sasken

ANNUAL REPORT 2007-2008

In the world of competitive sports, it is not the strongest team that wins, but the one which is most responsive to change.

Like any world-class sports team, Sasken, one of the world's foremost communications technology enablers, is a fusion of talent, efficient management, grit and performance. Whether it is adapting to market dynamics or managing changing customer needs, Sasken complements its excellent management practices with best in class team skills, to deliver winning solutions, time after time.

This comes alive, as Kenny – the face of Sasken, discovers that winning performances in sports have a lot in common with how Sasken plays in the arena of communications.

Table of Contents

Board of Directors

Mr. Rajiv C Mody	Chairman and Managing Director
Dr. G Venkatesh	Wholetime Director
Mr. Krishna J Jhaveri	Wholetime Director
Dr. Ashok Jhunjhunwala	Director
Mr. Bansi S Mehta	Director
Mr. J B Mody	Director
Prof. J Ramachandran	Director
Mr. Pranabh D Mody	Director
Mr. Sanjay M Shah	Director
Mr. Vinod K Dham	Director
Mr. Shirish B Mody	Alternate Director to Mr. J B Mody

Committees of the Board

Audit Committee

Mr. Bansi S Mehta	Chairman
Dr. Ashok Jhunjhunwala	Member
Prof. J Ramachandran	Member
Mr. Pranabh D Mody	Member

Compensation Committee

Prof. J Ramachandran	Chairman
Dr. Ashok Jhunjhunwala	Member
Mr. Vinod K Dham	Member

Share Transfer and Investor Grievance Committee

Prof. J Ramachandran	Chairman
Mr. Rajiv C Mody	Member
Dr. G Venkatesh	Member

Enterprise Management and Governance Leadership Team

Mr. Rajiv C Mody	Chairman and Chief Executive Officer
Mr. Kannankote Srikanth	President and Chief Operating Officer
Ms. Neeta S Revankar	Chief Financial Officer
Dr. G Venkatesh	Wholetime Director and Corporate Chief Technology and Strategy Officer
Mr. Hari Iyer N	Senior Vice President (Human Resources)

Business Leadership Team

Mr. Kannankote Srikanth	President and Chief Operating Officer
Mr. Edwin Moses	Senior Vice President (Handset Solutions Group)
Mr. Hari Iyer N	Senior Vice President (Human Resources)
Mr. Murli Krishnan	Senior Vice President (Semiconductor Solutions Group)
Mr. Poonacha Machaiah	Senior Vice President (Worldwide Sales)
Mr. Ranga Puranik	Senior Vice President (Networks Solutions Group)
Mr. Shrikrishna Gokhale	Senior Vice President (Global-Engineering Resource Management)
Mr. Swaminathan Krishnan	Senior Vice President (Global Business Operations) and Chief Marketing Officer
Mr. B Ramkumar	Vice President (Finance)
Mr. Rajesh Maniar	Vice President (Finance)
Mr. John L Estrada	General Manager (Human Resources)

Chief Financial Officer

Ms. Neeta S Revankar

Company Secretary and Compliance Officer

Mr. R Vittal

Statutory Auditors

S R Batliboi & Co.
Chartered Accountants

Internal Auditors

Deloitte Haskins & Sells
Chartered Accountants

Bankers

Citibank N A
HDFC
Union Bank of India

Registered and Corporate Office

No. 139/25, Ring Road, Domlur
Bangalore 560 071, India

Standing the Test of Time

At Sasken, foresight and long term corporate vision helps the team adapt to rapidly changing conditions, and formulate winning strategies for testing times.

Letter to Shareholders

Letter to Shareholders

Rajiv C Mody
Chairman and Managing Director

Dear Shareholder,

I am happy to present to you the performance of your Company for the Financial Year 2007-08. Let me begin by giving you an overview of the financial performance of the Company and then share some thoughts from a strategic perspective.

The Sasken Group has seen robust growth; revenues increased by 19.5% in Rupee terms, from Rs.477 Crores in FY 06-07 to Rs.570 Crores in FY 07-08. In USD terms, FY 07-08 consolidated revenues of USD 142 Million grew at 34.5% over the FY 06-07 revenues of USD 105 Million. Software Services, including Network Engineering Services, contributed Rs.524 Crores in FY 07-08, a 15% increase over FY 06-07 services revenues of Rs.454 Crores. In USD terms, in FY 07-08 software services contributed USD 131 Million growing at 29.8% over FY 06-07 revenues of USD 100 Million. Products revenues grew 102% to Rs.46 Crores in FY 07-08 from Rs.23 Crores in FY 06-07. In USD terms, FY 07-08 product revenues grew to USD 12 Million at 127% from USD 5 Million in FY 06-07. The net profits stood at Rs.39 Crores during the year which has translated into an EPS of Rs.13.80. The Board of Directors has recommended a dividend of 40%. This year 3 of our Tier-1 customers generated more than USD 20 Million each, up from 2 customers in the last year.

Coming to the strategic perspective, today's Sasken is a different company than it was about two decades ago, when we started. Over the years we have realigned our offerings, taken risks, built entrenched customer relations and made a mark in the communications space, thereby building a company focused on success and performances. In the course of FY 07-08, Sasken took many steps to drive the organization towards success. While we are proud of our achievements, we are also mindful of the challenging environment we face today. We believe that continuing on the path of innovation, quality, customer commitment and overall growth; Sasken is uniquely positioned to take advantage of the various opportunities presented by the changes in the communications industry.

The NEMS infrastructure space continues to remain sluggish, as the effects of consolidation continue to play out. However enterprise and data communication needs as well as emerging technologies like Femtocell, WiMax and 3G LTE will fuel the growth in this segment. Sasken is well poised to take advantage of opportunities arising in these areas.

The semiconductors industry is also currently on a slow track. But with traditional silicon vendors looking at adding more value through software, along with increased application of silicon in several consumer electronic segments, such as digital lifestyle and near field communications, the opportunity for Sasken becomes that much bigger.

The mobile handset market continues to be dominated by the top 5 OEMs. The fact that Sasken is engaged in its integration services business with all of Top 5 Handset manufacturers is driving volume growth in this vertical across all locations, and is a matter of great pride for Sasken.

Our products have made major headway last year. Royalty-bearing handsets have started shipping in the Japanese market. One of the Top 5 Handset vendors has licensed Sasken's Multimedia software solution for its Symbian/UIQ platform, and a couple of top of the line handsets based on the same are already shipping with operators and retailers in Europe. We have not been able to drive volume shipments as anticipated for the Sasken Application Framework (E-series product line). We have Rs.21 Crores of capitalized software on account of developing the Sasken Application Framework. We continue to have a small team working on E-series, while the rest of the team has been revectored for other accounts. We are in the process of evaluating alternatives for this product line, and we will arrive at a decision by the end of September 2008.

On the people front, attrition remains a challenge for Sasken as well as the industry, with the attrition numbers being 24.3% on an LTM basis. The Headcount for Sasken globally now stands at 3,623.

Sasken's demonstrated ability to deliver the best in whatever it does, has won many accolades in the past year. One of our largest handset vendors recognized us as a preferred vendor, and our leading semiconductor customer recognized Sasken's Mexico development center as the Best Supplier. It is also a matter of pride that Sasken became the only Indian company chosen amongst one of the Top 100 across all industry categories at LACP (League of American Communications Professionals) 2006 Vision Awards Annual Report Competition, where we received the Gold Award for the 2005-06 Annual Report in the telecom category.

Focusing solely on a single vertical has inherent risks. Some constituents of the communication industry value chain are witnessing business pressures owing to consolidation or changes in the market share of the top tier players. Technology innovation also results in disrupting the creation of challenges for existing market leaders. We are confident that telecom will still continue to be a sector that is vital to both developing and developed economies in a business environment that is rapidly seeing the need for global business integration.

In terms of diversifying, our strategy is to pick those verticals where communications technology can make a significant impact in terms of new product concepts or productivity enhancement, and to enter them through Joint Venture partnerships with others who can enable us to reach those markets. Currently, we have two JVs operational – ConnectM and TACO-Sasken Automotive Electronics (TSAE). In TSAE, we are building three product categories – driver information systems, in-vehicle entertainment systems and telemetry gateways. The goal is to provide solutions available only in luxury cars today to entry level cars in the affordable price range.

ConnectM, backed by Sasken and IDG Ventures, focuses on improving the productivity of assets by deploying remote monitoring and analytics solutions for mission critical equipment used in the industrial, transportation, utilities and health care verticals. ConnectM recently relocated to a 10,000 Sq. Ft. SEZ facility, which marks the evolution from a start-up center to a scalable full-service facility within nine months of its operations. The new location will help ConnectM expand its quality talent pool to service immediate needs and be scalable to match its future growth needs.

Sasken has also invested in OmniCapital, a US-based venture capital fund that provides early stage funding for information technology companies in the US. The investment in OmniCapital augments Sasken's access to the US Market, providing it with another window into the latest technology, industry developments and new markets in information technology, telecommunications, video, and multimedia. It also provides opportunities for mutually beneficial strategic partnerships with OmniCapital portfolio companies.

Our investments in creating "co-located" delivery centers in Mexico and Finland is beginning to pay off. We have witnessed excellent contributions from both Sasken Mexico and Sasken Finland to the overall service business. In the coming fiscals, it will be our endeavor to sustain these growth trajectories.

Going forward our company is faced with several challenges from the business environment, heightened competition, currency volatility, extended sales cycles and a possible recession. The management will be tracking these periodically and will do all it can within its purview to de-risk any adverse impact one or a combination of these factors may have on our business.

As Sasken enters another strategic period in its existence, I trust that the year will be marked by growth and profit, while further strengthening our customer engagements. I am confident that all of you will continue to support Sasken in making the best of the opportunities and taking Sasken to the next level which it truly deserves.

Thanking you,

Rajiv C Mody
Chairman and Managing Director

Harmonizing Skills

Flexibility, endurance and synchronization with customers' needs, helps Sasken deliver winning solutions.

PeopleFirst

PeopleFirst

Sasken has always believed in creating an environment where our employees feel safe, secure and inspired to achieve excellence in their area of functioning. We have been consistently following the *PeopleFirst* credo which is built on the three pillars of Competency, Commitment and Character. It has resulted in the design and implementation of a host of HR policies that are known throughout the industry to be people-friendly and positive in approach. As the Sasken Group grows globally, expanding it's footprint through its own and acquired offices, we continue to endeavor to foster a common culture among our globally diversified workforce.

Employee Strength

During this past year, the Sasken Group had gross additions of 1,188 employees. Our headcount, as a result, stands at 3,623 at the end of the year.

Today, we are a multicultural company, having North Americans, Europeans and Asians of multiple nationalities as associates at Sasken. We have 335 associates in our Finland offices – Tampere, Kaustinen, Oulu and Turku. Our nearshore facility in Monterrey, Mexico that primarily serves a Tier-1 North American customer has grown to 141 associates. Closer to home, our Chennai center has grown to 127 people and Pune center to 190 associates.

On the attrition front, the numbers for Sasken stood at 24.3% on an LTM basis. Several HR practices introduced throughout the year are beginning to show results, and we believe that attrition levels will be no more than the industry average in the coming quarters.

Employee Well Being

In a globalized world, today's professionals constantly need to refresh their mind, body and spirit. At Sasken, we recognize this fact and endeavor to provide our associates with adequate support for physical and mental well-being.

Sasken provides an environment that can help them maintain work-life balance. We believe in motivating employees and giving them a sense of satisfaction. Overall, our aim is to reduce the environmental forces that create dissatisfaction among the employees.

Some of the key initiatives in that regard are:

- Medical Centers run by a reputed hospital chain in the company premises
- In-house gym with necessary equipment and aerobics instructors.
- Functional Fitness Programs such as Yoga and Tai-Chi
- Programs that bring employees and their families together
- Forums to encourage better relationships among employees such as sports competitions, Quiz club and Music club
- Employee Assistance Program through a leading third party vendor

In addition, we provide employees with a number of interactive communication channels. The intraweb providing regular updates, company-wide quarterly business meets, manager-level General Information Sharing sessions, breakfast meetings with the CEO, Management Newsletter and an enhanced HR helpdesk are some of our communication channels.

Competency and Leadership Development

Training at Sasken is one of the means of continuously enhancing the skills, knowledge and attitudes of our employees to make them more effective in their current and future roles. We made significant investments in technical and non-technical training in the past year.

At Sasken, we have a strong focus towards developing leaders at all levels in the organization; we believe that these leaders will take the Company forward on multiple fronts. We continue to focus on assessment of competencies and building leadership skills for a large number of our associates to enable them to be effective managers in this process of growth that Sasken is going through. We believe that with such a structured approach, leadership and performance driven behavioral patterns will permeate across the organization.

Gearing up to Challenges


High speed, fine-tuned performance and the ability to switch gears rapidly, steers Sasken to convert gruelling challenges into opportunities for growth.

Technology and Markets

The Communications Marketplace

Connecting the Dots

Sasken connects all the dots in the communications value chain. The core expertise of Sasken lies in developing embedded communication software for companies across the communication value chain – Semiconductor Vendors, Network Equipment Manufacturers (NEMs), Terminal Device Vendors and Operators. Our growth strategy is focused on creating innovative software solutions to help our customers increase their revenue base.

