

Sasken Communication Technologies Limited

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AUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2007 (Rs. in Lakhs except share data)

		(N3. III Lantis except sitate data)				
Sr.		For the	For the	For the	For the	For the
No.		Quarter ended	Quarter ended	Half year ended	Half year ended	Year ended
		September 30, 2007	September 30, 2006	September 30, 2007	September 30, 2006	March 31, 2007
1	Revenue from Telecom Software					
	Services & Telecom Software Products	10,501.09	9,350.72	19,337.53	17,556.35	36,630.72
2	Cost of Revenue	6,225.00	5,482.79	12,096.72	10,882.16	22,555.23
3	Research & Development Expenses					
	(including Product Engineering Expenses)	469.85	415.01	1,302.28	701.77	1,955.27
4	Gross Profit	3,806.24	3,452.92	5,938.53	5,972.42	12,120.22
5	Selling and Marketing Expenses	556.99	571.98	1,132.13	1,041.65	2,197.73
6	Administrative and General Expenses	1,234.36	1,010.54	2,443.60	1,826.08	4,284.66
7	Profit from operations before Interest,					
	Depreciation and Amortisation	2,014.89	1,870.40	2,362.80	3,104.69	5,637.83
8	Amortisation	354.57	65.29	725.64	108.06	488.27
9	Interest	-	62.07	-	62.61	64.59
10	Depreciation	496.56	379.08	992.00	738.96	1,647.97
11	Other Income	789.66	123.53	1,848.81	192.20	979.88
12	Provision for diminution in value					
	of investments	35.93	-	137.79	-	-
13	Profit Before Tax	1,917.49	1,487.49	2,356.18	2,387.26	4,416.88
14	Provision for Income Tax					
	(Current & Deferred)	487.15	242.02	707.48	219.51	514.52
15	Fringe Benefit Tax	29.54	26.83	60.80	53.55	89.26
16	Profit After Taxes	1,400.80	1,218.64	1,587.90	2,114.20	3,813.10
17	Paid-up equity share capital					
	(at par value of Rs.10 each)	2,850.01	2,804.59	2,850.01	2,804.59	2,850.01
18	Reserves excluding revaluation reserves					38,990.11
19	Basic and diluted EPS for the period,					
	for the year to date and for the previous					
	year after exceptional items (not annualised)					
	(par value of Rs. 10 per share)					
	Basic EPS	4.92	4.35	5.57	7.56	13.57
	Diluted EPS	4.87	4.29	5.52	7.45	13.36
20	Dividend	-	-	-	-	1,140.01
21	Aggregate of Public Shareholding*					•
	Number of shares	20,981,737	20,452,822	20,981,737	20,452,822	20,981,232
	Percentage of shareholding	73.62%	72.93%	73.62%	72.93%	73.62%

^{*} Public shareholding as classified under category B in the shareholding pattern in Clause 35/40A of the Listing Agreement.

Other Information:

	For the Quarter ended September 30, 2007	For the Quarter ended September 30, 2006	For the Half year ended September 30, 2007	For the Half year ended September 30, 2006	For the Year ended March 31, 2007
Staff Cost Staff Cost	6,362.96	5,538.57	12,704.71	10,473.36	22,858.35
Items exceeding 10% of aggregate expenditure Details of Other Income:	-	· -	-	-	-
Miscellaneous income	6.94	0.14	7.67	0.20	1.87
Dividend received on current investments (non trade)	29.43	147.18	76.01	364.78	463.36
Net gain on sale of current investments (non trade)	(0.17)	118.57	49.38	127.10	168.27
Interest income on Bank Deposits (Gross)	-	-	2.03	0.06	6.36
Write back of advance from customer Reversal of provision for diminution in value of	29.45	-	29.45	-	-
current investments (non trade)	-	(5.04)	-	(1.45)	-
Writeback of liabilities no longer required	-	` -	-	\ <u>'</u>	61.00
Profit on Sale of Fixed Assets	-	-	6.86	-	-
Other interest income	0.75	0.01	0.75	0.03	8.90
Exchange gain/(loss), Net	715.09	(137.33)	1,657.10	(298.52)	235.16
Interest on Loan/Optionally Convertible Debentures				, ,	
to subsidiary companies	8.17	-	19.56	-	34.96
Total	789.66	123.53	1,848.81	192.20	979.88

