

AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2017

Amount in Rs lakhs

Sl. No.	Particulars	Quarter ended			Half Year Ended		Year ended
		September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016	March 31, 2017
I	Revenue From Operations	10,897.12	9,923.75	10,073.47	20,820.87	20,088.15	39,045.58
II	Other Income	1,086.44	1,248.48	1,009.24	2,334.91	2,212.66	3,793.14
III	Total Income (I+II)	11,983.56	11,172.23	11,082.71	23,155.78	22,300.81	42,838.72
IV	EXPENSES						
	Employee benefits expense	7,627.57	7,271.11	6,993.85	14,898.69	14,105.59	28,188.46
	Depreciation and amortization expense	147.90	138.85	158.01	286.76	323.21	608.68
	Other expenses	1,605.75	1,824.76	1,901.64	3,430.51	3,505.37	7,354.43
	Total expenses (IV)	9,381.22	9,234.72	9,053.50	18,615.96	17,934.17	36,151.57
V	Profit before exceptional items and tax (III- IV)	2,602.34	1,937.51	2,029.21	4,539.82	4,366.64	6,687.15
VI	Exceptional Items						2,025.00
VII	Profit before tax (V+VI)	2,602.34	1,937.51	2,029.21	4,539.82	4,366.64	8,712.15
VIII	Tax expense:	606.47	271.43	507.35	877.90	997.18	935.82
	(1) Current tax	458.07	339.58	342.76	797.65	870.33	383.14
	(2) Deferred tax	148.40	(68.15)	164.59	80.25	126.85	552.68
IX	Profit after tax (VII-VIII)	1,995.87	1,666.08	1,521.86	3,661.92	3,369.46	7,776.33
X	Other Comprehensive Income	(350.11)	(268.53)	97.63	(618.64)	63.81	(3.13)
	A (i) Items that will not be reclassified to profit or loss - remeasurement gain/(loss) on defined benefit plans	(103.45)	25.35	(251.35)	(78.10)	(214.06)	(640.36)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	35.80	(8.77)	86.99	27.03	74.08	221.62
	B (i) Items that will be reclassified to profit or loss - Net change in fair value of forward contracts designated to cash flow hedges	(434.16)	(431.65)	400.65	(865.81)	311.65	635.57
	(ii) Income tax relating to items that will be reclassified to profit or loss	151.70	146.54	(138.66)	298.24	(107.86)	(219.96)
XI	Total Comprehensive Income for the period (IX+X)(Comprising Profit and Other Comprehensive Income for the period)	1,645.76	1,397.55	1,619.49	3,043.28	3,433.27	7,773.20
XII	Paid up equity share capital (face value: Rs 10 per share)	1,711.01	1,711.01	1,771.98	1,711.01	1,771.98	1,711.01
XIII	Other equity						54,359.64
XIV	Earnings per equity share						
	(1) Basic	11.66	9.74	8.59	21.40	19.02	45.45
	(2) Diluted	11.66	9.74	8.59	21.40	19.02	45.45

Sasken Technologies Limited
(Formerly known as Sasken Communication Technologies Limited)
CIN: L72100KA1989PLC014226
139/25, Ring Road, Domlur, Bengaluru - 560 071

AUDITED STANDALONE BALANCE SHEET AS AT SEPTEMBER 30, 2017

Amount in Rs lakhs

Particulars	As at September 30, 2017	As at March 31, 2017
ASSETS		
(1) Non-current assets		
Property, plant and equipment	3,636.74	3,696.78
Capital work-in-progress	12.44	5.90
Other intangible assets	20.78	15.64
Financial assets		
(i) Investments	42,161.61	40,109.95
(ii) Other financial assets	288.67	284.70
Deferred tax assets (net)	538.16	293.14
Other tax assets	6,140.16	7,369.14
Other non-current assets	-	13.43
Total	52,798.56	51,788.68
(2) Current assets		
Financial assets		
(i) Current investments	1,624.17	574.33
(ii) Trade receivables	7,236.74	6,948.81
(iii) Cash and cash equivalents	524.13	1,232.81
(iv) Loans	54.17	48.05
(v) Unbilled revenue	3,059.18	2,430.71
(vi) Derivative asset	312.80	1,102.78
(vii) Other financial assets	561.14	370.21
Other current assets	577.76	707.66
Total	13,950.09	13,415.36
Total Assets	66,748.65	65,204.04
EQUITY AND LIABILITIES		
Equity		
Share capital	1,711.01	1,711.01
Other equity	56,533.51	54,359.64
Total equity	58,244.52	56,070.65
LIABILITIES		
(1) Non-current liabilities		
Provisions	957.66	716.01
Total	957.66	716.01
(2) Current liabilities		
Financial liabilities		
(i) Trade payables	1,596.71	1,323.41
(ii) Other financial liabilities	82.50	83.26
(iii) Derivative liabilities	73.62	-
Deferred revenue	295.15	440.65
Other current liabilities	2,748.56	2,533.91
Provisions	938.72	1,068.99
Other tax liabilities	1,811.21	2,967.16
Total	7,546.47	8,417.38
Total Liabilities	66,748.65	65,204.04

