

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

To the Board of Directors of Sasken Technologies Limited

Report on the Audit of Standalone Financial Results

Opinion

We have audited the accompanying standalone financial results of Sasken Technologies Limited ('the Company') for the quarter and half year ended September 30, 2021 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirements 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 Regulation 33 of the Listing Regulations in this regard; and
- (ii) give a true and fair view, in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards 34 "Interim Financial Reporting" (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013 ("the Act"), read with relevant rules issued thereunder and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the quarter and half year ended September 30, 2021.

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 Standards 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Statement.

Board of Directors' Responsibilities for the Standalone Financial Results

This Statement has been prepared on the basis of the interim standalone financial statements for the quarter and half year ended September 30, 2021. The Company's Board of Directors are responsible for the preparation and presentation of this Statement that give a true and fair view of the net profit and other comprehensive income in accordance with the recognition and measurement principles laid down in Ind AS 34 'Interim Financial Reporting', prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Board of Directors of the Company are responsible for 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, which have been used for the purpose of preparation of the Statement by the Directors of the Company, as aforesaid.

In preparing the Statement, the Board of Directors of the Company is 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 of the Company is 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 standalone 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 standalone 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 standalone 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's Internal Control.
- 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 standalone financial results 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.



& Associates

Chartered Accountants

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 MSKA & Associates

Chartered Accountants

ICAI Firm Registration No.105047W

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SURESH SURESH
Date: 2021.10.21
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Pradeep Mysore Suresh

Partner

Membership No.: 216181

UDIN: 21216181AAAAAM6489

Date: October 21, 2021

Place: Bengaluru

AUDITED STANDALONE BALANCE SHEET AS AT SEPTEMBER 30, 2021

(Rs. in lakhs)

Particulars	As at September 30, 2021	As at March 31, 2021
ASSETS		
(1) Non-current assets		
Property, plant and equipment	3,132.24	3,294.45
Right of use assets	52.12	-
Capital work-in-progress	2.42	0.72
Intangible assets	8.79	18.19
Financial assets		
(i) Investments	44,363.57	36,215.18
(ii) Long term loan	-	201.92
(iii) Other financial assets	101.99	90.66
Deferred tax assets (net)	823.93	662.56
Other tax assets	4,336.64	4,100.65
Other non-current assets	152.93	0.55
Total non-current assets	52,974.63	44,584.88
(2) Current assets		
Financial assets		
(i) Investments	5,814.46	7,069.13
(ii) Trade receivables	8,006.94	5,916.11
(iii) Cash and cash equivalents	558.73	678.90
(iv) Other bank balances	515.93	3,015.70
(v) Unbilled revenue	1,505.73	1,331.90
(vi) Derivative assets	313.48	495.15
(vii) Other financial assets	586.28	627.42
Contract assets	1,007.41	1,645.88
Other current assets	581.57	579.17
Total current assets	18,890.53	21,359.36
Total assets	71,865.16	65,944.24
EQUITY AND LIABILITIES		
Equity		
Share capital	1,505.09	1,505.09
Other equity	60,551.66	55,369.46
Total equity	62,056.75	56,874.55
LIABILITIES		
(1) Non-current liabilities		
Financial liabilities		
Lease liabilities	52.72	-
Provisions	658.26	626.81
Total non-current liabilities	710.98	626.81
(2) Current liabilities		
Financial liabilities		
(i) Trade payables		
Outstanding dues to micro and small enterprises	5.55	3.75
Outstanding dues to creditors other than micro and small enterprises	964.18	1,170.21
(ii) Other financial liabilities	2,481.95	2,363.16
Deferred revenue	284.37	84.01
Other current liabilities	1,615.98	1,741.08
Provisions	1,010.53	978.80
Income tax liabilities (net)	2,734.87	2,101.87
Total current liabilities	9,097.43	8,442.88
Total equity and liabilities	71,865.16	65,944.24

AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2021

(Rs. in lakhs)

