

# REPORT OF THE BOARD OF DIRECTORS

*Dear members*

Your Directors take immense pleasure in presenting the Twenty Second (22nd) Annual Report together with the Audited Accounts of the Company for the Financial Year ended March 31, 2021.

## 1. BUSINESS OPERATIONS AND STATE OF AFFAIRS

### a. Business Operations – A Detailed overview

Saksoft is among the few mid-tier IT companies that has returned consistent performance and value stability to its Service users and Shareholders alike over the years. The core strength and identity of the Company lies in its ability to sustain industry change cycles, exude trust, blend with the technology ask and talk the language of its Customers. We deliver servicing minds to work on the digital aspirations of our Customers. Saksoft is adept at Information Management and this deep understanding of the value of information draws it closer to the Customer groups to work on its vision and investment areas that could put them on the path of growth. No one would have imagined that data would assume such depth and significance. Data is the new liquid metal and money. Today there isn't anything that doesn't get classified as data. And the world has never been so consumerist. It is this enormous utility value of data around which evolving technologies and business decisions are incubated. The widening consumerist appetite is the key driver for technological innovations and large scale automations. Today we run our lives with a hand-held device. Access to and ease of technologies has let individuals to run business propositions on their own. Technology and Digital enablers are the common factors across industry sectors and the unifier of all elements in the world. Innovation paves way for the expansive reach of IT related consumerism, Technology driven IT

workforce run the processes behind business models cutting across industry verticals, Automation captures the workflow to replicate the function and return faster and effective performance. Technology seems to be in race with time to make the world smaller and simplifying things. Information Technology industry and high-end technologies hold the baton in shaping the connectivity and functional flow of this world. The never before visualised use of technology has challenged the fruition of path-breaking ideas and extent of innovation that it could bring forth. The influx of digital technologies also throws open a wider spectrum of IT enabled services that could support and enhance the underlying technological business drivers. Technology is the new leveler that has a huge change and consumption potential. Businesses are vying to innovate and put latest technologies to use to create touchpoints in various formats to meet the ever growing demands of the consumers. The current ongoing global pandemic situation has been a game changer affecting people and business organisations across geographies and cultures. It has re-aligned the priorities and operating models of almost everything on its way. It has become quite evident that digital methods and embedded technologies have led from the forefront in creating and enabling new workflows to continue operations and keep the global economy beating. In this forced isolation era, the developing players, service providers and end users of technologies have found alternative digital ways of connecting and understood the increasing relevance of remote operating models. As the IT industry sees it, this is the onset of "Great Restructuring" that's going to re-shape the Corporate vision. No company, No industry and No country is isolated. Everyone must adapt or cede their position. This has put the spotlight on Digital and

Tech spend more than ever before and we are likely to see the Digital embrace supporting the recovery of the global economy to some extent. In today's world which places significant reliance on virtual and digital means to conduct things, one cannot look the other way to be outside of the realm and indispensable reach of the new age technologies. Evolvement of disruptive technologies is happening at a wider and rapid pace in response to the marquee list of requirements of the varied industry contributors. The convergence of market trends and capabilities indicate a good demand for Cloud and Data products complemented by cutting edge technologies like Internet of Things, Cloud, Big Data Analytics, Robotics & Artificial Intelligence, Blockchain, Machine Learning and Business Intelligence tools. Saksoft has a rich legacy in positioning its Customers value chain at the front of its vision, conceiving differentiators and delivering quality services to chart growth models for its Clients. Early indications for the industry are positive and it's the best time to service and keep building solutions. Saksoft has a collaborative workforce and a fantastic work culture to stay relevant with its Customers and amongst the industry group.