Changes in the Marketplace

Over the last few years, there have been tremendous changes in technology and in global markets leading to significant changes across the communications value chain.

While, there has been a surge of interest in NextGen 4G technologies like WiMax and LTE, existing technologies like GSM continue to show terrific growth, particularly in emerging markets. Given this scenario, all the players are focusing on providing complete end-to-end solutions rather than a stand-alone service or a product.

In the NEMs space, Managed services have emerged as a key growth area and many players these days are providing deployment and maintenance services to operators. Operators have started seeing data and multimedia services as key differentiators since voice calls are getting commoditized. Handset vendors, for their part, are moving from manufacturing devices to providing a complete customer experience with internet and multimedia services. Their key suppliers, semiconductor vendors in turn ensure that they provide the base platform and applications in addition to the chipset.

In this extremely competitive environment the traditional roles of each of the communication value chain components is changing dramatically.

Network Equipment Manufacturers – Continuing Consolidation

The consolidation among the Network Equipment Manufacturers (NEMs) continues, and after a host of mega-mergers, NEMs are revamping their product lines. They are also focusing on aggressive cost-synergy targets which are leading to an increase in R&D offshoring. As the developed markets mature, most of the growth is coming from emerging markets such as India and China.

NEMs are moving much beyond just providing equipment to operators – they are focused on deployment and maintenance services to operators. Sasken with its rich ability to provide R&D services to top tier NEMs and extensive experience in providing field engineering services is well poised to exploit this opportunity. Sasken has entered into partnerships for middleware solutions in the content delivery and application hosting platforms.

As operators start to provide increasingly sophisticated data and multimedia services such as IPTV, network companies are increasing their spending on optimizing their product lines for data traffic. NEMs have also moved their focus beyond 3G to exploit opportunities rendered by exciting new technologies such as WiMax, Femtocells and LTE. Sasken has made significant investments to provide IP-based repeatable solutions for customers in these new technology areas. As a result Sasken has partnerships with key players in these areas.

Furthermore, fresh spectrum allocation and capacity expansion plans of major operators worldwide will certainly lead to increased product sales for NEMs. However with increased competition and cost pressure, NEMs will look to partner with companies like Sasken which can provide cost effective end-to-end solutions from R&D to deployment.

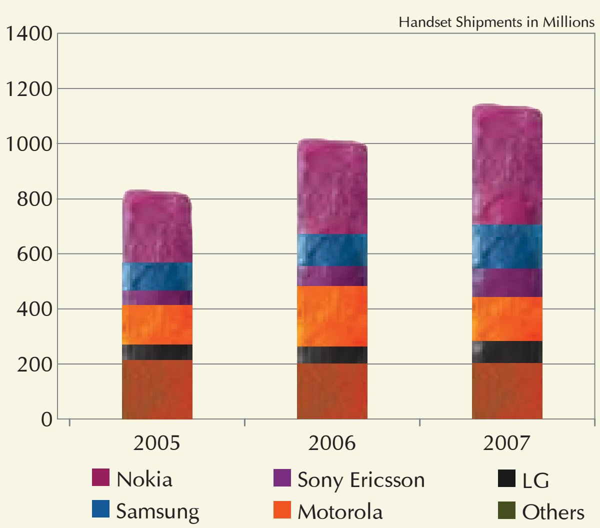
Service Providers – On an Expansion Path

Services Providers have made significant investments in past few years to offset falling voice revenues by providing data services. There has been a noticeable trend of significant increase in data revenues as a proportion of ARPU over the past few quarters. The entry of a number of Mobile Virtual Network Operators has only accelerated this trend.

Over the course of last year, there has been a lot of buzz on fresh allocation of spectrum to operators. In India DoT has allocated spectrum to a couple of new operators. The US government is also reclaiming 60 MHz of the 700 MHz spectrum and is allocating it for commercial safety and broadband networks. This increase in wireless capacity will result in larger scale of operations leading to increased opportunities. As the scale and sophistication of services being offered continuous to increase, one of the biggest challenges for operators nowadays is to maintain Quality of Service (QoS). To maintain growth, operators will be forced to optimize their networks creating new opportunities in areas such as network benchmarking and diagnostics. Sasken is well positioned to tap these opportunities with its wide portfolio of services for operators.

Handsets – Consumer Products to Services

There has been an increased concentration between the top five handset manufacturers. Sasken is involved in strategic partnerships with all the five handset manufacturers.



Considering the wide variety of software platforms and models that each company has to manage, handset manufacturers are looking to consolidate their suppliers. Sasken is well positioned to be among the top suppliers to each handset manufacturer. Handset companies are working hard to keep up with the latest consumer trends. They are undergoing a metamorphosis – from being just device manufacturers to providing customer content and services. The focus is on enriching the consumer experience by providing innovative user interfaces and internet-based services. The core phone software is instead being outsourced to trusted partners like Sasken. Sasken's IP is also embedded in more and more phones and platforms. With a wide range of solutions to offer handset vendors, ranging from hardware, embedded software and applications, Sasken is committed to increasing its share of outsourced R&D spend.

Semiconductors – Chipsets to Solutions

The overall semiconductor market is in significant churn and there has been a slowdown in sales for most vendors. This market has been marked by intense competition and increasing commoditization. As Handset Manufacturers move into applications, enterprise solutions and customer oriented services, they are trying to reduce their R&D costs in embedded software such as protocol stacks and device drivers. As a result, semiconductor companies are under pressure to deliver complete solutions to handset vendors, rather than just chipsets. This focus on platforms and applications is leading to increased outsourcing opportunities, particularly to low cost locations.

There are however exciting opportunities in this space, particularly on the System-on-Chip (SoC) side. Another interest area for Sasken is on the analog side, for which there is significant market potential. Sasken continues to invest in these technology areas to take advantage of these market trends.

Conclusion

As the communications industry continues to go through churn and change, Sasken is well positioned through its market-oriented solutions. Our growth strategy is focused on spotting and exploiting the latest business and technology trends to provide compelling solutions to our customers across the communications value chain.

Strength of Experience

Sasken, with its years of experience, has developed the expertise to withstand stiff competition and make its mark as a strong communication technologies enabler.

A Seven Year Snapshot

Financial Performance – A Seven Year Snapshot

In Retrospect – Consolidated

Amount in Rs.Lakhs

Particulars	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
1) Revenue account							
Sales/Revenue	10,862.70	10,938.19	16,613.01	24,177.00	30,812.79	47,712.90	57,017.71
PBIDTA	912.32	2,038.43	2,757.69	3,551.46	4,818.11	7,575.97	7,919.37
Depreciation and Amortization	1,790.47	1,257.92	1,187.79	1,419.04	1,790.85	2,669.96	4,178.50
PBIT and Exceptional Item	(878.15)	780.51	1,569.90	2,132.42	3,027.26	4,906.01	3,740.87
Other income	149.08	(15.93)	130.45	367.08	640.72	974.68	2,342.66
Interest	439.62	362.23	79.84	47.32	14.30	447.22	402.58
Exceptional Item	–	–	–	–	676.08	–	–
Profit/(Loss) Before Tax	(1,168.69)	402.35	1,620.51	2,452.18	2,977.60	5,433.47	5,680.95
Income Tax (including withholding taxes and FBT)	395.17	275.09	(213.20)	174.15	685.98	1,006.53	1,742.52
Profit/(Loss) After Tax	(1,563.86)	127.26	1,833.71	2,278.03	2,291.62	4,426.94	3,938.43
Dividend	–	–	379.02	505.42	838.09	1,140.01	1,142.43
2) Capital Account							
Share Capital	1,266.94	1,271.00	1,516.09	1,684.72	2,793.64	2,850.01	2,856.08
Share Application Money	0.06	1,642.76	–	25.49	–	–	–
Reserves and Surplus	7,785.29	7,211.71	9,858.70	12,483.59	35,708.37	39,325.14	43,027.73
Loan Funds	3,539.34	2,675.35	42.68	145.59	115.04	9,159.89	8,764.22
Gross Block (Incl. Capital work in progress)	13,048.69	13,174.82	13,716.82	16,102.72	19,289.87	42,258.91	45,980.74
Net Block (Incl. Capital work in progress)	8,949.20	8,234.87	7,805.35	8,773.95	10,111.79	29,955.38	30,723.30
Capitalized Software Product Costs (net of amortization)	–	576.40	115.03	–	1,413.45	3,327.36	2,123.62
Investment	335.41	14.42	264.29	55.95	18,651.01	3,680.58	2,664.05
Net Current Assets	3,307.02	3,975.12	3,232.80	5,509.49	8,440.80	14,340.93	19,011.76
3) Other Information							
Total Number of Shareholders	659	709	788	935	28,498	21,305	39,150
Number of Employee Shareholders (including ex-employees)	394	432	467	463	1,371	1,418	1,283

In Retrospect – Consolidated (Contd.)

Particulars	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
4) Ratios							
a) Profitability/Efficiency							
Operating Turnover/Total Income (%)	99%	100%	99%	99%	98%	98%	96%
PBIDTA/Total Turnover (%)	8%	19%	17%	15%	16%	16%	13%
PBIT and Exceptional Items/Total Turnover (%)	(8%)	7%	9%	9%	10%	10%	6%
PBT/Total Turnover (%)	(11%)	4%	10%	10%	10%	11%	10%
PAT/Total Turnover (%)	(14%)	1%	11%	9%	7%	9%	7%
Return on Average Net Worth (PAT/Average Net Worth) (%)	(16%)	1%	17%	18%	9%	11%	9%
Return on Average Capital Employed (pre-tax) (PBT+Interest)/(Average Capital Employed) (%)	(6%)	6%	14%	19%	11%	13%	14%
Return on Average Capital Employed (post-tax) (PAT+Interest)/(Average Capital Employed) (%)	(9%)	4%	16%	18%	9%	11%	10%
Sales to Average Net Working Capital	2.4	3.0	4.6	5.5	4.4	4.2	3.4
Total Revenues to Average Total Assets	0.9	0.9	1.4	1.9	1.2	1.1	1.1
Fixed Assets Turnover	0.8	0.8	1.2	1.5	1.6	2.4	1.9
b) Liquidity							
Net Working Capital to Total Assets	0.3	0.3	0.3	0.4	0.2	0.3	0.3
Average Collection Period (days)	98	104	74	82	77	67	78
Current Ratio	2.9	3.9	2.6	2.6	3.2	2.8	2.8
c) Leverage							
Debt-Equity Ratio	0.4	0.3	0.0	0.0	0.0	0.2	0.2
Interest Cover	(2.6)	1.4	24.0	49.1	161.3	11.0	9.3
Total Assets/Net Worth	1.4	1.3	1.0	1.0	1.0	1.2	1.2
d) Growth							
Growth in Operational Turnover (%)	(24%)	1%	52%	46%	27%	55%	20%
Growth in PBITDA (%)	(78%)	123%	35%	29%	36%	57%	5%
Net Profit Growth (%)	(156%)	108%	1341%	24%	1%	93%	(11%)

Reaching High

With a singular focus on communications, Sasken stretches high to exceed customer expectations.

The Year at a Glance

The Year at a Glance – Consolidated

For the Year	31-Mar-08		31-Mar-07	
	Rs. Lakhs	K USD	Rs. Lakhs	K USD
Exports	46,405.25	115,608.50	37,241.77	82,437.07
Domestic Sales	10,612.46	26,438.61	10,471.13	23,178.52
Other Income	2,342.66	5,836.22	974.68	2,157.52
Profit Before Interest, Depreciation and Taxes (PBIDTA)	7,919.37	19,729.37	7,575.97	16,769.91
PBIDTA as a Percentage of Revenue	13.9%	13.9%	15.9%	15.9%
Profit/(Loss) Before Taxes (PBT)	5,680.95	14,152.84	5,433.47	12,027.34
Profit/(Loss) After Tax (PAT)	3,938.43	9,811.73	4,426.94	9,799.32
Earnings per Share … Weighted Average (in Rs./USD)+	13.80	0.34	15.75	0.35
Earnings per Share … Diluted (in Rs./USD)+	13.80	0.34	15.52	0.34
Equity Dividend Percentage	40%	40%	40%	40%
Equity Dividend Amount	1,142.43	2,846.11	1,140.01	2,523.49
Investment in Fixed Assets (Gross)	2,626.61	6,556.69	2,720.18	6,256.16
PBT as a Percentage of Average Net Worth	12.9%	12.9%	13.5%	13.5%
PAT as a Percentage of Average Net Worth	8.9%	8.9%	11.0%	11.0%
Revenue per Person Year*	15.84	39,474	14.26	31,562
At the End of the Year				
Total Assets	54,648.03	136,415.45	51,367.23	118,139.90
Fixed Assets (Net)	30,723.30	76,693.21	29,955.38	68,894.62
Working Capital	19,011.76	47,458.21	14,340.93	32,982.82
Investment	2,664.05	6,650.15	3,680.58	8,465.00
Other Assets	2,248.92	5,613.88	3,390.34	7,797.47
Total Debt	8,764.22	21,877.73	9,159.89	21,066.90
Net Worth	45,883.81	114,537.72	42,207.34	97,073.00

Note: To facilitate comparison figures in USD have been arrived at by converting Rupee figures as follows:

– at the average conversion rate for all revenue items

– at the closing rate for all Balance Sheet items

* Quarterly average considering all employees including the support staff, numbers are in Rs. Lakhs and USD

+ Face value of Rs.10 per share

Team Spirit

Team Sasken has the finest players from around the world, providing innovative world class solutions.

