

## Public Notice in Compliance with Regulation 5A (1) and Containing Disclosures as Specified in Schedule I of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998

- The Board of Directors of Sasken Communication Technologies Limited ("the Company") at its meeting held on October 21, 2010 ("the Board Meeting") approved the proposal for Buy-back of its fully paid up equity shares ("equity shares") of Rs.10/- each (hereinafter referred to as "the Buy-back") in accordance with the provisions contained in Article 172 of the Articles of Association of the Company, Section 77A, 77AA and 77B and other applicable provisions of the Companies Act, 1956 ("the Act") and the provisions contained in the SEBI (Buy Back of Securities) Regulations, 1998 (hereinafter referred to as "the Buy Back Regulations"), subject to such approval/s as may be necessary, from time to time from statutory authorities including but not limited to Securities and Exchange Board of India, Stock Exchanges, Reserve Bank of India etc. and further subject to such conditions as may be prescribed while granting such approval/s which may be agreed to by the Board of Directors ("the Board").
- The Buy-back proposal is being implemented in keeping with the Company's desire to enhance overall shareholders' value. The Buy-back would lead to (a) reduction in outstanding number of equity shares and consequent increase in earnings per equity share over a period of time (b) improvement in return on net worth and other financial ratios and (c) contributing to maximization of overall shareholder value.
- The Board has proposed a maximum limit of up to Rs. 3,454 lakhs for the Buy-back ("Maximum Offer Size"). The funds for the Buy-back will be available from the free reserves and / or the surplus generated out of internal accruals of the Company. The utilization of cash resources for the purpose of the proposed Buy-back is not likely to impact Company's financial position as well as any of its operational plans. Though, the Company does not propose to raise debt for effecting the Buy-back, it may borrow funds in the ordinary course of its business, if necessary in future.
- The Maximum Offer Size represents upto 10% of the aggregate of the Company's paid up equity share capital and free reserves eligible for use in Buy-back as at March 31, 2010, which is Rs. 34,540.98 lakhs. The Board has fixed a maximum limit of 27,55,000 equity shares that can be bought back ("Maximum Offer Shares") being 10.16% of 2,71,11,051 equity shares each of face value of Rs. 10/- as per Audited Balance Sheet as on March 31, 2010. The Maximum Offer Shares bought back shall be subject to (i) the Company remaining compliant with the conditions for continuous listing prescribed in Clause 40A of the Listing Agreement, i.e. maintaining public shareholding of atleast 25% of the total number of issued equity shares and (ii) the aggregate consideration payable pursuant to the Buy-back not exceeding the Maximum Offer Size.
- The maximum price at which the Buy-back will be carried out is Rs. 260/- per equity share ("Maximum Offer Price"), which has been arrived at after considering parameters such as the book value on consolidated and standalone basis, earnings trend in the recent past on consolidated and standalone basis, the future outlook for the industry / Company and other relevant factors.
- The Maximum Offer Price of Rs. 260/- is at a premium of 13.61% and 13.44% over the closing prices of Rs. 228.85 and Rs. 229.20 on the Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") (collectively hereinafter referred to as "the Stock Exchanges") respectively, on the date the Board approved Buy-back proposal viz., October 21, 2010.
- The Board has proposed that before it exercises its discretion of closing the Buy-back, the Company shall Buy-back atleast 2,00,000 equity shares ("Minimum Offer Shares").
- The actual number of equity shares to be bought back would depend upon the average price paid for the equity shares bought back and the aggregate consideration paid for such equity shares, subject to the maximum limit of 9.99% of the total paid up share capital and free reserves of the Company. This is subject to further limit of 25% of the total paid up equity share capital of the Company in a financial year as stipulated in the Act. Further, any increase in the voting rights of the promoters would not exceed 5% in a financial year as stipulated in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ("Takeover Regulations").  
As an illustration, at the proposed Maximum Offer Price of Rs. 260/- per equity share and for an aggregate consideration amount of Rs. 3,454 lakhs, the number of equity shares bought back would be 13,28,461 equity shares, amounting to 4.90% and 4.82 % of the paid up equity share capital of the Company as on March 31, 2010 and September 30, 2010 respectively. However, if the average price of the Buy-back is lower than Rs. 260/- per share, the maximum number of shares which can be bought back would be more and it would be ensured that the same would not exceed 25% of the total paid up equity share capital of the Company and any increase in voting rights of the promoters shall not exceed 5% in a financial year as stipulated in Takeover Regulations.
- As on date, the persons acting in concert with an aggregate holding of 2,23,604 equity shares represent 0.81% of the total paid-up equity share capital of the Company. The same is being consolidated with the existing aggregate holding of the Promoters and Promoter group as a matter of abundant caution. The aggregate shareholding of the Promoters, persons acting in concert and Promoter group (collectively referred to hereinafter as "the Promoters") as on the date hereof is 78,18,553 equity shares constituting 28.39% of the fully paid up equity share capital of the Company.