### Structured Data Management and Value driven Analytics

The Company has a dominant theme built around Information Value Management. The IM team brings in 25+ years of experience in Data Analytics segment. We adopt a proactive Business Intelligence approach to build applications and service models to help our Customers to stay ahead of the curve. We are watching influencing trends in the BI space like Internet of Behaviors, Experience construct and Accountable AI to align our strategies and solutions approach to render enhanced services. The current pandemic has projected the remote functioning model to the fore and has broken the barriers surrounding Data boundaries. Organisation have begun to come out of the cocoon and realize the potential of Global Delivery platforms and models. This has helped them to re-visit their Digital initiatives and plan Tech spend with a result oriented approach. We have helped our customers to re-discover value from Data and frame Enterprise Data strategy to internalize value churn and extend the same for its end- clients. This helps to build better Infrastructure solutions to oversee use and maintenance of data.

In the current times, data structuring and mining play a crucial role in predicting the next solution in line to deliver

value to the user group. We have a good brand presence through Acuma Solutions in the Public sector in the UK region. We have worked on citizen-centric projects with various government departments, councils, local bodies and allied public sector agencies. We have helped these public organisations to undertake research exercises, build key interactive applications, create utility chains, analyse complex structures and huge volumes of data to put in place relevant social programs and initiatives. We have good experience in participating in several secured and critical projects of key public departments.

We also work with a lot of clients in the Enterprise-Retail space and help them with their digital transformation objectives, migration to new platforms and technologies. We assist them with maintenance of their data warehouse, cloud hosting services and build enterprise level applications. This return key data insights to build on and structure future value propositions. We have also worked on building optimal infrastructure solutions for our clients in the Telecommunications sector to achieve better integration and cost administration.

### Testing as a Service

Saksoft group has a long standing service record in the Testing vertical and provides advanced test capabilities through its subsidiary Three Sixty Logica. Software Testing market is likely to witness significant growth in the next 5 years due to increased Digital adoption and extensive automation across various key industry sectors. The testing model is evolving into a more Agile based approach. This allows testing processes and procedures to be built into the delivery cycle from an early stage of development to make the application or solution more dynamic and responsive to required changes. We have our in house developed Quality Assurance and Maturity Assessment Framework **SADAMA**® that has well documented ready to use templates. We are also seeing an industry trend moving towards codeless automation where anyone can create automated tests without the help of SME's which accelerates the test case automation. We have our very own in-house developed automation tool **STAQK**® to help users to automate test cases using UI provided wrapper.

Testing Automation process is also turning Hyper supportive by adopting AI & ML in the testing cycle in areas like Visual Testing, Differential Testing, Declarative Testing,

Script Auto Healing. We have already implemented Auto-Healing using AI in our traditional automation structure to bring down costs and efforts.

We have extended our capabilities in Automation frameworks in the recent past and have developed UNITE (Unified Automation Testing) framework to cater towards end-to-end functional and non-functional needs.

QAOps and DevOps accelerated transformations, IoT testing (Edge Computing) and Cybersecurity Mesh Testing are some of the future growth expansion areas that we are eyeing.

**Transportation & Logistics**

Dreamorbit the Bengaluru based services provider of the Saksoft group provides next-gen technology based solutions to Logistics and Fin-Tech industry. The Company has a significant presence in the US market and works with 5 of the top 100 largest logistics technology companies. We provide specialised technology solutions including multi-modal and expedited logistics movement encompassing an array of allied services. We also hope to enhance order automation through Chatbots, Augmented reality for contactless transit and robotic process automation for tracking of goods on transit.

We are working extensively in the areas of portfolio and order management, trading and employee compliance with a lot of clients in the Fin-Tech space. We specialize in compliance management areas including insider trading compliance, hedge funds and wealth management and hope to become a niche provider in the US financial hub.

We hope to leverage our expertise on a few relevant areas including service integration of global security masters and broker feed providers through solutions including Yodlee, Bloomberg, Xignite and Electra.

We plan to focus on some key technology and growth areas in future including Serverless Microservices architecture, Low code platforms, RPA tools like UiPath, Automation anywhere and Power automate, mobile platforms like Flutter and Cloud & DevOps automation

**Healthcare**

Healthcare industry is on the verge of constant evolution over the past few years. The industry has seen a suite of regulatory changes, adoption of healthcare standards

which has pushed it towards digitalisation and to blend latest technologies in its service structure. Health awareness and well-being concepts have emerged as a key focus in recent times and the demand for digital health based products and services is on the rise.