		For the Quarter ended September 30, 2007	For the Quarter ended September 30, 2006	For the Half year ended September 30, 2007	For the Half year ended September 30, 2006	For the Year ended March 31, 2007
1	Segment Revenue					
a.	Telecom Software Services	9,496.54	8,725.25	17,467.65	16,571.17	34,357.31
b.	Telecom Sotware Products	1,004.55	625.47	1,869.88	985.18	2,273.41
	Total	10,501.09	9,350.72	19,337.53	17,556.35	36,630.72
	Less Inter segment revenue	-	-			-
	Net Sales/Income from Operations	10,501.09	9,350.72	19,337.53	17,556.35	36,630.72
2	Segment Results					
	(Profit(+)/Loss(-) before tax and					
	interest from each segment)					
a.	Telecom Software Services	3,401.21	3,294.80	5,451.38	6,005.09	12,390.46
b.	Telecom Sotware Products	(364.30)	(185.19)	(1,039.26)	(696.86)	(2,046.01)
	Total	3,036.91	3,109.61	4,412.12	5,308.23	10,344.45
	Less: i) Interest		62.07		62.61	64.59
	ii) Other un-allocable expenditure	1,083.49	1,560.05	1,918.15	2,858.36	5,862.98
1. 1	net off un-allocable Income					
3	Provision for diminution in value	05.00		407.70		
	of investments (long term)	35.93	-	137.79	-	-
1.1	Total Profit Before Tax	1,917.49	1,487.49	2,356.18	2,387.26	4,416.88
4	Capital Employed					
	(Segment Assets - Segment Liabilities) Telecom Software Services	11 100 FO	0.1/7.00	11 100 50	0.1/7.00	7 712 00
a.		11,108.58	8,167.02	11,108.58	8,167.02	7,712.89
b.	Telecom Software Products Sub total	4,090.57 15,199.15	4,108.28 12,275.30	4,090.57 15,199.15	4,108.28 12,275.30	4,858.19 12,571.08
c.	Unallocated Corporate Assets	31.278.50	31,406.08	31.278.50	31.406.08	33,235.56
١٠.	Less : Corporate Liabilities	(3,392.00)	(2,966.87)	(3,392.00)	(2,966.87)	(3,966.52)
	•		40,714.51	· · · /	· · · /	, ,
	Total Capital Employed	43,085.65	40,714.31	43,085.65	40,714.51	41,840.12

NOTES TO THE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2007

- The quarterly and year to date consolidated results are based on the consolidated financial statements which have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements and Accounting Standard (AS) 27, Financial Reporting of Interests in Joint Ventures
- issued by the Institute of Chartered Accountants of India.

