

Independent Auditor's Report on Quarter and Half year ended Standalone Financial Results pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended

To the Board of Directors of Sasken Technologies Limited

Report on the Audit of Standalone Financial Results

Opinion

We have audited the accompanying statement of standalone financial results of Sasken Technologies Limited (hereinafter referred to as 'the Company') for the quarter and half year ended September 30, 2023 ('the Statement'), attached herewith, being submitted by the 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 Statement:

- (i) is presented in accordance with the requirements of the Listing Regulations in this regard; and
- (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of net profit and other comprehensive income and other financial information of the Company for the quarter and half year ended September 30, 2023.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone financial results 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 Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Management and Board of Directors' Responsibilities for the Standalone Financial Results

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of the interim standalone financial statements for the quarter and half year ended September 30, 2023. The Company's Board of Directors are responsible for the preparation and presentation of this Statement that gives a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended issued thereunder and other accounting principles generally accepted in India and in compliance with the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors of the Company are responsible for assessing the ability of the 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the financial reporting process of the Company.

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

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 Statement.

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 Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.

MSKA & Associates

Chartered Accountants

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the 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 ability of the Company 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 Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Company of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No.105047W

Manish

Purshotam

Bathija

Manish P Bathija

Partner

Membership No. 216706

UDIN: 23216706BGYHSA9692

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Place: Indonesia

Date: October 20, 2023

AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2023

(Rs. in lakhs)

Sl. No.	Particulars	Quarter ended			Half year ended		Year ended
		September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023
I	Revenue from operations	8,520.74	8,223.58	9,042.69	16,744.32	17,602.78	35,096.95
II	Other income	1,933.42	2,143.31	2,097.29	4,076.73	1,468.95	6,456.92
III	Total income (I+II)	10,454.16	10,366.89	11,139.98	20,821.05	19,071.73	41,553.87
IV	EXPENSES						
	Employee benefits expense	6,409.32	6,419.28	6,525.16	12,828.60	12,021.12	25,172.29
	Finance costs	8.29	8.38	0.65	16.67	1.06	13.37
	Depreciation and amortization expense	162.46	161.55	149.44	324.01	286.02	581.23
	Other expenses	1,161.77	1,157.37	1,195.92	2,319.14	2,154.11	4,393.78
	Total expenses (IV)	7,741.84	7,746.58	7,871.17	15,488.42	14,462.31	30,160.67
V	Profit before tax (III-IV)	2,712.32	2,620.31	3,268.81	5,332.63	4,609.42	11,393.20
VI	Tax expense:	408.11	267.58	491.90	675.69	857.52	1,578.39
	(1) Current tax	361.45	234.37	353.58	595.82	921.88	1,412.69
	(2) Deferred tax	46.66	33.21	138.32	79.87	(64.36)	165.70
VII	Profit after tax (V-VI)	2,304.21	2,352.73	2,776.91	4,656.94	3,751.90	9,814.81
VIII	Other comprehensive income (OCI)	(95.02)	373.63	(369.10)	278.61	(632.02)	(432.00)
	A Items that will not be subsequently reclassified to profit or loss:						
	(i) Remeasurement of defined benefit plans	(3.41)	77.64	(127.17)	74.23	(27.18)	(25.53)
	(ii) Fair value changes on investments through other comprehensive income	(53.52)	46.19	(50.16)	(7.33)	(41.93)	(85.78)
	(iii) Income tax relating to items that will not be reclassified subsequently to profit or loss	(12.39)	(21.59)	37.75	(33.98)	11.64	22.34
	B Items that will be subsequently reclassified to profit or loss:						
	(i) Effective portion of gain/ (loss) on hedging instruments in cash flow hedges	(32.16)	361.57	(307.43)	329.41	(772.05)	(460.03)
	(ii) Income tax relating to items that will be subsequently reclassified to profit or loss	6.46	(90.18)	77.91	(83.72)	197.50	117.00
IX	Total comprehensive income (VII+VIII)(comprising profit and other comprehensive income)	2,209.19	2,726.36	2,407.81	4,935.55	3,119.88	9,382.81
X	Paid up equity share capital (face value: Rs 10 per share)	1,505.09	1,505.09	1,505.09	1,505.09	1,505.09	1,505.09
XI	Other equity						70,304.48
XII	Earnings per equity share*						
	(1) Basic	15.31	15.63	18.45	30.94	24.93	65.21
	(2) Diluted	15.09	15.40	18.34	30.49	24.78	64.65

* EPS is not annualized for the quarter and half year ended September 30, 2023, September 30, 2022 and quarter ended June 30, 2023.