NOTES:

- 1) The audited financial results, prepared in accordance with Indian Accounting Standards ('Ind AS') for the quarter ended September 30, 2017 and the period from April 1, 2017 to September 30, 2017 have been approved by the Board of Directors of the Company at its meeting held on October 16, 2017. The statutory auditors have expressed an unqualified opinion on these financial results.
- 2) Amalgamation

Background

Sasken Network Technologies Limited ('SNEL'), was a wholly owned subsidiary of Sasken Technologies Limited ('STL') and was engaged in the business of developing embedded communication software for companies across the communication value chain.

The business activities of SNEL and STL complimented each other. Therefore, in order to achieve economies of scale, efficiencies and to simplify contracting and vendor management, the Board of Directors of each of these companies approved the Scheme of Amalgamation ("the Scheme") for the transfer of the business and undertaking of SNEL to STL.

The Scheme was approved by the National Company Law Tribunal, Bangalore bench ('NCLT') vide its order dated August 31, 2017, the appointed date of the Scheme being April 1, 2015.

Accounting

The amalgamation qualifies as a 'common control transaction' as per Appendix 'C' of Ind AS 103, Business Combinations. Consequently, the amalgamation has been accounted for using the pooling of interest method and the financial information in respect of prior periods has been restated as if the amalgamation had occurred from the beginning of the preceding period, i.e. April 1, 2016. This accounting treatment is also in compliance with the Scheme approved by the NCLT.

The following table represents the particulars of assets and liabilities (after elimination of inter-company balances), transferred by SNEL to STL as a consequence of the amalgamation:

	Amount in Rs. Lakhs
Particulars	Amount
Property, plant and equipment	7.91
Non-current assets	547.68
Current assets	200.52
Other equity	(453.79)
Current liabilities	2.68
Net assets transferred	305.00
Purchase consideration (value of investment in SNEL)	305.00

Notes (continued)

Amalgamation (continued)

The extracts of balance sheets of STL (to the extent there were amalgamation adjustments) as reported as at April 1, 2016, September 30, 2016 and March 31, 2017, the impact of the amalgamation and the resultant post amalgamation balance sheet extracts as at those dates have been presented below:

PARTICULARS	Amount in Rs. Lakhs								
	April 1, 2016			September 30, 2016			March 31, 2017		
	As reported previously	Amalgamation adjustments *	Post amalgamation	As reported previously	Amalgamation adjustments *	Post amalgamation	As reported previously	Amalgamation adjustments *	Post amalgamation
ASSETS									
Non-current assets									
Property, plant and equipment	3,891.44	7.91	3,899.35	3,740.12	2.69	3,742.81	3,694.99	1.79	3,696.78
Financial assets									
Investments	24,075.45	(305.00)	23,770.45	31,030.68	(305.00)	30,725.68	40,414.95	(305.00)	40,109.95
Deferred tax assets	768.24	76.04	844.28	607.63	76.04	683.67	187.75	105.39	293.14
Other tax assets	5,906.28	471.64	6,377.92	6,231.29	471.64	6,702.93	6,897.50	471.64	7,369.14
Current assets									
Financial assets:									
Investments	15,851.85	176.44	16,028.29	11,002.76	181.17	11,183.93	388.70	185.63	574.33
Trade receivables	8,003.68	(10.45)	7,993.23	7,401.08	-	7,401.08	6,948.81	-	6,948.81
Cash & cash equivalents	1,345.66	14.60	1,360.26	1,043.01	2.47	1,045.48	1,225.02	7.79	1,232.81
Unbilled revenue	1,824.46	(1.05)	1,823.41	1,849.91	(2.10)	1,847.81	2,432.82	(2.11)	2,430.71
Other financial assets	398.89	0.36	399.25	543.42	0.36	543.78	369.85	0.36	370.21
Other current assets	798.50	20.62	819.12	782.45	20.62	803.07	687.80	19.86	707.66
		451.11			447.89			485.35	
EQUITY AND LIABILITIES									
Equity									
Other equity	49,014.43	453.79	49,468.22	52,451.10	450.39	52,901.49	53,878.29	481.35	54,359.64
Current liabilities									
Financial liabilities									
Trade payables	3,441.63	5.09	3,446.72	4,500.85	5.52	4,506.37	1,319.58	4.83	1,324.41
Other financial liabilities	309.95	(80.00)	229.95	171.70	(80.00)	91.70	163.26	(80.00)	83.26
Other current liabilities	3,725.27	0.31	3,725.58	946.71	0.06	946.77	2,526.66	7.25	2,533.91
Other tax liabilities	3,203.08	71.92	3,275.00	3,479.92	71.92	3,551.84	2,895.24	71.92	2,967.16
		451.11			447.89			485.35	

* after eliminating inter-company balances.