Financials

Sasken Communication Technologies Ltd.
Registered Office: 139/25, Ring Road, Domlur, Bangalore 560 071.

Notice is hereby given that the Twentieth Annual General Meeting of the Company will be held on Monday, June 30, 2008 at 10.00 a.m. at the Registered Office of the Company at No.139/25, Ring Road, Domlur, Bangalore 560 071, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2008, Profit and Loss Account for the year ended on that date together with the Reports of the Directors and the Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Prof. J Ramachandran who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Vinod K Dham who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

6. To consider, and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded for the payment of remuneration to Mr. Rajiv C Mody as Chairman and Managing Director of the Company for the financial year 2008-09 on the following terms:

(a) Fixed Salary of a sum not exceeding Rs.56.25 Lakhs (Rupees Fifty Six Lakhs Twenty Five Thousand only) per annum, as may be determined by the Compensation Committee.

(b) Performance Indexed Compensation (PIC) of a sum not exceeding Rs.50.00 Lakhs (Rupees Fifty Lakhs only) per annum, as may be determined by the Compensation Committee.

(c) Other terms such as gratuity, leave, etc. shall be as applicable to other employees of the Company or as may be decided by the Compensation Committee.

RESOLVED FURTHER THAT in case of absence or inadequacy of profits for the financial year 2008-09, Mr. Rajiv C Mody shall be paid the above mentioned remuneration as minimum remuneration or as determined by the Compensation Committee.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to do all such acts, deeds and things as are incidental thereto or as may be deemed necessary or desirable and to settle any question or difficulty that may arise, in such manner as it may deem fit.

7. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

RESOLVED THAT that pursuant to the provisions of Section 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded for the payment of remuneration to Mr. Krishna J Jhaveri as Wholetime Director of the Company for the financial year 2008-09 on the following terms:

(a) Fixed Salary of a sum not exceeding USD 60,000 (USD Sixty thousand only) per annum, as may be determined by the Compensation Committee.

(b) Other terms such as gratuity, leave, etc. shall be as applicable to other employees of the Company or as may be decided by the Compensation Committee.

RESOLVED FURTHER THAT in case of absence or inadequacy of profits for the financial year 2008-09, Mr. Krishna J Jhaveri shall be paid the above mentioned remuneration as minimum remuneration or as determined by the Compensation Committee.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to do all such acts, deeds and things as are incidental thereto or as may be deemed necessary or desirable and to settle any question or difficulty that may arise, in such manner as it may deem fit.

8. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded for the payment of remuneration to Dr. G Venkatesh as Wholetime Director of the Company for the financial year 2008-09 on the following terms:

(a) Fixed Salary of a sum not exceeding Rs.45.00 Lakhs (Rupees Forty Five Lakhs only) per annum, as may be determined by the Compensation Committee.

(b) Performance Indexed Compensation (PIC) of a sum not exceeding Rs.30.00 Lakhs (Rupees Thirty Lakhs only) per annum, as may be determined by the Compensation Committee.

(c) Other terms such as gratuity, leave, etc. shall be as applicable to other employees of the Company or as may be decided by the Compensation Committee.

RESOLVED FURTHER THAT in case of absence or inadequacy of profits for the financial year 2008-09, Dr. G Venkatesh shall be paid the above mentioned remuneration as minimum remuneration or as determined by the Compensation Committee.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to do all such acts, deeds and things as are incidental thereto or as may be deemed necessary or desirable and to settle any question or difficulty that may arise, in such manner as it may deem fit.

9. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the payment of commission at the rate not exceeding in the aggregate of 1% of the profits of the Company for the financial year 2008-09, to the following Independent Directors and such commission be allocated amongst such Directors in such manner as may be decided by the Board of Directors which however, shall not exceed the amount specified against their names:

Sl. No.	Name of Directors	Amount in Rs.Lakhs
1	Dr. Ashok Jhunjhunwala	10.00
2	Mr. Bansi S Mehta	10.00
3	Prof. J Ramachandran	10.00
4	Mr. Vinod K Dham	14.50
5	Mr. Sanjay M Shah	10.00

PROVIDED THAT in the event of the amount computed @1% as aforesaid is less than Rs.54.50 Lakhs, the amount in respect of each such Director shall be such sum as may be determined by the Board of Directors and failing such determination, a sum proportionate to the amount so specified against him so as to aggregate the foregoing sum of Rs.54.50 Lakhs.

By order of the Board

Place: Bangalore
Date : April 18, 2008

Rajiv C Mody
Chairman and Managing Director

Notes:

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business is annexed hereto.

2. Corporate members are requested to send a duly certified copy of the board resolution authorizing their representative(s) to attend and vote at the Annual General Meeting.

3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and a proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company at its Registered Office not less than 48 hours before the commencement of the meeting.

4. The Register of Members and Share Transfer Books will remain closed on June 28, 2008.

5. The dividend would be made payable on or before July 29, 2008 to the shareholders whose names stand on the Register of Members on June 27, 2008.

6. Electronic Clearing Service/Mandate/Bank Details:
   Payment of dividend under Electronic Clearing Service (ECS) is being arranged for shareholders residing in cities specified by Reserve Bank of India (Ahmedabad, Bangalore, Bhubaneswar, Chandigarh, Chennai, Delhi, Gauhati, Hyderabad, Jaipur, Kanpur, Kolkata, Mumbai, Nagpur, Patna and Thiruvananthapuram). In case of members residing in cities other than specified above, arrangements are being made to print the details of members' Bank Account on the dividend warrants to ensure that the proceeds of the dividend warrants are credited to members' account. Shareholders may please note that the bank account details given by them to their Depository Participants would be reckoned for payment of dividend under ECS. Shareholders desirous of modifying these instructions may write to their respective Depository Participants (for shares held in electronic form) or to the Share Transfer Agent, Karvy Computershare Pvt. Ltd. (for shares held in physical form). The enclosed ECS mandate form may be used for this purpose.

7. As a measure of austerity, copies of the Annual Report will not be distributed at the Annual General Meeting. Members/Proxy Holders are therefore requested to bring to the Annual General Meeting their copy of the Annual Report and the Attendance Slip sent herewith duly filled in.

8. Members intending to seek explanation/clarification at the meeting about the information contained in Annual Report, are requested to inform the Company at least a week in advance of their intention to do so, so that relevant information may be made available, if the Chairman permits such information to be furnished.

9. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

10. Members are requested to write to the Company Secretary or to the Share Transfer Agent, at the address given below, regarding transfer of shares and for resolving grievances:

    The Company Secretary,
    Sasken Communication Technologies Ltd.,
    139/25, Ring Road, Domlur,
    Bangalore 560 071.
    Tel: 080 3989 1122 Extn. 4914
    Fax: 080 3981 3329/2535 1309
    Email: investor@sasken.com

    Karvy Computershare Pvt. Ltd.,
    Plot No.17-24, Beside Image Hospital,
    Vittalrao Nagar, Madhapur,
    Hyderabad 500 081.
    Tel: 040 2344 0627
    Fax: 040 2342 0814
    Contact Person: Mr. K.S. Reddy, Asst.Gen.Manager
    Email: ksreddy@karvy.com

11. (a) Route Map to the venue of the Annual General Meeting, (b) Attendance Slip, (c) Proxy Form and (d) ECS Mandate Form are given at the end of Annual Report.

ANNEXURE TO NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956:

The following Explanatory Statement sets out material facts relating to some of the Ordinary Business and all of the Special Business mentioned in the accompanying Notice and should be taken as forming part of the Notice.

Ordinary Business

Item Nos. 3 and 4

Profile of Directors proposed to be reappointed is given in the attachment to this annexure.

Special Business

Item Nos. 6 to 8

Your Directors recommend the remuneration specified against each of the Wholetime Director. In arriving at such remuneration, the Compensation Committee has taken into account the following factors:

- The job responsibility
- The contribution to the Company so far
- The industry practices
- Their expected contribution for the Company in the year ahead
- Present compensation package of senior management personnel

PIC to be paid to the Wholetime Directors will be as per the same policy applicable to other employees and/or as determined by the Compensation Committee.

Remuneration within the limits specified in the resolution will be determined by the Compensation Committee.

This may also be treated as an abstract of the terms and conditions of remuneration for these Directors pursuant to Section 302 of the Companies Act, 1956.

Mr. Rajiv C Mody, Mr. Krishna J Jhaveri and Dr. G Venkatesh, are concerned or interested in these resolutions to the extent of proposed remuneration to each of them. None of the other Directors of the Company is concerned or interested in these resolutions.

Item No. 9

Considering the expertise and governance values that the Independent Directors bring to the Company and the responsible position that they have taken, it is proposed to remunerate them as detailed in the resolution. Members' approval is sought accordingly.

The Directors listed herein, viz. Dr. Ashok Jhunjhunwala, Mr. Bansi S Mehta, Prof. J Ramachandran, Mr. Vinod K Dham and Mr. Sanjay M Shah are concerned or interested in the resolution to the extent of the proposed commission payable to each of them.

By order of the Board

Place: Bangalore
Date : April 18, 2008

Rajiv C Mody
Chairman and Managing Director

Attachment to the Annexure to Notice (Item Nos. 3 and 4 of the Notice)

Details of Directors to be re-appointed at the Annual General Meeting to be held on June 30, 2008.

Name of Director	**Prof. J Ramachandran**	**Mr. Vinod K Dham**
Date of Birth	June 1, 1957	June 22, 1950
Date of Appointment/Last Re-appointment	June 15, 2000/June 10, 2005	May 28, 2003/June 10, 2005
Brief Resume and nature of expertise in specific functional areas	Independent Director of the Company. He is BOC chair professor of business policy at the Indian Institute of Management (IIM), Bangalore. He is a Chartered Accountant as well as a Cost Accountant and obtained his doctorate from IIM, Ahmedabad. His major research interests are in the areas of corporate transformation and competitive strategy. He is currently engaged in studying the global competitiveness of Indian firms in the pharmaceutical, software and auto component industries. Prior to joining the faculty at IIM, Bangalore, he was Vice President (Management Services) at Reliance Industries Ltd. In addition to his teaching and publishing credits, Prof. J Ramachandran has served as a consultant to various Indian and multinational companies, including Daimler Chrysler, Hewlett Packard, Philips, ITC, Colgate Palmolive, Hoechst, Siemens, Wipro, Infosys, Wockhardt, United Breweries, Eicher, Madras Refineries and LIC.	Independent Director of the Company. He has done his Bachelors in Electrical Engineering from the Delhi College of Engineering and Masters in Electrical Engineering from University of Cincinnati, US. He worked in various capacities for 16 years at Intel and rose to the position of Vice President. He was the leader of Intel's Pentium chip development team in the early 1990s and is referred to in popular press as the "Father of the Pentium Processor". He later moved to NexGen, US (later known as Advanced Micro Devices) and worked on development of a competitor to the Pentium processor. He also started Silicon Spice Inc., to develop a VOIP chip, which was later acquired by Broadcom. Mr. Dham is the co-founder and managing member of New Path Ventures LLC and Founder and Executive Managing Director of NEA-Indo US Ventures. He is also on the board of several companies worldwide and has several years of technology, business and entrepreneurial experience.
List of other Indian Public Companies in which Directorship is held	Bhoruka Power Corporation Ltd. Indofil Organic Industries Ltd. Redington India Ltd. Reliance Communication Infrastructure Ltd. Reliance Communications Ltd. Tejas Networks Ltd.	Satyam Computer Services Ltd.
Chairman/Member of the Committee(s) of Board of Directors of the Company	Chairman - (a) Compensation Committee and (b) Share Transfer and Investor Grievance Committee; Member – Audit Committee	Member - Compensation Committee
Chairman/Member of the Committee(s) of Board of Directors of other companies in which he is a Director		
a) Audit Committee	Chairman – Reliance Communications Ltd. Member – Reliance Communication Infrastructure Ltd. and Redington India Ltd.	Nil
b) Share Transfer and Investor Grievance Committee	Chairman – Redington India Ltd. Member – Reliance Communications Ltd.	Nil
Shareholding in the Company (Equity Shares of Rs.10 each)	1,150	Nil

Your Directors have pleasure in presenting the report on the business and operations of the Company along with the Audited Accounts for the financial year ended March 31, 2008.

Result of Operations (Consolidated) – Extract

Amount in Rs.Lakhs

Particulars	Year ended March 31, 2008	Year ended March 31, 2007
Revenues	**57,017.71**	**47,712.90**
Cost of Revenues	40,910.68	31,715.69
Gross Profit	16,107.03	15,997.21
Non-operating Income	2,342.66	974.68
Profit Before Income Taxes	5,680.95	5,433.47
Income Taxes Expense/(Credit), Net (including Fringe Benefit Tax)	1,742.52	1,006.53
Profit After Tax	**3,938.43**	**4,426.94**
Appropriation:		
Proposed Equity Dividend	1,142.43	1,140.01
Dividend Tax	194.16	193.74
Transfer to General Reserve for the year	249.36	381.31

(Previous year's figures have been regrouped wherever necessary to conform to the current year's presentation)

During the year under review, the global industry in general and the communications industry in particular were faced with tough challenges such as currency volatility, shorter technology life cycles and margin pressures. While the challenges are across the communications industry, your Company, backed by a list of marquee customers and remarkable engineering talent resources, was able to face those challenges by bolstering talent and cost effective programs across the Company.