Saksoft's Healthcare COE has a good understanding of the emerging market trends and provides specialist services to improve health based offerings. Its portfolio includes Healthcare product development, mHealth and Remote care technologies, Integration and Data Migration services and Clinical Analytics.

The Company offers capabilities around Product Engineering, Integration and Inter-operability and clinical data analytics. Clinical and patient data assume significance and real-time medical intervention data enablers and technologies have opened up a deeper integration of various healthcare segments. Healthcare Solutions provides services on multiple areas including EHR, PMS and Ancillary application development, Chronic care management, Secure messaging, Patient portals, Telehealth applications, Patient engagement tools, Mobile apps development, Integration services involving multiple interfaces and technologies. It also provides analytical services around population health management, CMS reports, Clinical testing and compliance reporting.

**Fintech**

Fintech industry is one of the most digitized sector and a reflection point of the digital benefits that large scale transformation can bring in. The industry consumes some of the advanced technologies for creating valuable user experience. Fintech industry is on a constant upgrade mode and focused on delivering high end, easy to use products factoring complete user convenience at its core.

Saksoft is a niche provider in the Fintech space for more than two decades. With its rich experience in handling multitude of clients and delivering a range of applications and solutions, the Company is able to leverage on its domain expertise to service the industry better.

Saksoft has delivery capabilities in key sectoral areas like Credit management, Loyalty Management, Analytical dashboards, Datawarehousing, Interactive portals, IoT, App services, Customised applications and Assurance services.

Saksoft works with many leading industry players in the Fintech space both in the domestic and overseas markets.

Global Health Pandemic – COVID 19

The ongoing Covid-19 pandemic has resulted in business disruptions globally. 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.

Covid-19 has affected business cycles and in some cases

caused existential issues. The effects have been wide ranging and it has ushered in a new normal with respect to lifestyle changes and working methods. Many industry players have had to adapt to the remote working models and bring in changes to its operations and structures.

Some industries like the IT and ITeS sectors who had adopted remote working models early in their journey have managed to turn the pandemic into an opportunity and infuse alternative working environment to achieve cost leverages. The remote working has also put the emphasis on digital transformation and a shift to greater use of virtual technologies.

The Company has stood by its workforce and reported a stable performance during the ongoing pandemic and is set to continue on the upward trend.

**2. FINANCIAL AND RELATED DISCLOSURES**

**a. Financial Summary**

The abridged comparative results of Audited Standalone and Consolidated Financial Statements for the Financial Year ended March 31, 2021 and March 31, 2020 are as follows:

	Standalone Results (₹ in Million)		Consolidated Results (₹ in Million)	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Total Revenue	1,255.98	1,158.87	3,858.07	3,587.81
Other Income	7.29	126.36	40.90	38.94
Total Income	1,263.27	1,285.23	3,898.97	3,626.75
Operating Expenses	944.87	847.15	3,213.93	2,977.56
Operating Profits	318.40	438.08	685.04	649.19
Depreciation	39.34	37.39	66.70	72.71
Interest and Finance Charges	27.06	43.73	34.41	51.41
Net Profit before Tax	252.00	356.96	583.93	525.07
Current Tax	72.05	66.24	144.82	150.33
Deferred Tax	(8.10)	(3.83)	(15.33)	(11.77)
Net Profit after Tax	188.05	294.55	454.44	386.51

**b. Results at a glance**

(Amount in ₹ Million)

Particulars	Standalone Results		Consolidated Results	
	FY 20-21	FY 19-20	FY 20-21	FY 19-20
Total Income	1,263.27	1,285.23	3,898.97	3,626.75
Operating expenses	944.87	847.15	3,213.93	2,977.56
Net Profit after Tax	188.05	294.55	454.44	386.51
Basic EPS	17.94	28.12	45.68	38.67

**c. Transfer to Reserves:**

The Company has not made any transfer of amounts to general reserve during the year.