 The merger of Integrated Softtech Solutions Private Ltd., a wholly owned subsidiary with the Company was completed during the year ended March 31, 2007 pursuant to the orders of the Hon'ble High Courts of Karnataka and Madras. Consequent to the above, the figures for the year ended March 31, 2007, quarter and half year ended September 30, 2007 given above include the results of erstwhile Integrated Softtech Solutions Private Limited, now dealt with as a branch. Regarding Subsidiaries and Joint-Venture Companies
- The results of the following companies are consolidated in the above results: Sasken Network Engineering Limiter De C. V. (Sasken Mexico), Sasken Communication Technologies (Shanghai) Limited (Sasken China), Sasken Communication Technologies Oy and therefore Sasken Finland Oy - all wholly owned subsidiaries; TACO Sasken Automotive Electronics Private Limited (TSAE) and ConnectM Technology Solutions Pvt. Ltd. (ConnectM) - Joint-Venture
- During the quarter and half year ended September 30, 2007, Sasken has formed joint venture companies TSAE and ConnectM with Tata AutoComp Systems Limited and IDG Ventures respectively, TSAE focuses on automotive electronics products and ConnectM focuses on Machine-to-Machine (M2M) communication. The financial results of Sasken China for the quarter/half year ended September 30, 2007, are unaudited.
- During the quarter / half year ended September 30, 2007, the Company has incorporated Sasken Inc. and SNEL has incorporated Sasken Network Solutions Inc. The Company has not subscribed to the share capital of these companies, which are yet to commence operations, and hence the consolidated results do not include the results of these
- During the quarter / half year ended September 30, 2007, the Company has converted loan of Rs.174.71 lakhs given to Sasken Mexico into equity. As a result, the Company's aggregate investment in Sasken Mexico amounts to Rs.176.75 lakhs as at September 30, 2007. During the quarter and half year ended September 30, 2007, the Company has also invested an additional amount of Rs.4.04 lakhs and Rs.30.34 lakhs respectively in the equity capital of Sasken China. The aggregate investment of the Company in Sasken China amounts to Rs. 144.88 lakhs as on September 30, 2007. During the quarter / half year ended September 30, 2007, the Company has subscribed for 16,50,000 equity shares of Rs. 10 /- each in TSAE aggregating to Rs. 165.00 lakhs.
- Provision for diminution in value of investment in the books of the Company pertains to Sasken China.

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2007

(Rs. in Lakhs except share data)

Sr.		For the	For the	For the	For the	For the
No.		Quarter ended	Quarter ended	Half year ended	Half year ended	Year ended
		September 30, 2007	September 30, 2006	September 30, 2007	September 30, 2006	March 31, 2007
1	Revenue from Telecom Software Services,					
	Telecom Software Products & Network					
	Engineering Services	14,323.31	11,754.46	27,160.54	20,866.79	47,712.90
2	Cost of Revenue	8,960.73	7,032.35	17,434.93	12,975.54	29,755.84
3	Research & Development Expenses					
	(including Product Engineering Expenses)	500.26	415.01	1,400.36	701.77	1,955.27
4	Gross Profit	4,862.32	4,307.10	8,325.25	7,189.48	16,001.79
5	Selling and Marketing Expenses	751.70	604.64	1,459.70	1,083.27	2,472.51
6	Administrative and General Expenses	1,764.76	1,429.85	3,529.39	2,471.23	5,953.31
7	Profit from operations before Interest,					
	Depreciation and Amortisation	2,345.86	2,272.61	3,336.16	3,634.98	7,575.97
8	Amortisation	354.57	65.28	725.64	108.06	488.27
9	Interest	101.09	235.60	202.27	238.22	447.22
10	Depreciation	677.34	494.01	1,350.75	920.11	2,181.69
11	Other Income	787.07	115.69	1,845.79	193.96	974.68
12	Profit Before Tax	1,999.93	1,593.41	2,903.29	2,562.55	5,433.47
13	Provision for Income Tax			·		
	(Current & Deferred)	524.94	291.92	747.00	301.90	865.27
14	Fringe Benefit Tax	41.87	41.57	84.58	81.22	141.26
15	Profit After Taxes	1,433.12	1,259.92	2,071.71	2,179.43	4,426.94
16	Paid-up equity share capital			·		
	(at par value of Rs.10 each)	2,850.01	2,804.59	2,850.01	2,804.59	2,850.01
17	Reserves excluding revaluation reserves					39,325.14
18	Basic and diluted EPS for the period, for the					
	year to date and for the previous year after					
	exceptional items (not annualised)					
	(par value of Rs. 10 each)					
	Basic EPS	5.03	4.50	7.27	7.79	15.75
	Diluted EPS	4.98	4.43	7.20	7.68	15.52
19	Dividend	-	-	-	-	1,140.01
20	Aggregate of Public Shareholding*					
	Number of shares	20,981,737	20,452,822	20,981,737	20,452,822	20,981,232
	Percentage of shareholding	73.62%	72.93%	73.62%	72.93%	73.62%

^{*} Public shareholding as classified under category B in the shareholding pattern in Clause 35/40A of the Listing Agreement.

