



Sasken Communication Technologies Limited

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AUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2005

(Rs. in Lakhs except share data)

Sr. no.		For the Quarter ended September 30 2005	For the Quarter ended September 30 2004	For the Half Year Ended September 30 2005	For the Half Year Ended September 30 2004	For the Year ended March 31 2005
1	Revenues from software services & products	7,700.73	5,493.75	13,589.78	10,255.67	22,299.02
2	Cost of revenue	4,372.99	2,839.32	8,169.60	5,484.86	12,000.16
3	Research & Development Expenses (including Product Engineering Expenses)	424.91	486.02	835.53	873.67	2,141.85
4	Gross Profit	2,902.83	2,168.41	4,584.65	3,897.14	8,157.01
5	Selling and Marketing Expenses	571.64	509.08	1,122.84	1,021.00	2,121.29
6	Administrative and General Expenses	882.07	559.51	1,581.44	1,191.58	2,714.65
7	Profit from operations before Interest, Depreciation and Amortisation	1,449.12	1,099.82	1,880.37	1,684.56	3,321.07
8	Amortisation of Non Compete Fees	31.03	-	31.03	-	-
9	Interest	0.18	15.36	0.20	20.62	44.85
10	Depreciation	415.45	324.91	739.63	611.17	1,341.89
11	Other Income/(Expense)	200.96	(102.57)	397.63	(72.21)	399.67
12	Profit before tax	1,203.42	656.98	1,507.14	980.56	2,334.00
13	Provision for taxation (Current)	274.13	76.04	333.84	8.05	164.20
14	Fringe Benefit tax	22.34	-	37.59	-	-
15	Net Profit	906.95	580.94	1,135.71	972.51	2,169.80
16	Paid-up equity share capital (at par value of Rs.10 each)	2,751.15	1,679.42	2,751.15	1,679.42	1,684.72
17	Reserves excluding revaluation reserves	34,847.77	11,692.13	34,847.77	11,692.13	12,376.77
18	Basic and diluted EPS for the period, for the year to date and for the previous year (not annualised) (par value of Rs. 10 per share)					
	Basic EPS	3.75	3.52	5.00	6.14	13.28
	Diluted EPS	3.68	3.45	4.90	5.87	12.88
19	Aggregate of Non promoters shareholding* (unaudited)					
	* Number of shares	20,697,785	9,834,115	20,697,785	9,834,115	9,764,275
	* Percentage of shareholding	75.23%	58.56%	75.23%	58.56%	57.96%

Other Information

(Rs. in Lakhs)

	For the Quarter ended September 30 2005	For the Quarter ended September 30 2004	For the Half Year Ended September 30 2005	For the Half Year Ended September 30 2004	For the Year ended March 31 2005
Staff Costs	4,397.81	3,252.25	8,411.68	6,187.69	13,377.32
Items exceeding 10% of aggregate expenditure	-	-	-	-	-
Details of Other Income :					
Miscellaneous income	3.03	0.02	3.07	0.02	0.02
Dividend received on current investments(non trade)	119.76	0.98	189.22	0.98	14.09
Net gain on sale of current investments (non trade)	4.04	6.20	6.70	10.75	11.39
Interest income on Bank Deposits (Gross)	0.12	3.31	7.61	3.31	3.46
Other interest income	0.59	0.85	1.14	1.14	4.25
Exchange gain/(Loss), Net	73.42	(113.93)	189.89	(88.41)	339.08
Interest on Loan/Optionally Convertible Debentures to subsidiary Companies	-	-	-	-	27.38
Total	200.96	(102.57)	397.63	(72.21)	399.67

(Rs. in Lakhs)

Sr. no.		For the Quarter ended September 30 2005	For the Quarter ended September 30 2004	For the Half Year Ended September 30 2005	For the Half Year Ended September 30 2004	For the Year ended March 31 2005
1	Segment Revenue					
a.	Software Services	6,148.98	4,882.24	11,496.05	8,710.19	18,905.47
b.	Software Products	1,551.75	611.51	2,093.73	1,545.48	3,393.55
	Total	7,700.73	5,493.75	13,589.78	10,255.67	22,299.02
	Less Inter segment revenue	-	-	-	-	-
	Net Sales/Income from Operations	7,700.73	5,493.75	13,589.78	10,255.67	22,299.02
2	Segment Results (Profit(+)/Loss (-) before tax and interest from each segment)					
a.	Software Services	1,883.19	2,055.96	3,441.94	3,373.52	6,916.49
b.	Software Products	650.96	(151.41)	497.97	24.77	411.20
	Total	2,534.15	1,904.55	3,939.91	3,398.29	7,327.69
	Less: i) Interest	0.18	15.36	0.20	20.62	44.85
	ii) Other un-allocable expenditure net off un-allocable Income.	1,330.55	1,232.21	2,432.57	2,397.11	4,948.84
	Total Profit Before Tax	1,203.42	656.98	1,507.14	980.56	2,334.00
3	Capital Employed - (Segment Assets - Segment Liabilities)					
a.	Software Services	8,830.99	4,067.55	8,830.99	4,067.55	4,253.21
b.	Software Products	1,729.33	807.12	1,729.33	807.12	611.67
	Sub total	10,560.32	4,874.67	10,560.32	4,874.67	4,864.88
c.	Unallocated corporate assets	28,995.98	10,572.25	28,995.98	10,572.25	10,945.91
	Less Corporate liabilities	(1,866.27)	(2,075.37)	(1,866.27)	(2,075.37)	(1,723.81)
	Total Capital Employed	37,690.03	13,371.55	37,690.03	13,371.55	14,086.98