**d. Dividend**

The Company recommended/declared dividend as under:  
(Amount in ₹ Million)

Particulars	FY 20-21	FY 19-20
	Dividend per share	Dividend per share
Interim Dividend	2.5	4.5*
Final Dividend	2.5	NIL

\*The Board of Directors had approved Interim Dividend during November 2019 and March 2020 of FY 19-20.

**e. Share Capital**

The paid up Equity Capital of the Company as on March 31, 2021 stood at Rs. 10,49,00,000/-.

**f. Particulars of Loans, Guarantees or Investments**

Loans, guarantees or investments covered under Section 186 of the Companies Act 2013 form part of the Notes to the Financial Statements provided in this Annual Report.

**g. Public Deposits**

There are no details to report on deposits covered under Chapter V of the Companies Act, 2013 ("the Act") during the year 2020-21, which are required to be furnished.

**h. Particulars of contracts/arrangements made with Related Parties**

In line with the requirements of the Companies Act, 2013 and the Listing Regulations, your Company has formulated a Policy on Related Party Transactions, which is also available on the Company's website at [www.saksoft.com](http://www.saksoft.com).

The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions, which are of repetitive nature and/or entered in the Ordinary Course of Business and are at Arm's Length. All Related Party Transactions are subjected to independent review by a reputed accounting firm to establish compliance with the requirements of Related Party Transactions under the Companies Act, 2013, and Listing Regulations. All Related Party Transactions entered during the year were in Ordinary Course of the Business and at Arm's Length basis.

No Material Related Party Transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statement, were entered during the year by your Company.

Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013, in Form AOC-2 is not applicable.

**3. PERFORMANCE OF 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 MGT9 given as Annexure 5 to this Report.

There has been no material change in the nature of the business of the Subsidiaries.

**a. Financial Performance of Subsidiaries – At a glance**

Foreign/Indian Subsidiary	Name of the Subsidiary (Consolidated)	Particulars	FY 20-21	FY 19-20	Increase
US Subsidiary	Saksoft Inc	Revenue	16.57 Million USD	16.34 Million USD	1%
		Profit before tax	0.26 Million USD	0.45 Million USD	(42%)
Singapore Subsidiary	Saksoft Pte Ltd	Revenue	3.52 Million SGD	3.03 Million SGD	16%
		Profit before tax	0.24 Million SGD	0.01 Million SGD	120%
UK Subsidiary	Saksoft Solutions Limited	Revenue	12.22 Million GBP	10.17 Million GBP	20%
		Profit Before Tax	1.09 Million GBP	0.38 Million GBP	185%
Indian Subsidiaries	Three Sixty Logica Testing Services Private Limited	Revenue	284.98 Million INR	330.23 Million INR	(11%)
		Profit Before Tax	73.6 Million INR	88.38 Million INR	(17%)
	Dream Orbit Softech Private Limited	Revenue	556.37 Million INR	540.37 Million INR	3%
		Profit Before Tax	121.7 Million INR	114.59 Million INR	6%

**b. Statutory disclosures with respect to Subsidiary Companies**

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-relations/>

In addition, these documents will be available for inspection during business hours at the registered office of the Company.

**4. HUMAN RESOURCE MANAGEMENT**

During the Financial Year under review, Human Resources function continued its global transformation initiatives, in a volatile and complex business environment, to cater to the evolving organisational requirements.

HR continued its catalyst role and enabled the process of change over to focus on resource planning for mid and long term. In the last year, very dynamically the nation

came to a standstill due to Covid-19 crisis and HR had to support employees dynamically, as the future of work changed rapidly. HR played a crucial role and has been at the forefront since the pandemic outbreak to protect employees' & employer's interests equally, to help transition to a workforce which is socially distanced yet mentally connected.

**a. 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.

**b. 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.

Summary information of these stock option schemes, grant and allotments under these schemes are provided under Note No. 22(e) forming part of standalone financial statements.