The statement of profit and loss for the three months ended September 30, 2016 and June 30, 2017, six months ended September 30, 2016 and year ended March 31, 2017 as reported and as adjusted to give effect to the amalgamation are as follows:

Particulars	Amount in Rs. Lakhs					
	For the three months ended September 30, 2016			For the six months ended September 30, 2016		
	As reported previously	Amalgamation adjustments	Post amalgamation	As reported previously	Amalgamation adjustments	Post amalgamation
Other income	1,006.82	2.42	1,009.24	2,207.92	4.74	2,212.66
Employee benefits expense	6,993.85	-	6,993.85	14,105.58	0.01	14,105.59
Depreciation and amortisation expense	155.67	2.34	158.01	317.99	5.22	323.21
Other expenses	1,900.04	1.60	1,901.64	3,502.46	2.91	3,505.37
Profit/(loss) before income tax	2,030.73	(1.52)	2,029.21	4,370.04	(3.40)	4,366.64
Tax expenses:						
Deferred taxes	164.59	-	164.59	126.85	-	126.85
Profit/(loss) for the period	1,523.38	(1.52)	1,521.86	3,372.86	(3.40)	3,369.46
Number of shares	17,719,813		17,719,813	17,719,813		17,719,813
Basic EPS	8.60		8.59	19.03		19.02
Diluted EPS	8.60		8.59	19.03		19.02

Notes (continued)

Amalgamation (continued)

Particulars	Amount in Rs. Lakhs					
	For the three months ended June 30, 2017			For the year ended March 31, 2017		
	As reported previously	Amalgamation adjustments	Post amalgamation	As reported previously	Amalgamation adjustments	Post amalgamation
Other income	1,262.31	(13.83)	1,248.48	3,784.07	9.07	3,793.14
Employee benefits expense	7,271.11	-	7,271.11	28,188.45	0.01	28,188.46
Depreciation and amortisation expense	138.66	0.19	138.85	602.54	6.14	608.68
Other expenses	1,823.21	1.55	1,824.76	7,349.59	4.84	7,354.43
Profit/(loss) before income tax	1,953.08	(15.57)	1,937.51	8,714.07	(1.92)	8,712.15
Tax expenses:						
Deferred taxes	(68.15)	-	(68.15)	582.16	(29.48)	552.68
Profit/(loss) for the period	1,681.65	(15.57)	1,666.08	7,748.77	27.56	7,776.33
Number of shares	17,110,114		17,110,114	17,110,114		17,110,114
Basic EPS	9.83		9.74	45.29		45.45
Diluted EPS	9.83		9.74	45.29		45.45

- 3) These are the Company's second financial results prepared in accordance with Ind AS. For the year ended March 31, 2017, the Company had prepared financial results in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP' / 'IGAAP'). These financial results, including the comparative information for the quarter and year to date period ended September 30, 2016, quarter ended June 30, 2017 and for the year ended March 31, 2017 and the balance sheet as at March 31, 2017 have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. In preparing its Ind AS balance sheet as at April 1, 2016 ('transition date') and in presenting the comparative information, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial results / statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position and financial performance.

First time adoption of Ind AS

In preparing these financial results, the Company has applied the following significant optional exemptions, in addition to those which are mandatory:

Optional exemptions availed -

- **Business combinations** - The Company has elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to transition date have not been restated.
- **Investments in subsidiaries and joint ventures** - The Company has availed the deemed cost exemption for Ind AS purposes. Accordingly, the carrying values of investments under previous GAAP have been carried forward without any adjustments.
- **Property plant and equipment and intangible assets** - As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all items of property, plant and equipment, including intangible assets.