Place: Bangalore
Date : 28th October, 2005

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2005

(Rs. in Lakhs except share data)

Sr. no.		For the Quarter ended September 30 2005	For the Quarter ended September 30 2004	For the Half Year Ended September 30 2005	For the Half Year Ended September 30 2004	For the Year ended March 31 2005
1	Revenue from software services, products & network engineering services	8,639.41	5,896.28	15,413.61	10,921.83	24,177.00
2	Cost of revenue	4,882.72	3,026.58	9,127.15	5,826.20	13,087.40
3	Research & Development Expenses (including Product Engineering Expenses)	424.93	486.02	835.54	873.67	2,143.85
4	Gross Profit	3,331.76	2,383.68	5,450.92	4,221.96	8,945.75
5	Selling and Marketing Expenses	575.10	599.71	1,135.99	1,186.17	2,464.75
6	Administrative and General Expenses	972.54	605.29	1,756.50	1,278.42	2,929.58
7	Profit from operations before Interest, Depreciation and Amortisation	1,784.12	1,178.68	2,558.43	1,757.37	3,551.42
8	Amortisation of Non Compete Fees	31.03	-	31.03	-	-
9	Interest	2.71	15.36	6.54	20.62	47.32
10	Depreciation	448.09	329.08	801.47	616.64	1,419.00
11	Other Income/(Expense)	201.94	(102.57)	399.32	(72.21)	367.08
12	Profit before tax	1,504.23	731.67	2,118.71	1,047.90	2,452.18
13	Provision for income tax (Current)	306.15	76.04	424.12	8.04	174.15
14	Fringe Benefit tax	30.79	-	50.07	-	-
15	Net Profit	1,167.29	655.63	1,644.52	1,039.86	2,278.03
16	Paid-up equity share capital	2,751.15	1,679.42	2,751.15	1,679.42	1,684.72
17	Reserves excluding revaluation reserves	35,463.42	11,758.07	35,463.42	11,758.07	12,483.59
18	Basic and diluted EPS for the period, for the year to date and for the previous year (not annualised) (par value of Rs. 10 each)					
	Basic EPS	4.83	3.97	7.24	6.56	13.94
	Diluted EPS	4.74	3.90	7.10	6.27	13.53
19	Aggregate of Non promoters shareholding* (unaudited)					
	* Number of shares	20,697,785	9,834,115	20,697,785	9,834,115	9,764,275
	* Percentage of shareholding	75.23%	58.56%	75.23%	58.56%	57.96%

Other Information

(Rs. in Lakhs)

	For the Quarter ended September 30 2005	For the Quarter ended September 30 2004	For the Half Year Ended September 30 2005	For the Half Year Ended September 30 2004	For the Year ended March 31 2005
Staff Cost	4,817.45	3,490.68	9,248.43	6,619.57	14,541.54
Items exceeding 10% of aggregate expenditure	-	-	-	-	-
Details of Other Income:					
Miscellaneous income	3.03	0.02	3.07	0.02	0.02
Dividend received on current investments(non trade)	119.76	0.98	189.22	0.98	14.09
Net gain on sale of current investments (non trade)	4.04	6.20	6.70	10.75	11.39
Interest income on Bank Deposits (Gross)	0.12	3.32	7.61	3.31	3.46
Other interest income	0.59	0.85	1.14	1.14	4.25
Exchange Gain/(Loss), Net	74.40	(113.94)	191.58	(88.41)	333.87
Total	201.94	(102.57)	399.32	(72.21)	367.08

(Rs. in Lakhs)