While challenges are continuing to daunt the communications industry, your Company is confident of meeting those challenges by further strengthening

- The performance management system
- Strong and committed business and engineering processes
- Targeted delivery schedule and increased customer satisfaction

The consolidated revenues have grown by 19.5% during the year ended March 31, 2008 to Rs.57,017.71 Lakhs from Rs.47,712.90 Lakhs during the year ended March 31, 2007. The software services revenues witnessed growth of 15% during the year to Rs.48,958.06 Lakhs from Rs.42,551.05 Lakhs during the previous year.

The proportion of the software services business stands at 85.86% of total revenue during the year as against 89.2% of total revenue during the previous year.

The revenues from network engineering services were marginally lower and stand at 6.0% of the total revenue during the year as against 6.1% during the previous year. The revenues from software products were higher by 3.3% and stand at 8.1% of the total revenue during the year ended March 31, 2008 as against 4.8% during the year ended March 31, 2007.

The segmental profits during the year were Rs.13,739.85 Lakhs as against Rs.13,829.02 Lakhs during the previous year. Segmental profit margin for software services was 28.8% during the year as against 35.1% during the previous year. Segmental profit for network engineering services were lower to 23.4% during the year as against 32.9% during the previous year.

Dividend

The Board recommends a dividend of 40% (Rs.4 per equity share) this year.

Buy-Back Proposal

The Board of Directors has decided on buy-back of Company's fully paid up equity shares of Rs.10 each from the existing owners of shares from open market through stock exchanges 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 at a price not exceeding Rs.260 per share payable in cash for an aggregate amount not exceeding Rs.40 Crores. The offer size represents 9.45% of the aggregate of the Company's paid up equity capital and free reserves as on March 31, 2008.

Exercise of Stock Options during the year 2007-08

During the year the Company allotted 60,657 equity shares of Rs.10 each arising out of exercise of ESOP. A chronology of allotment of shares on exercise of ESOP during the year is given in the following table:

Date of Allotment	No. of Shares	Amount of Equity Capital (Rs.)	Amount of Premium Received (Rs.)
October 31, 2007	53,150	531,500	9,163,918
January 8, 2008	7,507	75,070	1,511,670
Total	**60,657**	**606,570**	**10,675,588**

The Company's ESOP continues with the philosophy of sharing wealth with its employees and encourages the employees to be partners in the growth of the organization.

ESOP 2000 Scheme

No new grants were made under this scheme during the year under review. There were 277,516 options outstanding with employees as on March 31, 2008.

ESOP 2006 Scheme

During the year, your Company granted 335,000 options to its employees under this scheme. The options outstanding with employees and Directors as on March 31, 2008 are 539,250 options. There are 2,946,250 unissued options as on March 31, 2008.

The details required under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme), Guidelines 1999, as on March 31, 2008 are given in Annexure 1 forming part of this Report.

Awards

Members will be proud to note that your Company received the following recognitions during the year:

November 15, 2007	The Company was one of the winners of the National Award for outstanding in-house R&D Achievements (2007) in Computer Software Design awarded by the Department of Scientific and Industrial Research (DSIR), Ministry of Science and Technology, for development and optimization of Multimedia Subsystems.
August 7, 2007	Mr. Rajiv C Mody, Chairman and CEO, was awarded the 'Technovator of the year' award by Voice & Data, an Indian magazine on the business of Information Technology and Communications.
July 13, 2007	Sasken Annual Report (2006-2007) was given the gold award in the Telecom Category by the League of American Communications Professionals (LACP) at the Vision Awards Annual Report Competition.

Corporate Social Responsibility (CSR)

As a responsible Corporate Citizen, your Company is committed to contributing to the society, environment and community. The focus areas in which your Company strives to 'Make a Difference' are the community, the environment, differently abled citizens, children, the underprivileged and the academia. Sasken translates this into action by providing financial and non-financial support, as well as extending and encouraging volunteer participation in CSR initiatives. Your Company has partnered with Samarthanam, F.A.M.E India, Parikrma and Navjyoti foundation for its CSR activities. Your Company also extends its support to other non governmental voluntary organizations on a case-by-case basis. 'Prakruti Mela' is conducted every year at Sasken premises to promote sale of environmentally friendly products through partner vendors. Awareness programs on AIDS, Sexual Harassment and CSR are conducted at regular intervals. Support for setting up stalls is provided for non profit organizations for sale of their products to employees. Provision also has been made in the payroll system to enable employees make direct donations to the partner organizations.

Patents

Protecting Intellectual Property by filing of patents continues to be a key feature of the Company's business strategy. Your Company encourages the employees to file for Patents, so that the R&D investment translates into economic benefit for the organization. The Company has, as on date, filed a total of 41 Patent applications. Out of these, 19 have been granted, 4 since the last report. one patent has been added through the acquisition of Botnia Hightech Oy, Finland. Thus, the patent portfolio of your Company stands at 20. two patents have been allowed by the US Patent and Trademark Office (USPTO). These are expected to be granted within a few months.

The patent applications granted by the USPTO since the last report related to:

(a) Universal Rake Receiver.

(b) A technique for reducing processing power in 3G systems.

(c) An adaptive Radio Link Protocol (RLP) to improve performance of TCP in wireless environment for CDMAOne and CDMA2000 systems.

(d) Method to improve performance and reduce complexity of turbo decoder.

The patent added through the acquisition of Botnia Hightech related to a method for optimizing network traffic.

The patents allowed for grant by the USPTO during the year related to:

(a) System and Method for Echo cancellation.

(b) Technique to improve the performance of Transmission Control Protocol (TCP) in lossy networks.

There has been a conscious shift in the Company's strategy in the filing of patents, over the year. New patents are being filed under the PCT (Patent Cooperation Treaty) which allows the filing of a patent in any PCT country and claim preference when filing later in other PCT countries. Also, recognizing the potential of the Indian market, new patents are being filed in India as PCT applications.

Corporate Governance

Your Company is committed to maintain the highest standards of Corporate Governance. Your Directors adhere to the standards set out by the Securities and Exchange Board of India's (SEBI) Corporate Governance practices and accordingly have implemented all the major stipulations prescribed. Your Company's Corporate Governance Compliance Certificate dated April 18, 2008 in line with Clause 49 of the Stock Exchange Listing Agreement is given in Annexure 2 forming part of this Report.

Directors' Responsibility Statement

As stipulated in Section 217(2AA) of the Companies Act, 1956 (the Act), your Directors subscribe to the "Directors' Responsibility Statement" and confirm that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- The Directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Directors have prepared the annual accounts on a going concern basis.

A contract had been entered into with a customer in the year 2005, to whom shares were allotted preferentially, providing for certain assured volumes of business to be provided by that customer to the Company. Having regard to the very nature of that contract which provides for such assured business to span over a few years, it was not feasible to quantify the benefits that the Company may derive from that contract. However, insofar as it relates to orders already placed with and executed by the Company, the relevant revenue (as also the relative costs) were reflected in the Profit and Loss Accounts of the respective years. During the year under review, the Company received a sum of Rs.1,038.10 Lakhs towards a charge for cancellation of the above said minimum assured business in a given time period.

Subsidiary Companies

During the year, your Company formed two wholly owned subsidiaries viz. Sasken Inc. USA and Sasken Japan KK. Further, the Indian Subsidiary - Sasken Network Engineering Ltd. incorporated its wholly owned subsidiary viz. Sasken Network Solutions Inc. USA. All subsidiaries were floated with the object of capturing business in a cost effective manner and serving customers near to their locations. Sasken Inc. has become a partner in a Venture Capital Partnership in the USA.

As required under Accounting Standard 21, Consolidated Financial Statements incorporate the results of (a) Sasken Network Engineering Ltd., (b) Sasken Communication Technologies Mexico S.A. de C.V. (c) Sasken Communication Technologies (Shanghai) Co. Ltd., (d) Sasken Communication Technologies Oy and (e) its step-down subsidiary, Sasken Finland Oy. (f) Sasken Inc. USA. The other subsidiaries are yet to commence commercial operations.

In terms of the Central Government approval under section 212(8) of the Companies Act, 1956, the audited Financial Statements along with the reports of the Board of Directors and the Auditors pertaining to the above subsidiaries have not been attached to this Report. The Financial Statements of the said subsidiaries will be kept for inspection by any investor in the registered office of your Company and that of the subsidiary companies. Investors who want to have a copy of the above may write to the Company Secretary at the registered office.

Directors

Professor J Ramachandran and Mr. Vinod K Dham retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Remuneration payable to Executive Directors and Independent Directors are detailed in the notice convening the Annual General Meeting for members' approval.

Conservation of Energy, Technology Absorption and Foreign Exchange Outgo

Annexure 3 forming part of this report gives information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors), Rules 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo.

ISO 14001

Sasken continues to comply with the Environmental Management System International Standard ISO 14001. Sasken is committed to be a responsible member of the communities in which we live and work. This reaffirms your Company as a responsible corporate citizen.

ISO 27001

Sasken continues to comply with Information Security Practices International Standard ISO 27001. This is important for assuring our customers of our commitment in protecting their IP as well as sensitizing all employees about confidentiality and integrity of information.

TL 9000

Sasken continues to comply with the telecom industry specific International Standard TL 9000, which by definition includes the ISO 9001:2000 requirements.

Particulars of Employees

The particulars of employees, as required under Section 217(2A) of the Companies Act, 1956 are given in Annexure 4 forming part of this Report. It may be noted that in accordance with the notification dated March 24, 2004 issued by the Department of Company Affairs, Government of India, particulars of employees posted and working in a country outside India, not being directors or their relatives drawing more than Rupees Twenty Four Lakhs per financial year or Rupees Two Lakhs per month, as the case may be, are not included in this statement but such particulars will be furnished to the Registrar of Companies. Such particulars will be made available to any shareholder on specific request made by him/her during the course of Annual General Meeting.

Deposits

Your Company has neither accepted nor renewed any deposits during the year. As such, no amount of principal and/or interest is outstanding as on the Balance Sheet date.

Auditors

M/s S R Batliboi & Co., auditors of the Company retire at the forthcoming Annual General Meeting and have confirmed their eligibility for re-appointment.

Acknowledgement

Your Directors place on record their appreciation of cooperation and support extended by customers, shareholders, vendors, bankers and all governmental and statutory agencies. Your Directors thank the employees for their valuable contribution during the year and look forward to their continued support.

For and on behalf of the Board of Directors

Bangalore
April 18, 2008

Rajiv C Mody
Chairman and Managing Director

Annexure 1

Particulars of disclosures as required under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme), Guidelines 1999:

	Description	ESOP 2000	ESOP 2006
1	Total number of Options outstanding as on April 1, 2007	433,423	286,250
2	Total number of Options granted during the year	Nil	335,000
3	Total number of Options vested (but not exercised) cumulative till March 31, 2008	214,876	134,000
4	Total number of Options exercised during the year	58,657	2,000
5	Total number of shares arising as a result of exercise of option	58,657	2,000
6	Total number of Options lapsed (due to resignation, etc.) during the year ended March 31, 2008	97,250	80,000
7	Total number of Options outstanding as on March 31, 2008	277,516	539,250
8	Money realized by the exercise of Options (in Rs.)	10,814,158	468,000
9	Total number of Options in force	277,516	539,250
10	Variation of terms of Options	Nil	Nil

11. Pricing Formula for the Grant:

Price of Option is based on valuation of the shares as may be determined by the Compensation Committee from time to time. The Options issued in April 2004, have a vesting schedule at 13 quarterly rests starting in July 2005 with a price range for each quarter at Rs.160 to Rs.256. The Options issued in June 2005, have a vesting schedule at 13 quarterly rests starting in July 2006 with a price range for each quarter at Rs.225 to Rs.321. The Options issued during the year 2006-07 upto October 2006 have a vesting schedule at nine quarterly rests starting in July/October 2007 with a price range for each quarter at Rs.234 to Rs.321 and Rs.298 to Rs.394 respectively. The Options issued from January 1, 2007 during the year 2006-07 have a vesting schedule ranging upto 4 annual rests starting from January 2008. The Options issued from April 1, 2007 during the year 2007-08 have a vesting schedule ranging upto 4 annual rests starting from April 2008. The first exercise price for these Options will be the weighted average of the stock traded price, as on the last day of the quarter previous to the month of grant of Option with a progressive increase for subsequent years and accordingly the Options were issued during the year 2006-07 with a price range of Rs.367 to Rs.559 and Options were issued during the year 2007-08 with a price range of Rs.475 to Rs.746.

The Options will vest after one year from the date of grant of Option and the Option-holder will have 2 years from the date of vesting to exercise the Options. On the expiry of the exercise period, Options that have not been exercised will lapse and cease to be valid. However, the exercise period can be extended for exceptional cases based on approval by the Compensation Committee.