	For the Quarter ended September 30, 2007	For the Quarter ended September 30, 2006	For the Half year ended September 30, 2007	For the Half year ended September 30, 2006	For the Year ended March 31, 2007
Staff Cost	8,983.06	6,854.57	17,818.23	12,171.27	29,049.64
Items exceeding 10% of aggregate expenditure Details of Other Income:	-	-	-	-	-
Miscellaneous income	7.07	4.71	8.40	4.77	75.04
Dividend received on current investments (non trade)	30.09	147.18	76.67	364.78	463.36
Net gain on sale of current investments (non trade)	(0.17)	118.57	49.38	127.10	168.27
Interest income on Bank Deposits (Gross)	16.54	4.51	24.60	4.99	25.25
Write back of advance from customer	29.45	-	29.45	-	-
Reversal of provsion for diminution in value of					
current investments (non trade)	-	(5.05)	-	(1.45)	-
Profit on sale of Fixed Assets	0.40	-	7.27	-	0.01
Other interest income	0.75	(0.03)	0.75	0.03	8.90
Exchange gain/(loss), Net	702.94	(154.20)	1,649.27	(306.26)	233.85
Total	787.07	115.69	1,845.79	193.96	974.68

l	Iotai		787.07	110.09	1,845.79	193.90	974.08
	Sr. No.		For the Quarter ended September 30, 2007	For the Quarter ended September 30, 2006	For the Half year ended September 30, 2007	For the Half year ended September 30, 2006	For the Year ended March 31, 2007
l	1	Segment Revenue					
l	a.	Telecom Software Services	12,595.12	10,289.30	23,932.22	18,315.46	42,551.05
l	b.	Telecom Software Products	1,004.55	625.48	1,869.88	985.19	2,273.41
l	C.	Automotive, Utilities and Industrial	1.49	-	1.49	-	-
l	d.	Network Engineering Services	722.15	839.68	1,356.95	1,566.14	2,888.44
l		Total	14,323.31	11,754.46	27,160.54	20,866.79	47,712.90
l		Less Inter segment revenue	-	-	-	-	-
l		Net Sales/Income from Operations	14,323.31	11,754.46	27,160.54	20,866.79	47,712.90
	2	Segment Results (Profit(+)/Loss(-) before tax and interest from each segment)					
l	a.	Telecom Software Services	4,108.71	3,819.25	7,203.08	6,578.99	14,924.50
l	b.	Telecom Software Products	(364.30)	(190.96)	(1,039.26)	(706.96)	(2,046.00)
l	C.	Automotive, Utilities and Industrial	(31.60)	· .	(99.27)	-	
l	d.	Network Engineering Services	232.79	251.23	444.90	532.26	950.52
l		Total	3,945.60	3,879.52	6,509.45	6,404.29	13,829.02
l		Less: i) Interest	101.09	235.60	202.27	238.23	447.22
l		ii) Other un-allocable	1,844.58	2,050.51	3,403.89	3,603.51	7,948.33
		expenditure net off un-allocable Income Total Profit Before Tax	1,999.93	1,593.41	2,903.29	2,562.55	5,433.47
	3	Capital Employed (Segment Assets - Segment Liabilities)					
l	a.	Telecom Software Services	25,366.08	22,154.01	25,366.08	22,154.01	22,108.87
l	b.	Telecom Software Products	4,090.57	4,108.28	4,090.57	4,108.28	4,858.19
l	C.	Automotive, Utilities and Industrial	483.06	-	483.06	-	-
l	d.	Network Engineering Services	1,241.22	1,688.58	1,241.22	1,688.58	1,721.42
l		Sub total	31,180.93	27,950.87	31,180.93	27,950.87	28,688.48
l	e.	Unallocated Corporate Assets	15,022.33	15,478.99	15,022.33	15,478.99	17,453.19
l		Less:Corporate Liabilities	(2,672.02)	(2,950.37)	(2,672.02)	(2,950.37)	(3,966.52)
		Total Capital Employed	43,531.24	40,479.49	43,531.24	40,479.49	42,175.15

