



AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2010

(Rs. in Lakhs except share data)

Sl. No.	Description	For the Quarter ended Sept. 30, 2010	For the Quarter ended Sept. 30, 2009	For the Half Year ended Sept. 30, 2010	For the Half Year ended Sept. 30, 2009	For the Year ended March 31, 2010
1	Revenue from Software Services, Software Products & Network Engineering Services	13,383.28	13,571.92	27,959.64	27,523.07	57,419.31
2	Cost of Revenue	9,068.97	9,489.56	18,772.18	19,269.07	39,932.17
3	Gross Profit	4,314.31	4,082.36	9,187.46	8,254.00	17,487.14
4	Selling and Marketing Expenses	489.93	283.84	977.87	538.86	1,373.84
5	Administrative and General Expenses	1,408.30	1,182.97	2,975.89	2,697.18	5,925.64
6	Profit from operations before Interest, Depreciation and Amortisation	2,416.08	2,615.55	5,233.70	5,017.96	10,187.66
7	Amortisation	171.26	—	339.14	34.71	213.06
8	Interest	31.78	79.04	69.48	159.90	261.35
9	Depreciation	685.83	734.80	1,499.48	1,578.45	2,952.95
10	Other Income	207.00	152.90	453.62	292.01	767.37
11	Exchange gain/(loss), Net **	129.85	(9.49)	738.37	1,039.16	1,679.21
12	Provision for diminution in value of investments/(reversals)	—	(41.30)	—	(41.30)	(85.35)
13	Profit before Tax	1,864.06	1,986.42	4,517.59	4,617.37	9,292.23
14	Provision for Income Tax (Current & Deferred)	424.16	367.60	969.35	976.95	1,740.50
15	Minimum Alternate Tax Credit	(132.06)	(16.83)	(328.81)	(16.83)	—
16	Profit After Taxes	1,571.96	1,635.65	3,877.05	3,657.25	7,551.73
17	Paid-up equity share capital (at par value of Rs.10 each)	2,754.16	2,711.11	2,754.16	2,711.11	2,711.11
18	Reserves excluding revaluation reserves	39,274.41	49,403.10	39,274.41	49,403.10	49,515.01
19	Basic and diluted EPS for the Quarter, half year and previous year (not annualised) (par value of Rs. 10 each)					
	Basic EPS	5.72	6.03	14.15	13.49	27.85
	Diluted EPS	5.49	5.81	13.59	12.99	26.62
20	Proposed Dividend ***	690.46	542.22	700.16	542.22	1,626.66
21	Aggregate of Public Shareholding *					
	Number of shares	19,946,627	19,537,971	19,946,627	19,537,971	19,525,027
	Percentage of shareholding	72.42%	72.07%	72.42%	72.07%	72.02%
22	Promoters and promoter group shareholdings					
	a) Pledged/Encumbered					
	– Number of shares	—	—	—	—	5,000
	– Percentage of shares (as a % of the total shareholding of promoters and promoter group)	—	—	—	—	0.07%
	– Percentage of shares (as a % of the total share capital of the company)	—	—	—	—	0.02%
	b) Non-encumbered					
	– Number of shares	7,594,949	7,573,080	7,594,949	7,573,080	7,581,024
	– Percentage of shares (as a % of the total shareholding of promoters and promoter group)	100.00%	100.00%	100.00%	100.00%	99.93%
	– Percentage of shares (as a % of the total share capital of the company)	27.58%	27.93%	27.58%	27.93%	27.96%

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

**Please refer to Note 5 in the notes appended

***Please refer to Note 8 in the notes appended

Other information:

(Rs. in Lakhs)