12. Details of Options granted to some of the senior managerial personnel during the year under review:

Name	No. of Options	Vesting Schedule	Range of Exercise Price per share (Rs.)
Poonacha Machaiah	60,000	Apr 2008 to Apr 2011	475 – 667
S. Ramaraj	40,000	Apr 2008 to Apr 2011	475 – 667
Ranganathan Puranik	65,000	Apr 2008 to Apr 2011	475 – 667

13. Employee-wise details of Options granted to:
Employees who were in receipt of grants amounting to 5% or more of total Options granted during the year : Nil

Employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant : Nil

14. Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of Option calculated in accordance with the Indian Accounting Standard 20 : Rs.8.73 per share.

15. Description of method and significant assumptions used during the year to estimate fair value of Options:

The method applied was the Black – Scholes – Merton formula with the following assumptions:

	April 2007	July 2007	Oct 2007
Average risk free interest rate	8.16%	7.80%	7.95%
Weighted average expected life of options granted (in years)	3.80	3.80	3.80
Expected dividend yield	0.82%	0.82%	1.19%
Volatility (annualised)*	48.95%	44.95%	45.35%
Previous Closing Price of share at NSE at the time of grant (Rs.)	489.80	490.30	334.75

* Based on historical market price of the Company's shares for the period since listing.

Annexure 2

Corporate Governance Compliance Certificate

To:
The Members,
Sasken Communication Technologies Ltd.,
Bangalore.

We have examined all relevant records of **Sasken Communication Technologies Ltd.** (the Company) for the purpose of certifying compliance of the conditions of corporate governance under clause 49 of the listing agreement with Bombay Stock Exchange Ltd., and National Stock Exchange of India Ltd., for the period commencing from 1st April 2007 to 31st March 2008. We have obtained all information and explanation which to the best of our knowledge and belief were necessary for the purposes of the certification.

The compliance of the conditions of corporate governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of conditions of the Corporate Governance. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied with:

(a) All the mandatory conditions of the said Clause 49 of the Listing Agreement,

(b) The following non-mandatory requirements of the said Clause 49:

- Constitution of Remuneration Committee (designated as Compensation Committee)
- Implementation of the Whistle Blower Policy
- Audited financial results for half year ended September 30, 2007 were mailed to shareholders.

For jsundharesan & associates
Company Secretaries

J SUNDHARESAN
Practising Company Secretary
FCS 5229
CP No. 5164

Date : April 18, 2008
Place: Bangalore

Annexure 3

Particulars pursuant to the provisions of Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A) Conservation of Energy – Environmental Management System (EMS)

Though the Company does not have energy intensive operations, it continues to adopt energy conservation measures.

Sasken is committed to achieving high standards of environmental quality and product safety, as well as providing a safe and healthy workplace for its employees, contractors and communities. As part of contributing to conserve the environment, Sasken completed a six sigma project and achieved >15% energy savings (as measured by kW/person) from the previous year. To create awareness on EMS, World Environment Day was celebrated at Sasken with a tree planting exercise by employees – over 150 trees of native species were planted and are being nurtured regularly. The ground-water re-charge program initiated this year allowed the recycled water from the corporate building for recharging of the surrounding ground areas. As part of waste management, waste recycling program was closely monitored to ensure proper recycling of the waste generated by Sasken. A training package put together by the EMS team has been made mandatory for all project teams to ensure that EMS awareness is driven at the design stage of the project.

At Sasken, our commitment to continuous improvement on environmental performance is integrated into our programs. This is driven by individual commitment of various team members and strong support from the management.

B) Research and Development and Technology Absorption

The Company continued its emphasis during the year on improving the feature content and the performance of existing products. It also initiated long-term R&D under a corporate R&D team.

During the previous financial year, we continued expending efforts on the Integrated Solution product line (called the Sasken Application Framework), completing features and improving performance and stability on a lead semiconductor platform. The product was also licensed on a second semiconductor platform to a lead customer in the satellite communication space, and R&D efforts were expended to enhance the product with features specific to this space.

We also spent considerable R&D effort during the year on our Multimedia Subsystem, working closely with a Tier-1 phone customer and with a leading Japanese customer, creating best in class products in terms of the features, performance and quality.

Another area of R&D investment was in our 3G protocol stack product, which went through the final acceptance testing with a Tier-1 phone manufacturer.

Corporate R&D team focused on technologies with promise for the future. Specifically, Femtocells, Broadband Wireless, Wireless Sensor Networks and Security were the thrust areas.

Sasken has successfully leveraged its expertise in 3G to explore the emerging area of Femtocells. A good understanding of the end-to-end issues with Femtocell networks has already led to a customer engagement in developing a 3G UMTS Femto Access Gateway for a network OEM.

In broadband wireless, the Company has put together a consortium of academic and industrial partners for enhancing the air interface of WiMAX technology. The consortium is in the process of submitting proposals to funding schemes, such as the European Union FP7 (Framework Program 7). The technology proposed to be developed would improve the data rates for users without increasing the complexity of the user terminal.

Wireless Sensor Networks have application in defence, home automation, personal healthcare, structural health monitoring, environmental monitoring, etc. The Company has taken the first steps in development of solutions using wireless sensor networks and has filed one patent in this domain during the current financial year. In the security domain, the company is tracking specifications being defined by the trusted computing group to implement pilot systems that could be used in mobile banking.

This year the Company has experimented with a new offering in the form of product value engineering, which leverages the Company's expertise in hardware product development. This has met with success in the initial year itself. A pilot study was performed for a terminal developer, which resulted in a follow-on project for re-engineering of the product. The Company plans to assess this opportunity more seriously in the coming year.

Protecting Intellectual Property by filing of patents continues to be a key feature of the Company's business strategy. The Company has been granted, 4 patents since the last report. 1 patent has been added through the acquisition of Botnia Hightech Oy. Thus the patent portfolio of your Company stands at 20. 2 patents have been allowed by the US Patent and Trademark Office. These are expected to be granted within a few months.

C) Foreign Exchange Earnings and Outgo

	Amount in Rs.Lakhs
Foreign Exchange Earnings	38,169.80
Foreign Exchange Outgo (including capital goods purchased, Travel Expenses(Net) and Dividend Paid in foreign currency)	6,809.41

Annexure 4 to the Directors' Report – Information to be furnished under Section 217 (2A) of the Companies Act, 1956.

Sl. No.	Name of Employee	Designation	Total Remuneration (Rs.)	Date of Joining	Age	Qualification	Total Work experience	Previous Employment
1	Abhijit Arvind Tongaonkar	General Manager	2,420,824	1-Jun-98	43	B.E., M.Tech.	20	IBM Global Services Pvt. Ltd.
2	Aguru Venkata Ravi Shankar*	Vice President	359,095	26-Nov-07	49	B.A., LLB	23	Wipro Ltd.
3	Ashok Bhaskar	General Manager – Engineering	3,521,624	21-Feb-05	44	B.E., MBA	26	CISCO Systems
4	Ashwin Ramachandra	Senior Manager	2,603,059	7-Mar-97	37	B.E., M.Tech.	12	Texas Instruments (I) Ltd.
5	David James Clark*	Vice President and Head of Business Unit	4,909,520	1-Feb-06	50	Bachelor of Science	26	Inter Tel Incorporated
6	Deepak Surendra Paranjape*	General Manager – Engineering	1,548,521	29-Jan-07	40	B.E. M.S.	14	Motorola
7	Edwin Moses	Senior Vice President	5,168,148	1-Oct-01	49	B.E.	26	Mascot Systems
8	Ganesh Krishnamurthy	General Manager	2,820,198	13-Nov-00	53	MBA	30	Bharat Electronics Ltd.
9	Hariharan Natarajan Iyer	Senior Vice President – Human Resources	6,176,149	16-Jan-95	50	B.Tech., M.E. PGDM	24	Gujarat Gas Company
10	Krishna J Jhaveri	Wholetime Director	3,264,029	1-Jun-91	54	B.E., M.S.	29	Intel Corporation
11	Krishnakumar Madathilkovilakam*	General Manager – Engineering	1,655,052	16-Jan-95	40	B. Tech. PGDSEM	18	Processor Systems India Pvt. Ltd.
12	Mahendran Arumugam*	General Manager – Engineering	1,673,108	11-Sep-00	44	B.E.	22	Philips Software Centre
13	Mahesh Vishveshvar Kolar	General Manager – Phone Design	3,024,286	19-Feb-07	40	M.E.	13	Quasar Innovation Pvt. Ltd.
14	Manish Kasliwal*	General Manager – Sales	1,967,267	13-Feb-07	37	B.E., MBA	15	Motorola
15	Menka Hitin Vazirani*	Project Manager	1,456,288	21-Dec-06	31	B.E.	9	Qualcomm Design Ltd.
16	Milind Sudhakar Gandhe*	General Manager – Strategic Planning	2,166,445	4-Sep-95	40	B.Tech., M. Tech., Ph.D	14	IIT Bombay
17	Muralikrishnan Gopalakrishnan	Senior Vice President	4,041,912	19-Jan-95	48	B.Sc., B.E.	25	C-DOT
18	Murthy Muniyappa*	Program Manager	1,808,472	3-Feb-97	38	B.E.	14	BPL Telecom Ltd.
19	Narayanakumar Ramanathan*	General Manager – Offerings	1,939,919	1-Mar-01	37	B.E.	22	MTL Instruments
20	Narendra Shyamsundar Nande	General Manager – Engineering	2,713,733	2-Jan-96	38	B.E., M.E.	15	Electronic Research and Development
21	Neeta S Revankar	Chief Financial Officer	6,676,149	3-Apr-95	42	FCA, ACS	17	Microland Ltd.
22	Prabhas Kumar*	President – Services Division	2,343,636	8-May-00	41	B. Tech.	19	Wipro
23	Protima Achaya*	Senior Manager – Staffing	2,340,845	12-Jun-00	45	B.E.	14	Plus Channel India Ltd.
24	Rajendra Balkrishna Datar*	General Manager	2,673,211	1-Mar-04	55	B.E. M. Tech., Ph.D	31	Cirrus Logic
25	Rajesh Rishihari Maniar	Vice President – Finance	2,606,870	4-Dec-06	42	B. Com., ACA	20	Torrent Pharma
26	Rajiv Chandrakant Mody	Chairman and Managing Director	9,307,412	1-Apr-89	50	B.E., M.S.	27	VLSI Technology Inc. California
27	Ram Mohan*	General Manager	1,086,089	10-Jan-05	45	B.E.	22	Motorola
28	Ramakrishnan Lakshminarayanan*	Vice President	3,261,112	23-Apr-07	50	B.E. M.E., PGDMS	25	Mascon Global
29	Ramkumar Balasubramanian	Vice President – Finance	2,768,312	1-Mar-04	45	B.Sc., ICWA, ACA	21	BPL Mobile Cellular Ltd.
30	Ranganathan Sundaram	General Manager – Marketing	2,812,534	8-Jun-05	39	MBA	14	Tata Infotech Ltd.

Annexure 4 to the Directors' Report – Information to be furnished under Section 217 (2A) of the Companies Act, 1956.

Sl. No.	Name of Employee	Designation	Total Remuneration (Rs.)	Date of Joining	Age	Qualification	Total Work experience	Previous Employment
31	Ravishankar Balasubramanian*	Technical Leader	382,771	29-Nov-04	32	B.E. M.Tech.	6	Insilica
32	Sakthivel Manivannan*	Lead Engineer	566,936	14-May-07	33	B.E.	7	Opus
33	Sanjay Achyut Tambwekar*	Director – Engineering	974,165	21-Sep-98	43	B.Tech., M.S.	19	Verifone India Ltd.
34	Santosh Victor Xavier	General Manager	3,620,471	2-Aug-93	42	B.Sc., MCA	18	Pegasus Software Consultancy
35	Shrikrishna Govind Gokhale	Senior Vice President	4,919,267	2-Jun-97	53	B. Tech., M. Tech.	29	Philips Ltd.
36	Sridhar Pillalamarri*	Vice President	689,181	21-Jan-08	48	B.Tech., M.Tech.	27	Agilent Technologies
37	Srinivas Prasad Ramaswamy	General Manager	2,842,973	6-Mar-95	37	D.Tech. PG Dip.	16	ITI Ltd.
38	Srinivasan Ramaraj	Senior Vice President	5,711,241	18-Jan-07	44	B.Tech., M.Tech.	20	Mascon Global
39	Sunder Rajan*	General Manager – Human Resource	2,538,494	8-Feb-07	57	B.Sc., LLB, PGDPM	27	Aricent
40	Surendra Kumar Saxena*	Vice President	1,359,082	26-Feb-03	46	B.Sc., M.Tech., MBA	22	Lucent Technologies
41	Suresh Krishnamoorthy	General Manager	2,739,390	7-May-97	35	B.E.	14	C-DOT
42	Swaminathan Ganesan*	General Manager	1,943,011	2-Jul-07	40	M.Sc., B. Tech.	21	Airvana Networks Pvt. Ltd.
43	Swaminathan Krishnan	Senior Vice President – Marketing	5,676,149	2-May-05	46	B.E.	23	Tata Teleservices
44	Syed Sheeraj Ghouse*	Architect	1,305,671	2-Jul-07	30	B.E.	9	GDA Technologies Ltd.
45	Thirukallam Kandhadai Srikanth	General Manager	3,487,147	7-Mar-01	49	B. Tech., M.S. Ph. D	24	Xox Corporation Mn
46	Venkatesh Gangadharan	Wholetime Dir. and Corp. CTO/CSO	6,457,639	1-May-95	47	B. Tech., Ph. D	24	IIT, Mumbai
47	Venkatraman Shankar*	General Manager	1,511,191	5-Oct-98	38	B.E.	15	Neotech Systems Inc.
48	Vijay Babu Vijayaragavan*	Vice President	3,539,498	1-Feb-01	43	M.Tech.	20	MTL Instruments
49	Vilas Sudhakar Bhade*	Chief Architect	2,982,795	15-Sep-03	47	B.E.	20	Mindtree
50	Vinay Nagendra Hebballi	General Manager	3,398,198	10-Sep-99	39	B.E.	19	Verifone India Ltd.
51	Viswanatha Rao Thumparthy	General Manager	2,859,961	22-Jan-07	49	B.Tech., M.E.	24	TCS, Bangalore
52	Visweswaran Balasubramanyan*	Senior Manager – Product Marketing	1,802,157	1-Feb-07	35	B.Sc., M.E	9	Intel Corporation

* Employment for part of the year

Notes:

1. "Total Remuneration" includes salary, allowances, perquisites, incentives and Company's contribution to Provident Fund.
2. None of the employees named above is a relative of any Director of this Company.
3. All appointments are contractual.