10. As at the end of quarter / half year ended September 30, 2007, the following amounts are due from the subsidiaries:

		Rs. in lakhs
Company	Advances (Net)	Loans
Sasken Network Engineering Limited	547.76	455.00
Sasken Communication Technologies Mexico S.A. De C.V.	254.69	268.54
Sasken Communication Technologies Oy	75.31	-
Sasken Communication Technologies (Shanghai) Limited	2.28	- 1

Nature of complaints received

Non receipt of Dividend / Non credit of IPO shares

- Other Notes

 1. The final dividend of Rs. 4/- per share (40% of an equity share of par value Rs.10/- each) for fiscal 2007 was approved by shareholders at the Annual General Meeting held on June 23, 2007 and paid on July 5, 2007.

 12. Effective April 1, 2007, the Group adopted the revised AS 15 Employee Benefits. In accordance with the transitional provisions of Revised AS 15, the Group / Company has adjusted the balance in Profit and Loss Account as at April 1, 2007 for a sum of Rs.669.36 lakhs in the consolidated results and Rs.657.30 lakhs on a standalone basis, being the liability assessed under the said Revised AS 15. Accordingly, staff costs for the quarter and half year ended September 30, 2007 are higher by Rs.58.90 lakhs and Rs.107.92 lakhs respectively in the consolidated results and by Rs.52.81 lakhs and Rs.97.79 lakhs respectively on a standalone basis, and the profit after taxes for the quarter / half year ended September 30, 2007 are later taxes for the quarter / half year ended September 30, 2007 are higher by Rs.58.90 lakhs and Rs.97.79 lakhs respectively on a standalone basis, and the profit after taxes for the quarter / half year ended September 30, 2007 are higher by Rs.58.90 lakhs and Rs.97.79 lakhs respectively on the profit after taxes for the quarter / half year ended September 30, 2007 are higher by Rs.58.90 lakhs and Rs.97.79 lakhs respectively on the profit after taxes for the quarter / half year ended September 30, 2007 are higher by Rs.58.90 lakhs and Rs.97.79 lakhs respectively in the consolidated results and by Rs.52.81 lakhs and Rs.97.79 lakhs respectively in the consolidated results and by Rs.52.81 lakhs and Rs.97.79 lakhs respectively in the consolidated results and by Rs.52.81 lakhs and Rs.97.79 lakhs respectively in the consolidated results and by Rs.52.81 lakhs and Rs.97.79 lakhs respectively in the consolidated results and by Rs.52.81 lakhs and Rs.97.79 lakhs respectively in the consolidated results and by Rs.52.81 lakhs and Rs.97.79 lakhs respectively in the consolidated ended September 30, 2007 are lower to that extent.
- ended September 30, 2007 are lower to that extent.

 3. 90,000 and 3,25,000 options have been granted to eligible employees under the ESOP 2006 scheme during the quarter and half year ended September 30, 2007 respectively. Against ESOP 2000 scheme, 37,701 and 44,709 options have been exercised during the quarter and half year ended September 30, 2007 (allotment pending).

 14. The Company has decided to recover Fringe Benefit Tax (FBT) on options granted to employees. As a result, there is no impact of the FBT on options on the quarterly and half year results of the Group / Company.

 15. Revenue for the quarter and half year ended September 30, 2007, includes a sum of Rs.1,038.10 lakhs towards a charge for cancellation by a customer of its commitment for

- a minimum order in a given time period.

 Previous period /year figures have been re-grouped /re-arranged, wherever necessary to conform to the current period /year presentation. The figures for the same quarter and half year of the previous year have been re-cast to eliminate the impact of provisions made on adoption of AS-15 (Revised), which were subsequently reversed during the year coded March 21, 2007.
- 17. Information on Investor Complaints pursuant to Clause 41 of the Listing Agreement for quarter / half year ended September 30, 2007

Opening Balance

Additions

For SASKEN COMMUNICATION TECHNOLOGIES LIMITED

Place: Bangalore Date: October 15, 2007