

Saksoft Limited

October 01, 2026

Facilities/Instruments	Name of the Regulator ¹	Amount (₹ crore)	Rating ²	Rating Action
Long-term bank facilities	RBI	40.00 (Enhanced from 12.00)	CARE A+; Stable	Upgraded from CARE A; Stable
Short-term bank facilities	RBI	3.00	CARE A1	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Revision in ratings assigned to bank facilities of Saksoft Limited (Saksoft) reflects the company's improved financial risk profile supported by sustained growth in scale of operations and a healthy improvement in operating margins in FY26. Ratings continue to derive strength from the company's focused presence in the digital transformation space, its integrated service capabilities with established relationships with reputed customers, promoters' extensive experience in the IT sector, comfortable capital structure, and strong liquidity position.

However, ratings remain constrained by Saksoft's presence in the highly competitive information technology services industry, geographical concentration in western markets, particularly amid cautious customer spending and disruption from artificial intelligence (AI), and continued concentration of revenue among key customers.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors:

- Improvement in scale of operations above ₹2500 crore with diversification of customer base on a sustained basis.
- Improvement in return on capital employed (ROCE) over 35% on a sustained basis.

Negative factors:

- Large debt-funded acquisitions impacting the company's capital structure with gearing exceeding 0.5x.
- Sustained drop in operating profit with profit before interest, lease rentals, depreciation, and taxation (PBILDT) margins below 14%.
- Any significant elongation in working capital cycle.

Analytical approach: Consolidated.

Considering Saksoft's significant financial and operational linkages with its subsidiaries, consolidated financials of Saksoft have been considered for analysis. Subsidiaries account for significant share of the company's income, and the business model entails a high amount of integration with subsidiaries. Details of subsidiaries provided under Annexure 5.

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) believes that the company will continue to maintain its healthy financial risk profile, considering promoter experience and strong cash generation from operations.

Detailed description of key rating drivers

Key strengths

Experienced promoters and well-qualified management team

Saksoft was founded in 1999 by Aditya Krishna, Chairman and Managing Director, who has over three decades of experience across banking, financial services, and technology. Prior to establishing Saksoft, he held senior positions at Chase Manhattan Bank and Citibank. The company's day-to-day operations are managed by a well-qualified professional team heading key functions, business verticals, and geographies.

Focused digital transformation player

Saksoft is a niche technology specialist that provides a comprehensive suite of business transformation, information management, application development, AI accelerators, and testing services. Application development remains the company's primary focus

¹SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority.

²Complete definitions of ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

and witnessed significant growth in the last few years. Although initial contracts are for one year, the company continues to support and manage the application through effective data mining, product improvements, and migration, which ensures consistency in revenue and repeat business.

Presence in niche and diversified verticals with capabilities added through acquisitions

Saksoft commenced operations with a focus on the banking and financial services segment, leveraging promoters' domain experience, and has subsequently diversified its operations across multiple sectors, resulting in a broader service offering and client base. In FY26, Emerging Verticals, comprising hi-tech, media, and telecom, remained the largest segment, contributing ~47% of consolidated revenue, followed by banking and financial services (BFS) at 31%, logistics at 14%, and digital commerce at 8%.

The company expanded its service portfolio through the acquisition of Augmento Labs, Ceptes Software, and Zetechno in FY25. These acquisitions complemented Saksoft's existing capabilities by adding expertise in digital engineering, salesforce consulting, and ServiceNow solutions. The acquired entities have been operationally integrated with the Saksoft group, facilitating cross-selling of services, expansion of wallet share among existing customers, and participation in larger and broader technology engagements. These three acquired entities together reported revenue of ~₹63 crore in FY25, which increased to ~₹148 crore in FY26, supported by their full-year consolidation and healthy post-acquisition growth.

Improved operating performance in FY26

Saksoft's total operating income (TOI) grew by 15.6% year-on-year (y-o-y) to ₹1,021 crore in FY26 from ₹883 crore in FY25, registering a compounded annual growth rate (CAGR) of ~21% over the four years ended FY26. While growth remained partly acquisition-led, organic growth also improved in FY26, aided by better cross-selling and new capabilities added in the last few years. The company's growth strategy remains focused on increasing wallet share within existing strategic accounts, with ~95% of future growth expected to be driven by existing customers through deeper engagement. While cautious technology spending and evolving AI adoption present near-term headwinds to IT services sector, Saksoft's growing AI capabilities and expanded offerings provide opportunities to participate in larger transformation engagements.