For and on behalf of the Board of Directors

Bangalore
April 18, 2008

Rajiv C Mody
Chairman and Managing Director

Your Company defines corporate governance as a systemic process by which companies are directed and controlled to enhance their wealth generating capacity. Since large corporations employ a vast quantum of social resources, your Company believes that the governance process should ensure that these resources are utilised in a manner that meets stakeholders' aspirations and societal expectations. This belief is reflected in the Company's deep commitment to contribute to the "triple bottom line" viz. the development, nurture and regeneration of the nation's economic, ecological and social capital. Above all, our governance practices reflect the true spirit of the trusteeship that is deeply ingrained in the value system and reflected in the strategic thought process, at all times. Your Company has a Code of Conduct for its employees and Directors and it is available on the Company's website. Your Company has also in place a Policy on Code of Conduct for Prevention of Insider Trading and an Information Security Policy that ensures proper utilization of IT resources.

Your Company is also committed to doing business in an efficient, responsible, honest and ethical manner within the applicable legal framework. A good governance process should thus provide sufficient transparency over corporate policies, strategies and the decision making process while strengthening internal control systems and building relationship with stakeholders, including employees and shareholders. The adherence to good governance practices in true spirit, not just in letter, will help align interests of stakeholders, enhance investor confidence and provide access to cheaper capital, in turn facilitating the creation of superior value on a sustainable basis.

Your Company is in compliance with the requirements of the guidelines on Corporate Governance stipulated under Clause 49 of the Listing Agreement existing as on March 31, 2008 and presents the following Corporate Governance Report for the year 2007-08 based on the said disclosure requirements.

Board of Directors

The brief profile of each of the Directors is given below:

Mr. Rajiv C Mody (DIN 00092037), 50 years, Chairman and Managing Director and one of the founders of the Company.

Founded Sasken in 1989 at San Jose along with two other co-founders. The Company was set up in the classical tradition of Silicon Valley startups, in a garage in Fremont, California.

He qualified in electrical engineering degree from M.S. University, Baroda and Masters Degree in Computer Science from Polytechnic Institute of New York. He worked for Advanced Micro Devices, Seattle Tech Inc. and VLSI Technology Inc. in USA. At VLSI, Mr. Mody was responsible for the design, development and integration of physical design tools for Gate-Array and Standard Cell Design Styles. He has co-authored a patent in the area of physical design and published a paper at the ICCAD conference. He has been with Sasken since its inception. He has over 22 years of experience in the technology business.

Mr. Mody is also Chairman of Sasken Network Engineering Ltd., Sasken Communication Technologies Mexico S.A. de C.V., Sasken Communication Technologies Oy, Finland, Sasken Finland Oy, Finland and ConnectM Technology Solutions Pvt. Ltd. He is a Director in Silicon Automation Systems Inc., USA, Sasken Communication Technologies (Shanghai) Co. Ltd., Sasken Network Solutions Inc. USA, Sasken Inc. USA, Sasken Japan KK, J.B. Chemicals & Pharmaceuticals Ltd., Lifetime Healthcare Pvt. Ltd., and TACO Sasken Automotive Electronics Pvt. Ltd.

He is a member of the Audit Committee of ConnectM Technology Solutions Pvt. Ltd.

Mr. Krishna J Jhaveri (DIN 00102729), 53 years, Wholetime Director and one of the founders of the Company.

He completed his Bachelors degree in Mechanical Engineering from M.S. University, Baroda in 1978 and Masters in Operations Research and Industrial Engineering from the University of Texas at Austin in 1983. He worked in Intel for over eight years and is well experienced in the semiconductor manufacturing processes. As a Project Engineer at Intel, he has actively participated in bringing about the production of some of the world's most popular microprocessors, including the Intel 80286, 80386, 80486 and 80860.

Mr. Jhaveri is a Director in Sasken Communication Technologies Mexico S.A. de C.V., Axiom Design Automation Inc. USA, Sasken Network Solutions Inc. USA and Sasken Inc. USA.

Dr. G Venkatesh (DIN 00092085), 46 years, Wholetime Director and Corporate Chief Technology and Strategy Officer of the Company.

Dr. Venkatesh started his research career at India's premier research institute TIFR, Bombay, then moved to the Computer Science department of IIT Bombay where he spent 8 years teaching and researching in the areas of temporal logic, functional/logic programming, and applications of logic and languages to VLSI design, which resulted in about 50 papers in international conferences and journals in these areas.

He made his transition to the industry in 1990 when Sasken was in its start up phase and moved full time to Sasken as Technology head in 1995. He has played various managerial roles at Sasken and is currently a board member and Chief Technology and Strategy Officer.

Dr. Venkatesh also participates in teaching and research at IIM Bangalore, where his interests revolve around applying game theory to strategic thinking, specifically in the telecom and semiconductor industries and in IT outsourcing.

Dr. Venkatesh is a graduate in Electronics from IIT (Indian Institute of Technology) Madras, a Ph.D in Computer Science from TIFR, Bombay, and is a Fellow of the Indian National Academy of Engineers.

Other positions held by Dr. Venkatesh are Governing council member, Center for Excellence in Wireless Technology (CeWiT), IIT Madras; Member, Scientific Council, Institute for Computer Sciences, Social-Informatics and Telecommunications Engineering (ICST); Member of the Board of Studies, School of Computer Science, IGNOU; Member, Expert Group, Focus Group on NGN, TEC, Government of India; Governing council member of the Indian Association for Research in Computing Science (IARCS); President, TIFR Alumni Association; Steering Committee Chair for the IEEE/ICST conferences on software and middleware (Comsware); Co-ordinator for the Indo-French Center initiative on Mobile Multimedia.

He is a Director of Sasken Network Engineering Ltd., TACO Sasken Automotive Electronics Pvt. Ltd., and ConnectM Technology Solutions Pvt. Ltd. He is also an Advisory Board Member of 3D Solid Compression Pvt. Ltd.

He is a member of Compensation Committee of ConnectM Technology Solutions Pvt. Ltd.

Dr. Ashok Jhunjhunwala (DIN 00417944), 54 years, an Independent Director of the Company.

He is Professor of the Department of Electrical Engineering, Indian Institute of Technology, Madras and was department Chair till recently. He received his B.Tech degree from IIT, Kanpur, and his MS and Ph.D degrees from the University of Maine. From 1979 to 1981, he was with Washington State University as Assistant Professor. Since 1981, he has been teaching at IIT, Madras.

Dr. Jhunjhunwala leads the Telecommunications and Computer Networks group (TeNeT) at IIT Madras. This group is closely working with industry in the development of a number of Telecommunications and Computer Network Systems. TeNeT group has incubated a number of technology companies which work in partnership with TeNeT group to develop world class Telecom and Banking products for Rural Markets.

Dr. Jhunjhunwala was awarded Padma Shri in 2002. He has been awarded Shanti Swarup Bhatnagar Award in 1998, Dr. Vikram Sarabhai Research Award for the year 1997, Millennium Medal at Indian Science Congress in the year 2000 and H.K. Firodia Award for "Excellence in Science and Technology" for the year 2002, Shri Om Prakash Bhasin Foundation Award for Science and Technology for the year 2004, Jawaharlal Nehru Birth Centenary Lecture Award by INSA for the year 2006 and IBM Innovation and Leadership

Forum Award by IBM for the year 2006. He is a Fellow of Wireless World Research Forum, Indian National Academy of Engineering, Indian National Science Academy, Indian Academy of Sciences and National Academy of Sciences.

He is a Director of 3i Infotech Ltd., Bharat Electronics Ltd., National Research Development Corporation Ltd., Polaris Software Lab Ltd., State Bank of India, Tata Teleservices (Maharashtra) Ltd., Tejas Networks Ltd, Midas Communication Technologies Pvt. Ltd., Vishal Bharat Comnet, National Internet Exchange of India Ltd., and Institute for Development and Research in Banking Technology.

He is also a member – Advisory Board/Governing Council of Scientific Advisory to the Prime Minister of India, Institute of Financial Management and Research, Board of International Training and Education Center on HIV, Center of Excellence in Wireless Technology and Rural Technology and Business Incubator.

He is the Chairman of the Audit Committee of Tata Teleservices (Maharashtra) Ltd. He is also a member of Audit Committee of Polaris Software Lab Ltd., Tejas Networks Ltd., Midas Communication Technologies Pvt. Ltd., and State Bank of India.

He is a member of the Remuneration Committee of Polaris Software Lab Ltd., Tejas Networks Ltd., and also of Tata Teleservices (Maharashtra) Ltd.

He is also a member of the Investor Grievance Committee of Polaris Software Lab Ltd.,He is the Chairman - Technology Committee of State Bank of India and Member, Customer Service Committee of State Bank of India.

He is also a Member of the Nomination Committee of Tata Teleservices (Maharashtra) Ltd.

Mr. Bansi S Mehta (DIN 00035019), 72 years, an Independent Director of the Company.

He is a first class graduate in commerce and Fellow Member of the Institute of Chartered Accountants of India (Institute). He won Gold Medal both in graduation and final examination of the Institute. Mr. Mehta is an accountant in practice and deals with matters on taxation, accountancy, valuation, mergers and acquisitions. He is a former President of the Institute of Chartered Accountants of India and has been a member of various statutory and non-statutory advisory committees on company law, taxation, accounting, etc.

Mr. Mehta is a Director of Atul Ltd., Bharat Bijlee Ltd., Ceat Ltd., Century Enka Ltd., Clariant Chemicals India Ltd., Gillette India Ltd., Housing Development Finance Corporation Ltd., IL&FS Investment Managers Ltd., J.B. Chemicals & Pharmaceuticals Ltd., National Securities Depository Ltd., Pidilite Industries Ltd., Proctor & Gamble Hygiene and Health care Ltd., SBI Capital Markets Ltd., Sudarshan Chemical Industries Ltd., Uhde India Ltd. (Alt. Director) and Jumbo World Holdings Ltd. (BVI).

He is the Chairman of the Audit Committee of IL&FS Investment Managers Ltd., J.B. Chemicals & Pharmaceuticals Ltd., Pidilite Industries Ltd., Sudarshan Chemical Industries Ltd. He is a member of the Audit Committee of Atul Ltd., Century Enka Ltd., Gillette India Ltd., Housing Development Finance Corporation Ltd. and Proctor & Gamble Hygiene and Health care Ltd.

He is also a member of Remuneration Committee of Gillette India Ltd., and Member of Compensation Committee of Housing Development Finance Corporation Ltd., and IL & FS Investment Managers Ltd.

Mr. Jyotindra B Mody (DIN 00034851), 79 years, Non-Executive Director and one of the Promoters of the Company.

He is the Chairman and Managing Director of J.B. Chemicals and Pharmaceuticals Ltd. He completed his Inter Science from Dharmendra Singhji College, Rajkot in 1948. He has experience of over four decades in the Indian pharmaceutical industry. He was the founder member of Indian Drug Manufacturers Association and its President from 1983 to 1985. He was also been the Chairman of CHEMEXCIL, a central government organisation for 2 consecutive years from 1994 to 1996. He was a member of the National Development Council for Drugs and Pharmaceuticals. He was a member of working group for Industrial Approvals, Ministry of Chemicals and Fertilisers. He was also associated with Import Export Committee, 7th Five year Plan.

Mr. Mody is also a Director of Ifiunik Pharmaceuticals Ltd., J.B. Life Science Overseas Ltd., Unique Pharmaceuticals Laboratories Ltd., Ansuya Mody Securities Pvt. Ltd., Jyotindra Mody Holdings Pvt. Ltd. and Synit Drugs Pvt. Ltd. He is a Member of Shareholders/ Investor Grievance Committee of J.B. Chemicals and Pharmaceuticals Ltd.