Sl. No.	Particulars	Quarter ended			Half year ended		Year ended
		September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
I	Revenue from operations	9,945.77	9,768.99	9,815.01	19,714.76	19,793.87	39,245.74
II	Other income	1,488.51	1,467.99	499.52	2,956.50	1,415.04	3,334.04
III	Total Income (I+II)	11,434.28	11,236.98	10,314.53	22,671.26	21,208.91	42,579.78
IV	EXPENSES						
	Employee benefits expense	5,882.27	5,790.60	6,086.07	11,672.87	11,917.36	23,154.21
	Finance costs	1.29	1.51	5.28	2.80	12.80	47.19
	Depreciation and amortization expense	153.94	141.53	248.91	295.47	509.42	919.92
	Other expenses	710.87	986.18	1,022.00	1,697.05	1,971.58	3,844.44
	Total expenses (IV)	6,748.37	6,919.82	7,362.26	13,668.19	14,411.16	27,965.76
V	Profit before exceptional items and tax (III- IV)	4,685.91	4,317.16	2,952.27	9,003.07	6,797.75	14,614.02
VI	Exceptional items	-	-	-	-	-	(2,002.31)
VII	Profit before tax (V-VI)	4,685.91	4,317.16	2,952.27	9,003.07	6,797.75	12,611.71
VIII	Tax expense:	785.44	721.70	555.04	1,507.14	1,546.92	3,351.12
	(1) Current tax	838.55	808.46	612.86	1,647.01	1,501.32	3,124.61
	(2) Deferred tax	(53.11)	(86.76)	(57.82)	(139.87)	45.60	226.51
IX	Profit after tax (VII-VIII)	3,900.47	3,595.46	2,397.23	7,495.93	5,250.83	9,260.59
X	Other comprehensive income	52.10	(116.47)	353.13	(64.37)	869.23	1,200.85
	A Items that will not be subsequently reclassified to profit or loss-						
	(i) Remeasurement gain / (loss) on defined benefit plans	64.90	35.78	(185.14)	100.68	67.87	139.12
	(ii) Investment fair valuation through OCI	(27.00)	17.25	1.53	(9.75)	1.53	31.08
	(iii) Income tax relating to items that will not be reclassified subsequently to profit and loss	(13.24)	(10.98)	46.42	(24.22)	(17.26)	1.39
	B Items that will be subsequently reclassified to profit or loss-						
	(i) change in fair value of forward contracts designated as cash flows hedges	33.87	(210.67)	656.26	(176.80)	1,096.40	1,377.92
	(ii) Income tax relating to items that will be subsequently reclassified to profit or loss	(6.43)	52.15	(165.94)	45.72	(279.31)	(348.66)
XI	Total comprehensive income for the period (VII+VIII) (comprising profit and other comprehensive income for the period)	3,952.57	3,478.99	2,750.36	7,431.56	6,120.06	10,461.44
XII	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
XIII	Other equity						55,369.46
XIV	Earnings per equity share						
	(1) Basic	25.92	23.89	15.93	49.81	34.89	61.53
	(2) Diluted	25.92	23.89	15.93	49.81	34.89	61.53

Sasken Technologies Limited
Audited Standalone statement of cash flows for the half year ended September 30, 2021

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

Particulars	For the half year ended September 30, 2021	For the half year ended September 30, 2020
Cash flows from operating activities:		
Profit before tax	9,003.07	6,797.75
Adjustments to reconcile net profit to net cash provided by operating activities		
Depreciation and amortization expense	295.47	509.42
Interest income	(321.48)	(272.87)
Dividend income	(599.19)	(56.41)
Gain on sale of investments	(76.36)	(191.51)
Gain on fair valuation of investments	(1,760.86)	(1,021.42)
Profit on sale of property, plant and equipment	(9.44)	(3.51)
Finance cost	2.80	12.80
Write back of provisions	41.36	(66.68)
ESOP compensation cost	8.27	19.46
Exchange differences on translation of assets and liabilities	0.10	0.08
Allowance for expected credit losses on financial assets	2.54	18.69
In-effective portion of changes in fair value of cash flow hedges	4.87	(13.36)
Changes in assets and liabilities:		
Trade receivables, contract assets and unbilled revenue	(1,628.73)	(501.04)
Loans, other financial assets and other assets	(375.17)	(1,016.39)
Trade payables and deferred revenue	(3.87)	(202.19)
Provisions, other financial liabilities (current) and other current liabilities	116.27	(266.28)
Cash generated from operating activities	4,699.65	3,746.54
Income taxes (paid)/refund	(714.90)	(567.60)
Net cash generated from operating activities (A)	3,984.75	3,178.94
Cash flows from investing activities:		
Interest received	238.50	272.86
Dividends received	599.19	56.41
Proceeds from sale of property, plant and equipment	27.93	19.00
Purchase of property, plant and equipment	(196.25)	(68.07)
Payments to acquire investments	(26,550.66)	(16,604.79)
Proceeds from sale of investments	21,484.40	15,332.34
Investment in bank deposits	2,499.77	(2,499.61)
Loan repayment from subsidiary	-	304.52
Net cash used in investing activities (B)	(1,897.12)	(3,187.34)
Cash flows from financing activities		
Lease liabilities	49.92	(129.11)
Dividend paid during the period (including dividend distribution tax)	(2,257.63)	-
Net cash used in financing activities (C)	(2,207.71)	(129.11)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(120.08)	(137.51)
Cash and cash equivalents at the beginning of the year	678.90	1,130.07
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(0.09)	(0.08)
Cash and cash equivalents at the end of the period	558.73	992.48



NOTES:

1. The audited standalone financial results for the quarter and half year ended September 30, 2021, have been prepared in accordance with the Indian Accounting Standards ("Ind AS") 34, Interim Financial Reporting under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder as amended, have been approved by the Board of Directors of the Company at its meeting held on October 21, 2021. The statutory auditors have expressed an unqualified opinion on these standalone financial results.

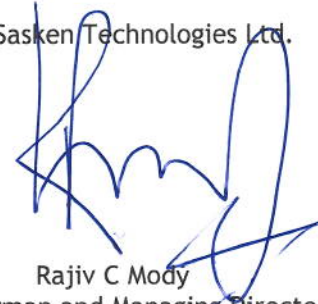
2. Segment Reporting

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. Dividend

The Board of Directors have declared an interim dividend of Rs.12 per equity share of Rs.10 each for the financial year 2021-22.

For Sasken Technologies Ltd.



Rajiv C Mody
Chairman and Managing Director

Place: Bengaluru

Date: October 21, 2021

DIN: 0092037