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

The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment. 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 number of complaints received in the Financial Year 2020-21:

Number of complaints pending as on the beginning of the financial Year: Nil

Number of complaints filed during the financial year: Nil

Number of complaints pending as on the end of the financial year: Nil

**5. CORPORATE GOVERNANCE**

**a. Directors & Key Managerial Personnel**

Ms. Malini Thadani was appointed as an Independent Director on the Board with effect from May 27, 2020.

Disclosures with respect to the composition of the Board, 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.

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 to the Annual General Meeting.

In compliance with the provisions of Section 149 read with Schedule IV to the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, the reappointment of Mr. VVR Babu as Independent Director is placed before the Members for their approval by way of Special Resolutions.

Disclosures with respect to the composition of the Board, 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 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 March 31, 2021 are: Aditya Krishna, Chairman and Managing Director, Niraj Kumar Ganeriwala, Chief Financial Officer and Meera Venkatramanan, Company Secretary.

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

**b. Number of meetings of the Board**

Four Meetings of the Board were held during the year under review.

Details of Meetings of the Board is provided in the Corporate Governance Report, which is a part of this Report.

**c. Board Evaluation**

The Companies Act, 2013 and SEBI Listing Regulations contains broad provisions on Board Evaluation i.e. evaluation of the performance of (i) the Board as a whole, (ii) individual Directors (including Independent Directors and Chairperson) and (iii) various Committees of the Board. Pursuant to the said provisions, the Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors.

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 organisation'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.

**d. Policy on directors' appointment, remuneration, and other disclosures under Section 178(3) of the Companies Act, 2013**

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>.

**e. 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 15 of the Corporate Governance report.

**f. 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.

**g. Corporate Governance and Management Discussion and Analysis**

The Corporate Governance Report with the Auditors' Certificate thereon, and the Management Discussion and Analysis are attached in Annexure 6 and Annexure 8 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.

**h. 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.

**i. 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 Regulations. The Key requirements of the policy can be found in Annexure 3 to this Report.

**j. Vigil Mechanism/ Whistle Blower Policy:**

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

**k. 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 and areas of improvement, significant processes and accounting policies.

**l. 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 ended March 31, 2021 is given in Annexure 5 in the prescribed Form No. MGT-9, which is a part of this report. <https://www.saksoft.com/investor/company-announcements/annual-general-meetings/>

**m. 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.

**n. Material Changes after March 31, 2021**

The Company has evaluated the impact of COVID 19 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.

**6. AUDIT REPORT AND AUDITORS**

**a. Statutory 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. 0042785S) as Statutory Auditors of the Company to hold office for a period of five years which ends only at the conclusion of AGM for the FY 2021-22.

**b. Internal Auditors**

M/s Grant Thornton, Chartered Accountants, Chennai were the Independent Internal Auditors of the Company for FY 20-21. The Audit Committee determines the scope of internal Audit in line with regulatory and business requirements.

**c. Secretarial Auditors**

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.

**d. 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 of Saksoft Limited and its Indian Material subsidiary is attached to this report as Annexure 4A and 4B respectively to this Report.

**e. Reporting of frauds by Auditors**

During the year under review, neither the Statutory auditor 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.

**7. 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/corporate-governance/>

**8. BUSINESS RESPONSIBILITY REPORTING (BRR)**

SEBI Listing Regulations have made the inclusion of the BRR as part of the Annual Report for the top 1000 listed entities based on market capitalization. In compliance with the Listing Regulations, we have integrated BRR disclosures as Annexure 10 to the Annual Report.

**9. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

**a. 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 LED pre certified gold rated green building. In addition, the Company has made a conscious shift to LED lights across all its locations against the traditional lights to reduce the electricity consumption. These LED lights also generate lesser heat resulting in faster cooling at lower electricity consumption.

**b. 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.

**c. 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.

**d. Foreign Exchange Earnings and Outgo**

(Amount in ₹ Million)

Foreign exchange earnings and Outgo	FY 20-21	FY 19-20
Foreign Exchange earnings	505.00	451.99
Expenditure in Foreign Currency	37.97	32.18

**10. ACKNOWLEDGMENT**

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: May 26, 2021

**Aditya Krishna**  
Chairman & Managing Director