Reconciliation between Previous GAAP and Ind AS

- (i) Effect of Ind AS adoption on equity as at March 31, 2017, September 30, 2016 and April 1, 2016:

Amount in Rs. lakhs

Particulars	Note	As at	As at	As at
		March 31, 2017	September 30, 2016	April 1, 2016
Equity under previous GAAP		54,168.51	52,884.33	49,875.27
Effect of amalgamation (refer note 2)		481.35	450.38	453.79
Resultant Equity under previous GAAP		54,649.86	53,334.71	50,329.06
Depreciation on leasehold improvement	A	(71.04)	(65.15)	(59.26)
Fair valuation of investment in mutual funds	B	2,101.64	1,784.69	1,265.78
Accounting for investment in tax free bonds using effective interest method	C	(7.91)	(3.98)	(0.05)
Dividend on preference shares	C	-	20.88	-
Tax effect on the above	D	(601.90)	(397.68)	(295.33)
Equity as per Ind AS		56,070.65	54,673.47	51,240.20

- (ii) Effect of Ind AS adoption on total comprehensive income for the quarter and six month ended September 30, 2016 and year ended March 31, 2017:

Amount in Rs. lakhs

Particulars	Note	Quarter ended	Six months ended	Year ended
		September 30, 2016	September 30, 2016	March 31, 2017
Net income under previous GAAP		1,290.73	2,697.43	6,600.43
Effect of amalgamation (refer note 2)		(1.52)	(3.40)	27.59
Resultant net income under previous GAAP		1,289.21	2,694.03	6,628.02
Depreciation on leasehold improvement	A	(2.95)	(5.89)	(11.79)
Fair value gain/(loss) on investment in mutual funds	B	107.75	518.90	835.86
Interest income on interest free bonds	C	(1.97)	(3.93)	(7.86)
Employee benefits	E	251.35	214.06	640.36
Dividend on preference shares	C	10.50	20.88	-
Tax effect on the above	D	(132.03)	(68.59)	(308.26)
Profit for the period / year		1,521.86	3,369.46	7,776.33
Ind AS adjustments in other comprehensive income, net of tax :				
Items that will not be reclassified subsequently to the statement of profit or loss:				
Defined benefit plan actuarial gains/(losses)	E	(251.35)	(214.06)	(640.36)
Income tax relating to items that will not be reclassified to the statement of profit and loss	D	86.99	74.08	221.62
Items that will be reclassified subsequently to the statement of profit or loss:				
Net change in fair value of forward contracts designated as cash flow hedges	F	400.65	311.65	635.57
Income tax relating to items that will be reclassified to profit and loss	D	(138.66)	(107.86)	(219.96)
Total other comprehensive income for the period / year, net of taxes		97.63	63.81	(3.13)
Total comprehensive income for the period / year		1,619.49	3,433.27	7,773.20

Notes to the reconciliations

- A. Decommissioning liability: Under the Previous GAAP, decommissioning liability was not capitalized as part of the cost of the asset, under Ind AS the same is capitalized as part of the cost and a corresponding liability has been recorded. The asset is being depreciated over the useful life. The decrease in net income is due to the depreciation of the decommissioning cost capitalized in leasehold improvements.
- B. Fair valuation of investments: Under the Previous GAAP, investments in mutual funds were measured at lower of cost or fair value. Under Ind AS, such investments are required to be measured at fair value and the mark-to-market gains/ losses are recognized in profit or loss (FVTPL). Effect of Ind AS adoption on the statement of profit and loss represents the mark-to-market gains (net) on such investments.
- C. Effective interest rate method: Under Ind AS, interest income is calculated using the effective interest method, which would lead to amortizing the premium paid at the time of purchase of the tax free bonds over the period of the underlying instrument. The decrease in income is due to the amortization of premium recorded as investment under Previous GAAP. Preference dividend is also accrued using the effective interest rate method every quarter.
- D. Tax impact (net): Tax adjustments include deferred tax impact on account of differences between Previous GAAP and Ind AS.
- E. Employee benefits: Under the Previous GAAP, actuarial gains and losses on defined benefit obligations were recognized in the statement of profit and loss. Under Ind AS, these are recognized in other comprehensive income.
- F. Change in fair value of forward contracts designated as cash flow hedges: Under Ind AS, changes in the fair value of derivative hedging instruments designated and effective as a cash flow hedge are recognized through other comprehensive income. These were recorded in hedging reserve under Previous GAAP.

4) 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 Segment". 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.

- 5) Figures for the corresponding quarter and six months ended September 30, 2016 and as at and for the year ended March 31, 2017 are based on the quarterly and six month standalone financial results and annual standalone financial statements respectively, that were previously audited by the predecessor auditor, as adjusted for differences in the accounting principles adopted by the Company on transition to Indian Accounting Standards ('Ind AS'), which have been audited by the current statutory auditors. These adjustments, read with note 2, reconcile the net profit for the corresponding periods under the Previous GAAP with the total comprehensive income as reported in these quarterly standalone financial results.
- 6) The Board of Directors have declared an interim dividend of Rs. 2.50 per equity share at the board meeting held on October 16, 2017.

For Sasken Technologies Ltd.
(formerly Sasken Communication Technologies Limited)

Place: Bengaluru
Date: October 16, 2017

Rajiv C Mody
Chairman and Managing Director
DIN: 00092037