Description	For the Quarter ended Sept. 30, 2010	For the Quarter ended Sept. 30, 2009	For the Half Year ended Sept. 30, 2010	For the Half Year ended Sept. 30, 2009	For the Year ended March 31, 2010
Staff Cost	8,258.62	8,190.64	16,847.50	16,928.55	34,824.95
Items exceeding 10% of aggregate expenditure	—	—	—	—	—
Details of Other Income:					
Miscellaneous income	13.48	4.54	40.97	6.61	61.07
Dividend received on current investments (non trade)	153.97	105.34	330.86	136.78	392.51
Net gain on sale of current investments (non trade)	1.14	0.04	1.77	0.04	0.98
Interest income on bank deposits (gross)	7.93	31.56	17.20	125.04	143.27
Interest income on Income tax Refund	—	—	—	—	78.58
Write back of unclaimed balances/ provisions	27.11	—	27.37	—	45.70
Write back of advance from customer	—	—	—	0.53	—
Profit on sale of Fixed Assets	3.37	0.31	3.39	0.78	1.80
Other interest income	—	—	—	0.03	0.07
Asset recovery charges	—	11.11	32.06	22.20	43.29
Total	207.00	152.90	453.62	292.01	767.37

(Rs. in Lakhs)

Sl. No.	Description	For the Quarter ended Sept. 30, 2010	For the Quarter ended Sept. 30, 2009	For the Half Year ended Sept. 30, 2010	For the Half Year ended Sept. 30, 2009	For the Year ended March 31, 2010
1	Segment Revenue					
	a. Software Services	10,902.53	11,885.56	23,200.80	24,820.11	50,760.01
	b. Software Products	1,340.01	692.32	2,570.51	801.89	2,560.71
	c. Automotive, Utilities and Industrial	32.17	8.21	34.16	18.70	81.58
	d. Network Engineering Services	1,108.57	985.83	2,154.17	1,882.37	4,017.01
	Total	13,383.28	13,571.92	27,959.64	27,523.07	57,419.31
	Less Inter segment revenue	—	—	—	—	—
	Net Sales/Income from Operations	13,383.28	13,571.92	27,959.64	27,523.07	57,419.31
2	Segment Results					
	(Profit+)/Loss(-) before tax and interest from each segment)					
	a. Software Services	2,595.69	2,626.17	5,697.59	5,857.64	12,330.45
	b. Software Products	713.75	544.90	1,213.45	454.90	840.99
	c. Automotive, Utilities and Industrial	(102.65)	(44.67)	(182.57)	(85.09)	(151.09)
	d. Network Engineering Services	297.96	252.37	727.39	498.30	1,479.82
	Total	3,504.75	3,378.77	7,455.86	6,725.75	14,500.17
	Less: i) Interest	31.78	79.04	69.48	159.90	261.35
	ii) Other un-allocable expenditure net off un-allocable Income	1,738.76	1,345.12	3,607.16	3,028.94	6,711.15
	iii) Exchange loss/(gain)	(129.85)	9.49	(738.37)	(1,039.16)	(1,679.21)
	iv) Provision for/(reversal of) diminution in value of investments	—	(41.30)	—	(41.30)	(85.35)
	Total Profit before tax	1,864.06	1,986.42	4,517.59	4,617.37	9,292.23
3	Capital Employed - (Segment Assets - Segment Liabilities)					
	a. Software Services	16,153.38	29,433.53	16,153.38	29,433.53	28,333.28
	b. Software Products	689.19	140.66	689.16	140.66	905.27
	c. Automotive, Utilities and Industrial	138.55	254.09	138.55	254.09	82.94
	d. Network Engineering Services	1,866.35	2,301.24	1,866.35	2,301.24	1,864.96
	Sub total	18,847.44	32,129.52	18,847.44	32,129.52	31,186.45
	e. Unallocable Corporate Assets	30,851.21	25,623.18	30,851.21	25,623.18	29,927.87
	Less: Corporate Liabilities	(7,538.08)	(5,638.49)	(7,538.08)	(5,638.49)	(8,756.20)
	Total Capital Employed	42,160.57	52,114.21	42,160.57	52,114.21	52,358.12

(Rs. in Lakhs)