Sr. no.		For the Quarter ended September 30 2005	For the Quarter ended September 30 2004	For the Half Year Ended September 30 2005	For the Half Year Ended September 30 2004	For the Year ended March 31 2005
1	Segment Revenue					
a.	Software Services	6,598.46	5,284.77	12,342.27	9,376.35	20,349.45
b.	Software Products	1,551.75	611.51	2,093.73	1,545.48	3,393.55
c.	Network Engineering Services	489.20	-	977.61	-	434.00
	Total	8,639.41	5,896.28	15,413.61	10,921.83	24,177.00
	Less Inter segment revenue	-	-	-	-	-
	Net Sales/Income from Operations	8,639.41	5,896.28	15,413.61	10,921.83	24,177.00
2	Segment Results (Profit(+)/Loss (-) before tax and interest from each segment)					
a.	Software Services	2,106.34	2,267.28	3,819.27	3,693.15	7,597.50
b.	Software Products	650.96	(151.41)	497.97	24.74	411.20
c.	Network Engineering Services	191.32	-	462.28	-	60.21
	Total	2,948.62	2,115.87	4,779.52	3,717.89	8,068.91
	Less: i) Interest	2.71	15.36	6.54	20.62	47.32
	ii) Other un-allocable expenditure net off un-allocable Income.	1,441.68	1,368.84	2,654.27	2,649.37	5,569.41
	Total Profit Before Tax	1,504.23	731.67	2,118.71	1,047.90	2,452.18
3	Capital Employed - (Segment Assets - Segment Liabilities)					
a.	Software Services	9,473.29	4,133.47	9,473.29	4,133.47	4,901.17
b.	Software Products	1,729.33	807.12	1,729.33	807.12	611.67
c.	Network Engineering Services	693.20	-	693.20	-	406.52
	Sub total	11,895.82	4,940.59	11,895.82	4,940.59	5,919.36
d.	Unallocated Corporate Assets	28,276.14	10,572.25	28,276.14	10,572.25	9,998.26
	Less: Corporate Liabilities	(1,866.28)	(2,075.36)	(1,866.28)	(2,075.36)	(1,723.82)
	Total Capital Employed	38,305.68	13,437.48	38,305.68	13,437.48	14,193.80

Notes

- The above audited results were taken on record by the Board of Directors of the Company at its meeting held on 27th / 28th October, 2005.
- Sasken Network Systems Limited and Sasken Network Engineering Limited are wholly owned subsidiaries and their results are consolidated in the above results.
- At the said meeting, the Board approved the proposed merger of Sasken Network Systems Limited with the Company subject to relevant statutory approvals.
- During April 2005 the Company issued 32,28,334 Equity Shares @ Rs. 141.63 per share to Nortel Networks Mauritius Limited, 6,00,000 Equity Shares @ Rs.223 per share to Nokia Growth Partners LP and 18,00,000 Equity Shares @ Rs.223 per share to MVC VI FVCI Limited.
- The Audit Report on Company's Accounts for the period ended September 30, 2005 contains a qualification. It relates to the accounting treatment accorded by the Company to the item of Securities Premium in respect of the allotment of 32,28,334 Equity Shares of Rs. 10 each at the issue price of Rs.141.63 per share, which accounting treatment is based on legal advice given to the Company to the effect that recognizing un-quantifiable "benefit" from executory contracts is not permissible under Note (g) to Part 1 of Schedule VI and other provisions of the Companies Act.
- Non-compete fee paid to an employee who has resigned from the services of the Company is being amortized over the period of non-compete / non-solicitation.
- During the quarter the Company completed its IPO of 50,00,000 Equity Shares of Rs. 10 each at a price of Rs.260 per share, aggregating Rs. 13,000 Lakhs with the allotment of shares on 31st August 2005. Equity Shares of the Company have been listed at BSE and NSE effective 9th September 2005.
- Out of the amount of Rs.13,000 Lakhs raised in the Initial Public Offer, Rs.214.32 Lakhs have been paid towards issue expenses and the balance of Rs.12,785.68 Lakhs is held as investment in Mutual Funds as at the end of the quarter. An amount of Rs. 369.99 Lakhs remains to be paid towards issue expenses. The issue expenses totalling to Rs.584.31 Lakhs have been adjusted against Securities Premium Account.
- The Company had NIL investor complaints at the beginning of the quarter. After mailing of Refund Orders on 1st September, 2005 the Company received 236 complaints upto 30th September, 2005 most of which related to non-receipt of Refund Orders and/or non-credit of shares in Demat Account. Out of the above, 228 complaints were resolved leaving a balance of 8 complaints as on 30th September 2005. Subsequently, these were also resolved and number of complaints outstanding as on date is NIL.
- Per Share Data given above in respect of the periods upto 31st March, 2005 relate to pre-IPO shares prevailing as at those dates.
- Previous year/quarter figures are regrouped/reclassified as applicable.

For SASKEN COMMUNICATION TECHNOLOGIES LIMITED

Rajiv C. Mody
Chairman & Managing Director