PBILDT margin improved to 19.65% in FY26 from 16.58% in FY25, supported by AI-led productivity gains and operating efficiencies. Profitability was also aided by higher margins of the businesses acquired in FY25, which operate at relatively higher margins. Despite sectoral headwinds and prolonged customer decision-making, operating performance remained resilient in Q1FY27, with TOI of ₹249 crore and PBILDT margin of ~18.26%.

Comfortable capital structure

The company's capital structure remained comfortable, with overall gearing improving to 0.06x as on March 31, 2026 (PY: 0.12x). Saksoft is largely debt-free, except for the term loan availed to partly fund the acquisition completed in FY25, and the company remained in a net-debt-negative position as on March 31, 2026. Debt protection metrics remained healthy in FY26, with PBILDT interest coverage at 22.53x, total debt/PBILDT at 0.22x, and total debt/gross cash accruals (GCA) at 0.30x.

Acquisition-related earn-out obligations stood at ~₹46.69 crore as on March 31, 2026, primarily relating to Augmento Labs and Ceptes Software, which were acquired in FY25. Augmento Labs is engaged in digital and product engineering, while Ceptes Software is a Salesforce-focused services company offering consulting, implementation, and managed services. The earn-out obligation for Augmento Labs has been completed in August 2026, with ~₹16 crore relating to Ceptes Software expected to be paid in H2FY27. Considering healthy cash accruals and sizeable cash reserves, the company is expected to comfortably meet the remaining earnout obligations.

Key weaknesses

Intense competition in a fragmented market and industry risk

Saksoft is a moderate-scale player in the highly competitive IT services industry, which is dominated by large multinational companies with significant financial resources, alongside several mid-sized and regional players. Rapid technological changes, particularly the increasing adoption of AI, are also reshaping the industry and delivery models. While AI-led transformation presents opportunities for service providers with relevant capabilities, it could also increase pricing pressure, alter traditional headcount-led delivery models and require continued investments in technology and skilled talent. The labour-intensive nature of the industry exposes companies to risks related to availability and retention of skilled employees, attrition and wage inflation. The industry remains exposed to macroeconomic and geopolitical risks, particularly in United States (US) and United Kingdom (UK)/Europe, which could result in cautious discretionary technology spending, longer decision-making cycles, and delays in deal conversion. Clients may also defer, reduce or renegotiate technology spends, which could adversely impact revenue growth and margins. Increasing adoption of AI, competition from global IT majors, specialised technology players, and global capability centres (GCCs) could further intensify competitive pressures.

Concentration in the US and UK/ Europe markets

Saksoft's revenue remains increasingly concentrated in US and UK/Europe, which together contributed ~79% of operating revenue in FY26, compared to 65% in FY25, with the US alone accounting for ~50%. The US contribution increased further to 52% in Q1FY27 and is expected to increase further in the near term, owing to the larger addressable market and a growing pipeline of vendor consolidation, managed services, and AI-led transformation opportunities. The company has also strengthened its front-end presence through additional sales hires in the US and the UK.

Apart from the sectoral slowdown, topline growth in FY26 was affected by spending deferrals by two large customers in Q3FY26. These were largely timing-related rather than cancellations, with no loss of customer relationships. Spending from one of the two customers resumed in Q4FY26. Despite this, Saksoft demonstrated resilience in FY26, supported by the addition of a new logistics customer in the US\$0.5-1 million revenue category and the scaling of an existing digital commerce customer from the US\$0.5-1 million category to the US\$1 million-plus category.

A significant portion of revenue is from western markets exposing the company to foreign-exchange fluctuations, which may impact reported revenue and profitability. This risk is partly mitigated through the company's hedging policy, including hedging of ~50% of its receivables at any point of time.

Concentration in client base

Customer concentration remains elevated, with top 10 and top 20 customers contributing ~58% and ~70%, respectively, of FY26 revenue. Its majority future growth is expected from existing customers through increased wallet share, and therefore, concentration among key customers is likely to remain high in the medium term. This exposes the company to risks arising from spending deferrals, reduction in scope, pricing renegotiations, and non-renewal by large customers. The risk is mitigated to some extent by the company's diversified presence across industry verticals, long-standing relationships of over 8-10 years with several key customers.