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AUDITED STANDALONE BALANCE SHEET AS AT SEPTEMBER 30, 2023

(Rs. in lakhs)

Particulars	As at September 30, 2023	As at March 31, 2023
ASSETS		
(1) Non-current assets		
Property, plant and equipment	3,062.82	3,283.52
Right of use assets	334.50	326.03
Capital work-in-progress	-	2.92
Intangible assets	5.48	0.79
Financial assets		
(i) Investments	57,301.52	53,316.32
(ii) Other financial assets	172.29	172.77
Deferred tax assets (net)	620.86	818.43
Other tax assets	4,706.84	4,695.98
Other non-current assets	-	1.23
Total non-current assets	66,204.31	62,617.99
(2) Current assets		
Financial assets		
(i) Investments	6,063.40	6,903.26
(ii) Trade receivables	5,578.89	6,022.71
(iii) Cash and cash equivalents	1,512.29	714.53
(iv) Other bank balances	18.84	18.66
(v) Unbilled revenue	1,658.97	1,655.48
(vi) Derivative assets	125.75	-
(vii) Other financial assets	665.06	438.81
Contract assets	605.20	630.65
Other current assets	888.61	1,980.42
Total current assets	17,117.01	18,364.52
Total assets	83,321.32	80,982.51
EQUITY AND LIABILITIES		
Equity		
Share capital	1,505.09	1,505.09
Other equity	73,688.43	70,304.48
Total equity	75,193.52	71,809.57
LIABILITIES		
(1) Non-current liabilities		
Financial liabilities		
Lease liabilities	189.01	222.25
Provisions	726.16	703.58
Total non-current liabilities	915.17	925.83
(2) Current liabilities		
Financial liabilities		
(i) Lease Liabilities	162.08	110.49
(ii) Trade payables		
Outstanding dues to micro and small enterprises	38.48	45.01
Outstanding dues to creditors other than micro and small enterprises	666.19	897.79
(iii) Other financial liabilities	1,090.49	1,950.40
(iv) Derivative liabilities	8.35	215.26
Deferred revenue	138.99	104.79
Other current liabilities	1,792.33	1,908.93
Provisions	1,277.82	1,033.56
Income tax liabilities (net)	2,037.90	1,980.88
Total current liabilities	7,212.63	8,247.11
Total Equity and Liabilities	83,321.32	80,982.51

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Sasken Technologies Limited

Audited Standalone statement of cash flows for the half year ended September 30, 2023

(Rs. in lakhs)

Particulars	For the half year ended September 30, 2023	For the half year ended September 30, 2022
Cash flows from operating activities:		
Profit before tax	5,332.63	4,609.42
Adjustments to reconcile net profit to net cash provided by operating activities		
Depreciation and amortization expense	324.01	286.02
Interest income	(368.88)	(304.18)
Dividend income	(56.30)	(56.41)
Dividend income from subsidiaries	(634.66)	(649.28)
Gain on sale of investments	(194.98)	(403.44)
Gain / loss on fair value changes on investments	(2,562.78)	154.36
Profit on sale of property, plant and equipment	(3.18)	(2.30)
Finance cost	16.67	1.06
Provision no longer required written back	(181.85)	-
ESOP compensation cost	405.02	212.86
Exchange differences on translation of assets and liabilities	(0.34)	(0.06)
Allowance for expected credit losses on financial assets	-	(0.19)
Others	(3.26)	12.67
Operating profit before working capital changes	2,072.10	3,860.53
Changes in assets and liabilities:		
Trade receivables, contract assets and unbilled revenue	465.78	299.00
Other financial assets and other assets	(311.35)	(631.50)
Trade payables and deferred revenue	(203.93)	(145.77)
Provisions, other financial liabilities and other current liabilities	(453.59)	(1,824.71)
Cash generated from operating activities	1,569.01	1,557.55
Income taxes paid/ (refund)	(58.31)	22.80
Net cash generated from operating activities (A)	1,510.70	1,580.35
Cash flows from investing activities:		
Interest received	251.72	155.58
Dividends received	56.30	56.41
Dividend income from subsidiaries	1,439.08	649.28
Proceeds from sale of property, plant and equipment	5.05	2.28
Purchase of property, plant and equipment & Intangible assets	(27.50)	(574.60)
Payments to acquire investments	(21,099.84)	(22,645.94)
Proceeds from sale of investments	20,704.92	22,435.65
(Investment in)/ proceeds from bank deposits	(0.18)	(1.07)
Net cash generated/(used in) from investing activities (B)	1,329.55	77.59
Cash flows from financing activities		
Lease payments	(86.23)	(26.69)
Dividend paid	(1,956.61)	(1,956.61)
Net cash used in financing activities (C)	(2,042.84)	(1,983.30)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	797.41	(325.36)
Cash and cash equivalents at the beginning of the period	714.53	1,204.00
Effect of exchange differences on translation of foreign currency cash and cash equivalents	0.35	0.05
Cash and cash equivalents at the end of the period	1,512.29	878.69

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NOTES:

1. The above audited standalone financial results for the quarter and half year ended September 30, 2023 ("standalone results"), have been prepared in accordance with Indian Accounting Standards ('Ind AS') as prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended)
2. The standalone results have been approved by the Board of Directors of the Company at its meeting held on October 20, 2023 and the undersigned is duly authorized to sign the same. The statutory auditors have expressed an unmodified opinion on these standalone financial results.
3. Other income includes fair value gain/(loss) on financial instruments measured at fair value through profit and loss aggregating to ₹ 730.71 lakhs for quarter and ₹ 2,562.78 lakhs for half year ended September 30, 2023; ₹ 1,058.12 for quarter and ₹ (154.36) lakhs for half year ended September 30, 2022.

4. Segment Reporting

The Chief Executive Officer 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.

5. Dividend

The Board of Directors have declared an interim dividend of Rs. 12 per equity share of Rs.10 each for the financial year 2023-24.

Place: Bengaluru
Date: October 20, 2023

For Sasken Technologies Limited
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Rajiv C Mody
Chairman and Managing Director
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