	2,745.38	7,882.75	9,042.29
5	Total comprehensive income for the period [comprising profit for the period (after tax) and other comprehensive income (after tax)]	(298.04)	3,076.31	5,910.48	9,877.55
6	Paid up equity share capital	1,505.09	1,711.01	1,505.09	1,711.01
7	Reserves (excluding revaluation reserve) as shown in the audited balance sheet of FY19	-	-	-	68,087.10
8	Earnings Per Share (of Rs. 10/- each)				
	1. Basic:	6.29	16.11	48.57	52.92
	2. Diluted:	6.29	16.11	48.57	52.92
9	Total income *	9,654.83	11,440.01	45,594.94	46,732.87
10	Profit before tax *	1,747.86	2,523.45	11,576.99	11,529.01
11	Profit after tax *	1,051.34	2,101.36	8,231.06	9,404.94

\* information pertains to Sasken Technologies Limited on a standalone basis.

Note:

- a The above is an extract of the detailed format of Quarterly Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the Quarterly Financial Results are available on the websites of the Stock Exchange(s) and the Company.



The image shows a handwritten signature in blue ink over a blue circular stamp. The stamp contains the text 'SASKEN TECHNOLOGIES LTD' around the top edge and 'BENGALURU' in the center.