Description	As at Sept. 30, 2010	As at Sept. 30, 2009	As at Mar. 31, 2010
Shareholders' Funds			
a) Share Capital	2,754.16	2,711.11	2,711.11
b) Share Application Money	132.00	—	132.00
c) Employee Stock Options Outstanding	514.92	163.90	393.62
d) Reserves and Surplus	38,759.49	49,239.20	49,121.39
Loan Funds - Secured loans	2,314.33	5,549.99	3,405.52
Total	44,474.90	57,664.20	55,763.64
Fixed Assets including Goodwill on Consolidation (net)	13,868.56	32,001.97	28,930.27
Investments	17,687.19	13,709.23	15,906.60
Deferred Tax Asset	387.75	304.45	404.51
Current Assets, Loans and Advances			
a) Inventories	311.75	184.24	284.68
b) Sundry Debtors	8,493.77	10,284.08	9,779.22
c) Cash and Bank Balances	3,782.92	3,458.40	3,730.46
d) Other Current Assets	2,598.53	2,430.07	2,761.06
e) Loans and Advances	6,555.53	5,422.10	5,679.08
Less: Current Liabilities and Provisions			
Current Liabilities	5,929.67	6,639.03	7,786.00
Provisions	3,281.43	3,491.31	3,926.24
Net Current Assets	12,531.40	11,648.55	10,522.26
Total	44,474.90	57,664.20	55,763.64

NOTES :

- 1) The above audited results were taken on record by the Board of Directors of the Company at its meeting held on Oct 21, 2010.
- 2) The 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 ("AS 21") and Accounting Standard (AS) 27 - Financial Reporting of Interests in Joint Ventures ("AS 27") issued by the Institute of Chartered Accountants of India.

3) The Company believes that presenting consolidated financial results has greater value, since it depicts the total financial position and results of operations of the parent company and its subsidiary and joint ventures as if they were one economic unit. Clause 41 of the Listing Agreement requires companies to publish only consolidated financial results in the newspapers and this choice has been exercised during the first quarter of the financial year. The Company, in compliance with this provision, has opted to publish the consolidated financial results. The standalone financial results will, however, be made available to the Stock Exchanges where the Company's securities are listed and will also be posted on the Company's website **www.sasken.com**

The following are the particulars of the Company (for the quarter, on a standalone basis):

Turnover	Rs. 9,757.70 lakhs
Profit before Tax	Rs. 2,393.29 lakhs
Profit after Tax	Rs. 2,145.62 lakhs

- 4) Regarding Subsidiaries and Joint Venture companies:

- a) The results of the following companies are consolidated in the above results:

Sasken Network Engineering Ltd. and its subsidiary Sasken Network Solutions Inc, USA, Sasken Communication Technologies Mexico S.A. de C.V., Sasken Communication Technologies (Shanghai) Co. Ltd., Sasken Japan KK, Sasken Communication Technologies Oy, Finland and its subsidiary Sasken Finland Oy, Sasken Inc, USA - all wholly owned subsidiaries; and ConnectM Technology Solutions Pvt. Ltd. – Joint Venture company.

- b) The shareholders of TACO Sasken Automotive Electronics Limited (TSAE), a joint venture company, have resolved on September 30, 2010 that TSAE be wound up voluntarily. Requisite documents have been filed with the Registrar of Companies. As a result, the financial statements of TSAE have not been consolidated.

- c) During the quarter, the Company made the following investments in its Subsidiaries/Joint Ventures:

Investee Company	Details	Amount (Rs. In lakhs)
Sasken Communication Technologies Oy	Unrestricted Equity	533.18
ConnectM Technology Solutions Pvt. Ltd.	Share Application Money	230.50

- d) As at the end of the period, the following amounts are due from / (payable to) Subsidiaries:

Company	Loans (Rs. in lakhs)	Other balances (Net) (Rs.in lakhs)
Sasken Network Engineering Ltd.	—	(33.62)
Sasken Communication Technologies Mexico S.A. de C.V.	—	152.72
Sasken Finland Oy	—	407.50
Sasken Communication Technologies Oy	—	109.38
Sasken Communication Technologies (Shanghai) Co. Ltd.	—	14.49
Sasken Inc	1,045.26	290.45
Sasken Network Solutions Inc	—	(1.26)
Sasken Japan KK	—	(9.64)

Other Notes:

- 5) Accounting for derivatives:

Effective April 1, 2010, the Company has adopted the principles of hedge accounting for derivative financial instruments as set out in Accounting Standard (AS) 30, "Financial Instruments: Recognition and Measurement", to the extent that the adoption does not conflict with other accounting standards and authoritative pronouncements. Based on the recognition and measurement principles of hedge accounting set out in AS 30, changes in the fair values of designated derivative financial instruments to the extent they are effective cash flow hedges, are recognized directly in reserves/ equity and are reclassified to the profit and loss account upon the occurrence of the hedged transaction. Changes in fair value relating to derivatives not designated as hedges are recognized in the profit and loss account. Had the Company not adopted the principles for hedge accounting set out in AS 30, the changes in the fair value of derivative instruments amounting to Rs. 114.94 lakhs and Rs. 489.15 lakhs for the quarter and half year ended September 30, 2010 would not have been recognized as a gain in the profit and loss account and consequently the profits for the quarter and half year ended September 30, 2010 would have been lower to that extent.

- 6) Scheme of Arrangement:

The Company had approached the High Court of Karnataka, Bangalore to create a Business Restructuring Reserve (BRR) to be carved out from Securities Premium account in terms of a Scheme under Section 391 / 394 of the Companies Act, whereby the Business Restructuring Expenses (as covered under the scheme) will be adjusted against the said Reserve. Pursuant to the Scheme and as approved by the High Court of Karnataka, Bangalore vide its order dated March 31, 2010, a sum of Rs 14,578.08 lakhs, was transferred from the Securities Premium Account and credited to BRR Account during the year ended March 31, 2010.

Further, during the year ended March 31, 2010, impairment loss on capitalized software amounting to Rs.1,519.70 lakhs, being considered as a Restructuring Expense incurred after the Appointed Date, was adjusted against the BRR. During the quarter year ended June 30, 2010, the Company has evaluated its investments (including goodwill arising on consolidation of subsidiaries and related assets) for the purpose of determination of potential diminution in value. Based on such evaluation and considering the underlying factors including downturn in the business of Sasken Finland and the decrease in related activities / businesses, the Company has identified and recognized an impairment loss for goodwill arising on consolidation amounting to Rs. 13,058.38 lakhs relating to Group's operations in Finland/Europe. The said impairment loss being considered as a restructuring expense incurred after the Appointed Date, i.e., April 1, 2008, has been adjusted against the BRR Account, in the consolidated accounts, in accordance with the scheme, in the previous quarter.

Had the Scheme not prescribed the aforesaid treatment, the balances would have been as under:

- i) In the Consolidated Profit and Loss Account:

Item	For the Half Year ended Sept. 30, 2010 (Rs. lakhs)
Impairment Loss on goodwill	13,058.38
Profit / (Loss) after Tax	(9,181.33)

- ii) In the Consolidated Balance Sheet:

Item	Cumulative Impact as at Sept. 30, 2010 (Rs. lakhs)
Reserves & Surplus:	
Securities Premium Account	29,431.29
Business Restructuring Reserve Account	—
Profit and Loss Account Balance	8,268.36

Consequent to the aforesaid adjustment, the entire amount in BRR has been utilized by the Company as at June 30, 2010.

- 7) Employee Stock Option Plan

During the quarter ended September 30, 2010, the Company issued 460,000 options under Employee Stock Option Scheme 2006, to its employees. The options have a graded vesting period over three years with an exercise price of Rs.200 for 3,90,000 options and Rs.201 for 70,000 options. During the quarter 188,075 options were exercised and allotted.

- 8) An interim dividend of Rs.2.50 per equity share of Rs.10/- each has been proposed. The record date for the payment of the dividend is October 29, 2010.

- 9) At its meeting held on October 21, 2010, the Board of Directors has decided in principle to buyback Company's fully paid up equity shares in accordance with the provisions of Section 77A, 77AA and 77B of the Companies Act 1956 and the SEBI (Buy-back of Securities) Regulations 1998 for which a Public Notice under Regulation 5A of the SEBI (Buyback of Securities) Regulations 1998 is being issued separately.

- 10) Previous period figures have been re-grouped/re-arranged, wherever necessary to conform to the current period presentation.

- 11) Information on investor complaints for the quarter:

Nature of complaints received	Opening Balance	Additions	Disposal	Closing Balance
Non receipt of Dividend / Annual Report	Nil	14	14	Nil

For Sasken Communication Technologies Ltd.

Place : Bangalore
Date : Oct 21, 2010

Rajiv C. Mody
Chairman & Managing Director