- The Company confirms that none of the Promoters has purchased or sold any equity shares during the period of six months preceding the Board Meeting at which the Buy-back was approved, except as under:

### a) Purchase details:

Particulars of Promoter and Promoter Group	Aggregate Quantity (No. of equity shares)	Maximum Price (Rs.)	Date of Maximum Price	Minimum Price (Rs.)	Date of Minimum Price
<b>Promoters</b>	-	-	-	-	-
<b>Promoter Group</b>					
Nilima R. Doshi	6,360	210.05	Apr. 28, 2010	210.05	Apr. 28, 2010
<b>Persons Acting in Concert</b>					
Nil	-	-	-	-	-

### b) Sale details:

Particulars of Promoter and Promoter Group	Aggregate Quantity (No. of equity shares)	Maximum Price (Rs.)	Date of Maximum Price	Minimum Price (Rs.)	Date of Minimum Price
<b>Promoters</b>	-	-	-	-	-
<b>Promoter Group</b>					
Jay Bharat Mehta & Bharat P Mehta	2,235	208.19	Aug. 17, 2010	208.19	Aug. 17, 2010
<b>Persons Acting in Concert</b>					
Neeta S Revankar	10,000	211.87	Aug. 6, 2010	201.71	Aug. 2, 2010

- As per Regulation 15(b) of Buy Back Regulations, the Company shall not Buy-back shares from the Promoters or persons in control of the Company. The Promoters or persons in control of the Company will not participate in the Buy-back and shall not deal in the equity shares of the Company in the Stock Exchanges during the period for which the Buy-back offer is open.
- The Company confirms that there are no defaults subsisting on repayment of deposits and / or loans to any financial institution or bank as on March 31, 2010. Further, as on the date of this public notice, there is no debt in the Company.
- The Company confirms that it will not issue fresh equity shares during the period from the date of public announcement till the date of closure of Buy-back. The Company will not issue fresh equity, except by way of bonus issue or in the discharge of subsisting obligations of conversions of warrants and / or stock options from the date of closure up to six months.
- There are no partly paid up shares or outstanding convertible instruments as on the date of this Public Notice except as follows:

Particulars	No. of outstanding instruments	Resultant equity shares on Conversion
Outstanding warrants held by Mr. Rajiv C Mody, Chairman & Managing Director	3,00,000	3,00,000
Outstanding options under ESOP Schemes	21,63,469	15,68,669
<b>Total</b>	<b>24,63,469</b>	<b>18,68,669</b>

- The Board of Directors confirm -
  - that they have made necessary and full enquiry into the affairs and prospects of the Company and have formed the opinion:
    - that immediately following the date of the Board Meeting, there will be no grounds on which the Company could be found unable to pay its debts; and
    - that as regards its prospects for the year immediately following the date of the Board Meeting, that having regard to its intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will, in the view of the Board, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within this period; and
  - that in forming its opinion for the above purposes, the Board has taken into account the liabilities as if the Company was being wound up under the provisions of the Companies Act, 1956 (including prospective and contingent liabilities).
- The text of the report dated October 21, 2010 received from M/s S.R. Batliboi & Co., the Statutory Auditors of the Company addressed to the Board is reproduced below:  
"In connection with the proposed buy-back of Equity Shares approved by the Board of Directors of Sasken Communication Technologies Limited ('the Company') at its meeting held on