Professor J Ramachandran (DIN 00004593), 50 years, an Independent Director of the Company.

He is BOC chair professor of business policy at the Indian Institute of Management (IIM), Bangalore. He is a Chartered Accountant as well as a Cost Accountant and obtained his doctorate from IIM, Ahmedabad. His major research interests are in the areas of corporate transformation and competitive strategy. He is currently engaged in studying the global competitiveness of Indian firms in the pharmaceutical, software and auto component industries. Prior to joining the faculty at IIM, Bangalore, he was Vice President (Management Services) at Reliance Industries Ltd. In addition to his teaching and publishing credits, Professor J Ramachandran has served as a consultant to various Indian and multinational companies, including Daimler Chrysler, Hewlett Packard, Philips, ITC, Colgate Palmolive, Hoechst, Siemens, Wipro, Infosys, Wockhardt, United Breweries, Eicher, Madras Refineries and LIC.

Professor Ramachandran is a Director of Sasken Communication Technologies Oy., Finland, Sasken Finland Oy., Bhoruka Power Corporation Ltd., Indofil Organic Industries Ltd., Redington India Ltd., Reliance Communications Ltd., Reliance Communication Infrastructure Ltd., Tejas Networks Ltd. Integrated Brand-Comm Pvt. Ltd., Lifetime Healthcare Pvt. Ltd. and Aditya Auto Products & Engineering (I) Pvt. Ltd.

He is Chairman of the Audit Committee of Reliance Communications Ltd. and Member of the Audit Committee of Reliance Communication Infrastructure Ltd. and Redington India Ltd.

He is Chairman of Shareholders/Investors Grievance Committee of Redington India Ltd. and Member of Shareholders/Investors Grievance Committee of Reliance Communications Ltd.

He is also Member of the Remuneration Committee of Reliance Communications Ltd. and Reliance Communication Infrastructure Ltd.

Mr. Pranabh D Mody (DIN 00035505), 44 years, Non-Executive Director and one of the Promoters of the Company.

He attained his Bachelor Degree in Pharmacy from Bombay College of Pharmacy in 1984 and his Masters in Business Administration from Oakland University, USA in 1986. He also completed an Executive Education Program from Harvard University in USA in 1995. He has experience of 22 years of which over 16 years he has been associated with J. B. Chemicals and Pharmaceuticals Ltd. Mr. Pranabh Mody has contributed immensely to J.B. Chemicals and Pharmaceuticals Ltd. (JBCPL) in the capacity of President and Wholetime Director (Operations). He is pioneer in establishing the computer set-up in JBCPL and has developed many new types of software which have resulted in greater efficiency, controls and savings for JBCPL. He has set-up 'JD Edward one world' – an ERP package successfully in JBCPL. His penchant for challenges took him to Bangalore in 2000 to help in the operations of Sasken. His association with JBCPL has been a long one which goes as way back as the early 90's at a board level. He also possesses vast knowledge and experience in the field of corporate administration, finance, marketing, MIS and in strategic planning and development.

Mr. Pranabh D Mody also holds directorships in Unique Pharmaceutical Laboratories Ltd., Ifiunik Pharmaceuticals Ltd., Dinesh Mody Securities Pvt. Ltd., Kumud Mody Securities Pvt. Ltd., Lifetime Healthcare Pvt. Ltd. and Biotech Laboratories Pty. Ltd. South Africa.

Mr. Sanjay M Shah (DIN 00375679), 44 years, an Independent Director of the Company.

He is the Chief Executive Officer of Skelta Software Pvt. Ltd. He did his Bachelor of Technology from the Indian Institute of Technology, Bombay in 1985 and Masters in Computer Science from Virginia Tech, US in 1988. He joined the Board of Sasken in 2005. Prior to joining Skelta Software he was the Managing Director and Head of Research and Development of iCode Software, a wholly owned subsidiary of a US based multinational software company, iCode, Inc., which he co-founded in 1994. He is also a Director of Skelta Software Inc. USA.

Mr. Vinod K Dham (DIN 00036900), 57 years, an Independent Director of the Company.

He has done his Bachelors in Electrical Engineering from the Delhi College of Engineering and Masters in Electrical Engineering from University of Cincinnati, US. He worked in various capacities for 16 years at Intel and rose to the position of Vice President. He was the leader of Intel's Pentium chip development team in the early 1990s and is referred to in popular press as the "Father of the Pentium Processor". He later moved to NexGen, US (later known as Advanced Micro Devices) and worked on development of a competitor to the Pentium processor. He also started Silicon Spice Inc., to develop a VOIP chip, which was later acquired by Broadcom. Mr. Dham is the co-founder and managing member of New Path Ventures LLC and Founder and Executive Managing Director of NEA-Indo US Ventures. He has several years of technology, business and entrepreneurial experience.

Mr. Dham is also Director of Satyam Computer Services Ltd., Telsima Communications Pvt. Ltd., Insilica Inc. USA, Montalvo Systems, USA, Nevis Networks Inc. USA, and Telsima Corporation, USA.

He is a Member the Compensation Committee of Satyam Computer Services Ltd.

Mr. Shirish B.Mody (DIN 00035051), 67 years, is an Alternate Director for Mr. Jyotindra B. Mody.

He is a Wholetime Director of J.B. Chemicals and Pharmaceuticals Ltd. He is proficient not only in the technical functions such as manufacturing, quality control, research and development but also in marketing, planning and control, etc. He has scientific innovative skill in pharmaceutical research. He has successfully done research in the field of Metrogyl Denta Gel, Rantac CD Formulations, and in number of Ayurvedic and Herbal preparations, bulk drugs, etc. Due to his research aptitude and abilities, J.B. Chemicals and Pharmaceuticals Ltd. was able to obtain more than 100 patents, both in India and abroad.

Mr. Mody is also a Director of Ifiunik Pharmaceuticals Ltd., J.B. Life Science Overseas Ltd., Unique Pharmaceutical Laboratories Ltd., Bharati S. Mody Investments Pvt. Ltd., Shirish B Mody Investments Pvt. Ltd., Synit Drugs Pvt. Ltd and J.B. SEZ Pvt. Ltd.

Composition

Your Company's Board has an optimum combination of Executive, Non-Executive and Independent Directors with considerable experience in their respective fields. The Chairman of the Board is an Executive Director and manages the day to day affairs of the Company. Of the entire Board, 50% of the Directors are "Independent", as defined in Clause 49 of the Listing Agreement.

Present composition of the Board is as follows:

Director	Executive/ Non-Executive/ Independent	No. of Equity Shares held as of March 31, 2008	No. of outside Directorships held*		Outside Committees†	
			Public	Private	Chairman	Member
Mr. Rajiv C Mody**	Executive	11,113	2	3	–	–
Dr. G Venkatesh	Executive	218,007	1	3	–	–
Mr. Krishna J Jhaveri**	Executive	14,556	–	–	–	–
Dr. Ashok Jhunjhunwala	Independent	2,220	7	1	1	5
Mr. Bansi S Mehta	Independent	5,929	15•	–	4	5
Mr. J B Mody**	Non-Executive	368,106	4	3	–	1
Prof. J Ramachandran	Independent	1,150	6	3	2	3
Mr. Pranabh D Mody**	Non-Executive	318,506	3	3	–	–
Mr. Sanjay M Shah	Independent	7,637	–	1	–	–
Mr. Vinod K Dham	Independent	–	1	1	–	–
Mr. Shirish B Mody	Alt. Director	1,500	4	4	–	–

* Does not include unlimited companies, foreign companies and companies under Section 25 of the Companies Act, 1956.
** Promoter
† Only membership in Audit and Investor Grievance Committees are considered.
• Includes alternate directorship in 1 Company

Board Meetings

The Board normally meets once in a quarter and additionally as and when required. During the year 2007-08, the Board of Sasken met on six occasions, i.e. on April 20, 2007, June 23, 2007, July 20, 2007, October 14, 2007, October 15, 2007 and January 19, 2008. The maximum gap between the two meetings was not more than 4 months. Quorum was present at all the meetings.

The agenda papers along with explanatory statements were circulated in advance of the meetings with sufficient information as required under Clause 49 of the Listing Agreement.

Directors' Attendance Record

The record of attendance of Directors out of the six Board Meetings held during the year is given below:

Director	Number of meetings attended	Last AGM Attendance	Sitting Fee Paid (Rs.)
Mr. Rajiv C Mody	6	Yes	–
Dr. G Venkatesh	6	Yes	–
Mr. Krishna J Jhaveri	5	No	–
Dr. Ashok Jhunjhunwala	6	Yes	60,000
Mr. Bansi S Mehta	6	Yes	60,000
Mr. J B Mody	–	No	–
Prof. J Ramachandran	5	No	50,000
Mr. Pranabh D Mody	4	Yes	40,000
Mr. Sanjay M Shah	6	Yes	60,000
Mr. Vinod K Dham	3	No	30,000
Mr. Shirish B Mody*	1	No	10,000

* Alternate Director for Mr. J B Mody.

Directors' Membership in Board/Committees

As per the Listing Agreement no director can be a member in more than 10 committees or act as Chairman of more than 5 committees across all companies in which he/she is a director.

No Director of the Company is a member in more than 10 committees or acts as Chairman of more than 5 committees across all companies, in which he is a director.

Remuneration

The Compensation Committee approved the compensation payable to the Executive Directors, within the overall limits approved by the shareholders and in accordance with the provisions of the Companies Act, 1956.
The following table shows the amounts paid/payable to the Executive Directors: (Rs.In Lakhs)

Name and Designation	Fixed Remuneration for 2007-08	Performance Indexed Compensation relating to 2006-07	Total
Mr. Rajiv C Mody, Chairman and Managing Director	75.00	18.07	93.07
Mr. Krishna J Jhaveri, Wholetime Director	26.54	6.10	32.64
Dr. G Venkatesh, Wholetime Director	60.00	4.58	64.58

(i) Elements of remuneration package of Executive Directors:

The remuneration of the Executive Directors is broken into two parts viz., fixed pay and Performance Indexed Compensation (PIC). Fixed pay is determined by the Compensation Committee within the limits set by the shareholders. PIC is paid on the basis of performance parameters set for each of the Executive Directors, at the beginning of the year, in consultation with the CEO. The Compensation Committee periodically reviews the performance of the Executive Directors. PIC payable to the Executive Directors for the year is determined by the Compensation Committee on the performance of the Directors and also of the Company.

Apart from the remuneration to the Executive Directors as mentioned above, they are not entitled to any other benefits such as, bonus, commission, etc. Contribution towards gratuity, provident and superannuation funds is as per the Company's policy and forms part of the fixed pay. Among the Executive Directors, Mr. Rajiv C Mody and Mr. Krishna J Jhaveri being Promoter Directors are not eligible for stock options. Dr. G.Venkatesh is eligible for stock options.

(ii) Elements of remuneration package to Independent/Non-Executive Directors

The remuneration package to Independent/Non-Executive Directors comprising commission on Net Profits as approved by the shareholders for the year ended March 31, 2008 is as under:

Name	Amount in Rs.Lakhs
Mr. Bansi S Mehta	9.68
Prof. J Ramachandran	9.68
Dr. Ashok Jhunjhunwala	9.68
Mr. Vinod K Dham	14.04
Mr. Sanjay M Shah	9.68

No stock options were granted to any of the Directors during the year. Dr. Ashok Jhunjhunwala exercised 2,000 options during the year.

The remuneration proposed for the financial year 2008-09 is given in the notice convening the next Annual General Meeting, forming part of this Annual Report.

M/s. Bansi S Mehta & Co., Chartered Accountants, in which Mr. Bansi S Mehta, a Director of the Company is a Partner, were paid a sum of Rs.1,68,540 for giving a report on the valuation of intangibles arising out of customer relationship of a company acquired by Sasken.

Board Committees

As of March 31, 2008, your Company has the following committees:

(a) Audit Committee
(b) Compensation Committee
(c) Share Transfer and Investor Grievance Committee

Audit Committee

The Audit Committee was constituted on February 1, 2001. The purpose of this Committee is to ensure the objectivity, credibility and correctness of the Company's financial reporting and disclosure process, internal controls, risk management policies and processes, tax policies, compliance and legal requirements and associated matters. The Audit Committee comprises of four Directors, three of whom are Independent Directors:

Mr. Bansi S Mehta is the Chairman of the Audit Committee. The other members of the Committee are Prof. J Ramachandran, Dr. Ashok Jhunjhunwala and Mr. Pranabh D Mody.

The terms of reference of Audit Committee are as follows:

1. Regular review of accounts, accounting policies, disclosures, etc.
2. Review of the major accounting entries based on exercise of judgment by management and review of significant adjustments arising out of audit.
3. Qualifications in the draft audit report.
4. Establishing and reviewing the scope of the independent audit including the observations of the auditors and review of the quarterly, half-yearly and annual financial statements before submission to the Board.
5. Conducting post audit discussions with the independent auditors to ascertain any area of concern.
6. Establishing the scope and frequency of internal audit, reviewing the findings of the internal auditors and ensuring the adequacy of internal control systems.
7. To look into reasons for substantial defaults in the payment to depositors, debenture holders, shareholders and creditors.
8. To look into the matters pertaining to the Directors' Responsibility Statement with respect to compliance with Accounting Standards and accounting policies.
9. Compliance with Stock Exchange legal requirements concerning financial statements, to the extent applicable.
10. The Committee shall look into any related party transactions i.e., transactions of the Company of material nature, with promoters or management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.
11. To recommend appointment and remuneration of statutory and internal auditors.
12. To review the functioning of Whistle Blower mechanism.
13. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by the Audit Committee.