Liquidity: Strong

Saksoft's liquidity position remains strong, supported by healthy GCA of ~₹143.61 crore in FY26, against scheduled debt repayments of ~₹10 crore in FY27. The company had a sizeable cash and bank balance of ₹250.70 crore as on March 31, 2026. Saksoft generally provides a credit period of ~60-70 days to its customers, in line with industry practice, while its operating cycle has remained at ~50-55 days in recent years. The company also has fund-based working-capital facilities, which remained unutilised in the last 12 months and are maintained as standby lines for meeting unforeseen liquidity requirements, including payroll and other operating expenses.

Applicable criteria

[Consolidation](#)

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Service Sector Companies](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Information technology	Information technology	IT - Services	IT enabled services

Established in 1999 by Autar Krishna and his son, Aditya Krishna, Saksoft is a technology and digital transformation services company primarily serving mid-sized enterprises across the US, Europe, and Asia-Pacific. The company initially focused on the banking, financial services, and insurance (BFSI) segment and has subsequently diversified into emerging verticals, such as hi-tech, telecom and utilities, logistics and digital commerce.

Saksoft provides a broad range of technology services, including AI-led engineering, application development and modernisation, cloud and platform engineering, data analytics, cybersecurity, quality engineering, business intelligence, and managed services. The company has also expanded its capabilities through strategic acquisitions in the last few years. As on March 31, 2026, Saksoft had seven wholly owned subsidiaries and seven step-down subsidiaries across India, the US, the UK, and Singapore.

Brief Financials (Consolidated) (₹ crore)	March 31, 2025 (A)	March 31, 2026 (A)	Q1 FY27 (UA)
Total operating income	883.16	1,020.69	248.62
PBILDT*	146.40	200.58	45.40
Profit after tax (PAT)	108.80	133.27	29.29
Overall gearing (x)	0.12	0.06	NA
Interest coverage (x)	17.23	22.53	36.03

A: Audited; UA: Unaudited; NA: Not available; Note: These are latest available financial results.

*PBILDT: Profit before interest, lease rentals, depreciation, and tax

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

For complexity level of instruments rated refer to Annexure-1.

Lender details: Annexure-4

Disclosure on facilities/instruments and name of regulators:

A list of facilities / instruments falling under the purview of financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit	RBI	Simple	-		-	-	40.00	CARE A+; Stable
Fund-based - ST-Bank Overdraft	RBI	Simple	-		-	-	3.00	CARE A1

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2026-2027	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024
1	Fund-based - LT-Cash Credit	LT	40.00	CARE A+; Stable	-	1)CARE A; Stable (26-Sep-25)	1)CARE A; Stable (11-Nov-24)	1)CARE A; Stable (22-Nov-23)
2	Fund-based - ST-Bank Overdraft	ST	3.00	CARE A1	-	1)CARE A1 (26-Sep-25)	1)CARE A1 (11-Nov-24)	1)CARE A1 (22-Nov-23)

LT: Long term; ST: Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Lender details

To view lender-wise details of bank facilities please [click here](#)

Annexure-5: List of entities consolidated

Sr. No.	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Saksoft Inc.	Full	Subsidiary
2	Augmento Labs Private Limited	Full	Subsidiary
3	Zetechno Products and Services Private Limited	Full	Subsidiary
4	Ceptes Software Private Limited	Full	Subsidiary
5	Saksoft Pte Limited	Full	Subsidiary
6	Saksoft Solutions Limited	Full	Subsidiary
7	DreamOrbit Inc.	Full	Subsidiary
8	Solveda LLC	Full	Step-down Subsidiary
9	Solveda UK	Full	Step-down Subsidiary
10	Solveda Software India Private Limited	Full	Step-down Subsidiary
11	Ceptes Software Inc.	Full	Step-down Subsidiary
12	MC Consulting Malaysia SDN Bhd	Full	Step-down Subsidiary
13	MC Consulting Pte Ltd	Full	Step-down Subsidiary
14	Acuma Solutions Limited	Full	Step-down Subsidiary

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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