October 21, 2010, in pursuance of provisions of Section 77A, 77AA and 77B of the Companies Act, 1956 and the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 and based on the information, explanations and representations given to us, we report that:

- We have inquired into the state of affairs of the Company in relation to its audited accounts for the year ended March 31, 2010, which were taken on record by the Board of Directors in the meeting held on April 22, 2010.
- The Board of Directors has proposed to buy-back the Company's equity to the extent of Rs.3,454 lakhs at a price not exceeding Rs. 260 per share. The amount of permissible capital payment (including premium) towards buy-back of equity shares, as computed below, has been properly determined in accordance with Section 77A(2) of the Companies Act, 1956.

Particulars	Amount (Rs. lakhs)
Paid-up Equity Share Capital as at March 31, 2010*	2,711.11
Free Reserves as at March 31, 2010*	
— Share Premium Account #	14,578.08
— General Reserves	1,230.26
— Profit and Loss Account	16,021.53
<b>Total</b>	<b>34,540.98</b>
Maximum amount permissible for the Buy-back i.e. 10% of total paid-up equity capital and free reserves	<b>3,454.10</b>

\* Based on standalone financial statements for the year ended March 31, 2010.

# Net of Rs. 14,578.08 lakhs transferred to Business Restructuring Reserve as per Scheme under Section 391/ 394 of the Companies Act, 1956 as approved by High Court of Karnataka, Bangalore vide its Order dated March 31, 2010.

- The Board of Directors in their meeting held on October 21, 2010 have formed the opinion as specified in clause (x) of Schedule I of the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 on reasonable grounds and that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the date of passing of this resolution in case of buy-back of up to 10% of its paid-up equity capital and free reserves of the Company under proviso to Section 77A(2) of the Companies Act, 1956.
- We conducted our examination in accordance with the Guidance Note on Audit Reports and Certificates Issued for Special Purposes issued by the Institute of Chartered Accountants of India. Furthermore, apart from the compliance with amount of permissible capital payment computed as above, we make no representations regarding questions of legal interpretations, or representations regarding compliance with the company law or any other statutory requirements.
- This certificate has been prepared for and only for the Company in reference to proposed buy-back of Equity Shares approved by the Board of Directors of the Company at its meeting held on October 21, 2010, in pursuance of the provisions of Section 77A, 77AA and 77B of the Companies Act, 1956 [including disclosing in the Public Announcement as required under SEBI (Buy-back of Securities) Regulations, 1998] and for no other purpose. We do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing".
- The equity shares of the Company are listed on BSE and NSE and the Buy-back is proposed to be implemented by the Company through the methodology of "Open market purchases through Stock Exchanges", as provided in the Act, the Buy-Back Regulations and on such terms and conditions, as may be permitted by law from time to time. The Company will not enter into negotiated deals, spot transactions or any private arrangements for Buy-back.
- The Company will place "buy" orders at least once every week during the Buy-back period, in both normal and physical / odd lot segments, in such quantity and at such prices, not exceeding Rs. 260/- per equity share, as it may deem fit, depending upon the prevailing quotations of the equity shares on the Stock Exchanges.
- The Company confirms that the debt to equity ratio post the Buy-back will be below the maximum allowable limit of 2:1 set by the Act. As on date, there is no debt in the Company.
- The Buy-back of equity shares will be completed within a period of 12 months from the date of passing of the resolution by the Board of Directors.
- As per the provisions of the Act, the equity shares to be bought back by the Company will compulsorily be extinguished and physical shares will be destroyed and will not be held for re-issuance.
- The Board of Directors of the Company accept responsibility for the information contained in this Public Notice.

### For and on behalf of the Board of Directors of Sasken Communication Technologies Limited

**Rajiv C Mody**      **Neeta S Revankar**      **R Vittal**  
Chairman &      Whole-time Director      Company Secretary  
Managing Director      & CFO      & Compliance Officer

Place: Bangalore

Date: October 21, 2010