The Audit Committee met four times during the year, i.e. on April 20, 2007, July 20, 2007, October 14, 2007 and January 18, 2008. The minutes of the meetings are placed before the Board at its succeeding meeting for information. Quorum was present at all the meetings.

Details of attendance of Audit Committee members at the committee meetings are given below:

Director	**No. of Meetings**	
	Held	**Attended**
Mr. Bansi S Mehta	4	4
Prof. J Ramachandran	4	3
Dr. Ashok Jhunjhunwala	4	4
Mr. Pranabh D Mody	4	2

Mr Rajiv C Mody, Chairman and Managing Director, Ms. Neeta S Revankar, CFO and both the Internal as well as Statutory Auditors of the Company are permanent invitees to the Audit Committee meetings.

Mr R Vittal, Company Secretary acts as Secretary to the Committee.

Compensation Committee

The Compensation Committee was constituted on February 1, 2001. This Committee's goal is to ensure that the Company attracts and retains highly qualified employees in accordance with its business plans, that the Company fulfils its ethical and legal responsibilities to its employees, and that management compensation is appropriate.

Prof. J Ramachandran chairs the Compensation Committee. The other members of the Committee are Dr. Ashok Jhunjhunwala and Mr. Vinod K Dham.

The terms of reference of the Compensation Committee are given below:

1. To review performance and determine the remuneration payable to Executive Directors.
2. To determine the number of stock options to be granted under the Company's Employees Stock Option Scheme and administration of the Stock Option Plan.
3. Establishment and administration of employee compensation and benefit plans.
4. Such other matters as may, from time to time, be required by any statutory, contractual or other regulatory requirements to be attended to by the Compensation Committee.

The Compensation Committee met twice during the year, i.e. on April 14, 2007 and October 14, 2007. The minutes of the meetings are placed before the Board at its succeeding meeting for information. Quorum was present at all the meetings.

Details of attendance of Compensation Committee members at the committee meetings are given below:

Director	No. of Meetings	
	Held	Attended
Prof. J Ramachandran	2	2
Dr. Ashok Jhunjhunwala	2	2
Mr. Vinod K Dham	2	2

Share Transfer and Investor Grievance Committee

The Company has a "Share Transfer and Investor Grievance Committee" at the Board level inter alia to look into various issues relating to Investor Grievances including transfer and transmission of shares, issue of duplicate share certificates, non-receipt of dividend, Annual Report, etc. The Committee meets to approve share transfers, transmissions and issue of duplicate share certificates from time to time. Members of the Committee are Prof. J Ramachandran (Chairman), Mr. Rajiv C Mody and Dr. G Venkatesh.

The Committee met four times during the year on April 20, 2007, July 20, 2007, October 15, 2007 and January 18, 2008 to deliberate on the aforesaid matters. The minutes of the meetings are placed before the Board at its succeeding meeting for information. Quorum was present at all the meetings.

Details of the attendance of Committee members at the committee meetings are given below:

Director	No. of Meetings	
	Held	Attended
Prof. J Ramachandran	4	3
Mr. Rajiv C Mody	4	4
Dr. G Venkatesh	4	4

The shares of the Company are traded on the stock exchanges only in dematerialised form and are automatically transferred on delivery in dematerialised form. To expedite transfer of shares in physical segment, authority has been delegated to the Company Secretary to approve such share transfers.

As on March 31, 2008, there were no pending share transfers. Details of number of shares transferred during the year, time taken for effecting transfers and number of complaints received are given in the "Shareholder Information" section of the Annual Report.

Mr. R Vittal, Company Secretary acts as the Compliance Officer.

Management Discussion and Analysis

Management Discussion and Analysis Report forms part of this Annual Report and is in accordance with the requirements laid out in Clause 49 of the Listing Agreement with Stock Exchanges.

General Meetings

Details of last three Annual General Meetings of the Company are given below:

Year	Venue	Date	Time
2007	Registered Office of the Company	June 23, 2007	10.30 am
2006	Registered Office of the Company	June 17, 2006	10.30 am
2005	Registered Office of the Company	June 10, 2005	4.30 pm

Two Executive Directors (including the Chairman and Managing Director), four Non-Executive/Independent Directors (including Chairman of Audit Committee) attended the Annual General Meeting held on June 23, 2007.

Details of last three Extraordinary General Meetings of the Company are given below:

Year	Venue	Date	Time
2006	Registered Office of the Company	February 25, 2006	10.30 am
2005	Registered Office of the Company	March 28, 2005	5.00 pm
2004	Registered Office of the Company	July 16, 2004	4.30 pm

During the last three years, your Company passed Special Resolutions in respect of remuneration to directors, issue of Stock Options to Employees and issue of shares/depository receipts/FCCBs. In addition to the above resolutions, the Company passed a Special Resolution on September 11, 2006 by Postal Ballot method, in respect of change in "Objects of Issue" stated in the IPO Prospectus.

Other Disclosures

Related Party Transactions:

Disclosures on materially significant related party transactions, i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of Company at large:

None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company. There is no material transaction with any related party, which requires a separate disclosure. Schedule 16 of the Annual Accounts as at March 31, 2008 contains the list of related party relationships and transactions as required by Accounting Standard 18 on Related Party Disclosures issued by the Institute of Chartered Accountants of India.

Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any other statutory authority, on any matter related to capital markets, during the last three years:

The Company has complied with the requirements of the Stock Exchange or SEBI on matters relating to Capital Markets, as applicable from time to time.

Your Company has a Whistle Blower Policy in place. We confirm that no employee of the Company has been denied access to the Audit Committee in respect of any incident covered by the Whistle Blower Policy.

Means of Communication

Following information is displayed at Company's website **www. sasken.com** from time to time:

(1) Financial results at the end of each quarter of the year
(2) Relevant Press Releases
(3) Company Presentations
(4) Transcript of tele-conference with Investor Analysts at the end of each quarter
(5) Shareholding Pattern
(6) Annual Report

The financial results are published in The Business Standard (a National daily) and in Kannada Prabha (a Kannada daily). The last four quarterly results were published in the above dailies on April 21, 2007, July 21, 2007, October 17, 2007 and January 21, 2008.

The audited financial results for the half-year ended September 30, 2007 were sent by post to members of the Company.

All material information about the Company is promptly sent through facsimile to the Stock Exchanges where the Company's shares are listed and released to wire services and the Press for information of the public at large. Besides, the Company disseminates information through Press meets and Analyst meets. Your Company also disseminates information about Quarterly Financial Results, Shareholding Pattern, etc. in SEBI's Electronic Data Information Filing and Retrieval System (www.sebiedifar.nic.in).

Code of Conduct

All the Members of the Board and Senior Management personnel have affirmed compliance with the Company's Code of Conduct.

Bangalore
April 18, 2008

Rajiv C Mody
Chairman and Managing Director

General Shareholder Information

Forthcoming AGM

The next Annual General Meeting of the Company will be held on Monday, June 30, 2008 at 10.00 a.m. at the registered office of the Company at 139/25, Ring Road, Domlur, Bangalore 560 071.

Calendar for the financial year April 1, 2008 to March 31, 2009:

Event	Likely Board Meeting Schedule
Financial Reporting for the quarter ending June 30, 2008	Second fortnight of July 2008
Financial Reporting for the quarter ending September 30, 2008	Second fortnight of October 2008
Financial Reporting for the quarter ending December 31, 2008	Second fortnight of January 2009
Financial Reporting for the year ending March 31, 2009	Second fortnight of April 2009
	Likely Shareholder Meeting Schedule
Annual General Meeting for the year ending March 31, 2009	June – July 2009

Book Closure Date for the Purpose of Dividend

The Register of Members and Share Transfer Books will remain closed on June 28, 2008 to determine the entitlement of shareholders to receive the dividend as may be declared for the year ended March 31, 2008.

Payment of Dividend

Dividend on equity shares as recommended by the Directors for the year ended March 31, 2008, when declared at the Annual General Meeting will be paid on or before July 29, 2008:

(a) In respect of shares held in physical form to those members whose names appear on the Company's Register of Members, after giving effect to all valid share transfers in physical form lodged with the Company or the Share Transfer Agent – Messrs Karvy Computershare Pvt. Ltd. on or before June 27, 2008;

(b) In respect of shares held in electronic form, to those "deemed members" whose names appear in the statement of beneficial ownership furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) as on June 27, 2008.

Listing on Stock Exchange

Your Company's equity shares are listed on the following stock exchanges as at March 31, 2008:

Bombay Stock Exchange Ltd. (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. www.bseindia.com Scrip Code 532663	National Stock Exchange of India Ltd. (NSE) Exchange Plaza, 5th Floor, Bandra Kurla Complex, Bandra (East), Mumbai 400 051. www.nse-india.com Scrip Code SASKEN
ISIN Number for equity shares	INE231F01020

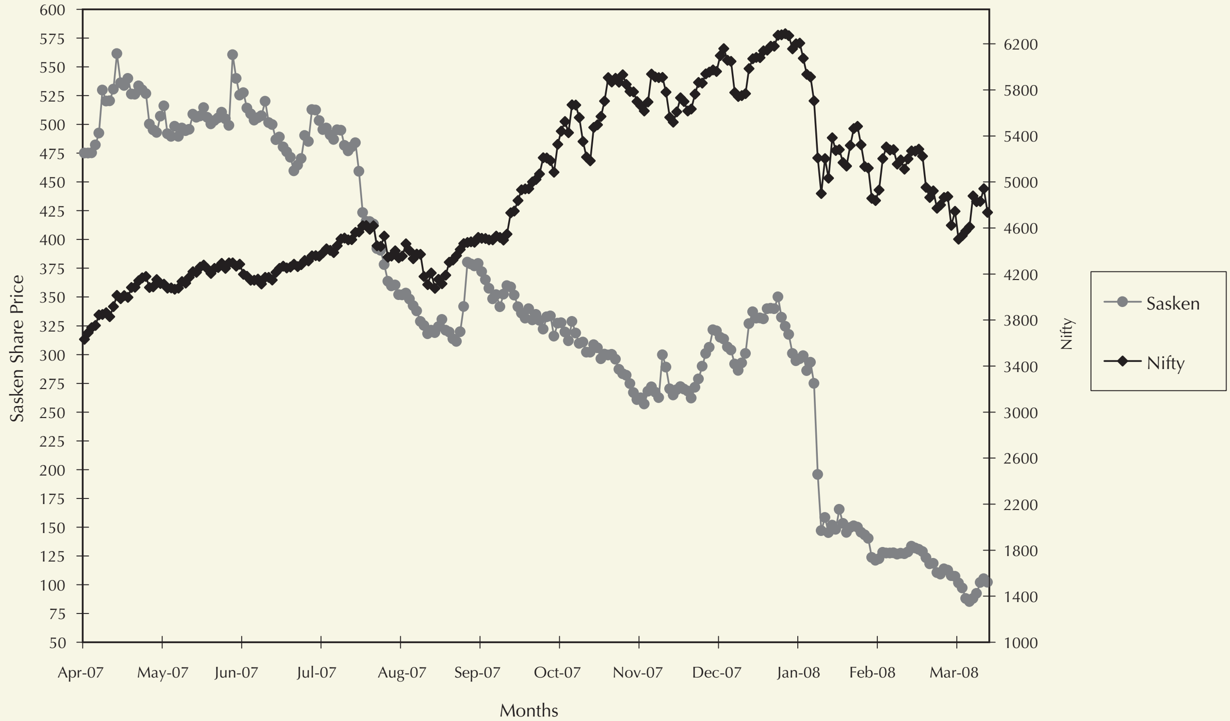
Listing fees for the year 2008-09 have been paid to both the Stock Exchanges.

Stock Market Data

The monthly high and low stock quotations during the financial year 2007-08 and performance in comparison to broad based indices are given below:

Financial year 2007-08	Price at NSE during each month (in Rs.)		S&P CNX Nifty Index during each month		Price at BSE during each month (in Rs.)		Sensex during each month	
	High	Low	High	Low	High	Low	High	Low
Apr	566.00	475.00	4,217.90	3,617.00	569.00	475.00	14,383.72	12,425.52
May	528.00	481.05	4,306.75	3,981.15	524.00	483.10	14,576.37	13,554.34
June	583.00	458.10	4,362.95	4,100.80	584.00	459.00	14,683.36	13,946.99
July	544.00	374.00	4,647.95	4,304.00	544.40	374.50	15,868.85	14,638.88
Aug	375.00	309.00	4,532.90	4,002.20	372.90	307.00	15,542.40	13,779.88
Sept	406.80	326.00	5,055.80	4,445.55	407.00	325.15	17,361.47	15,323.05
Oct	356.95	286.35	5,976.00	5,000.95	356.85	286.00	20,024.87	17,144.58
Nov	313.00	236.75	6,011.95	5,394.35	314.00	250.00	20,204.21	18,182.83
Dec	348.90	271.55	6,185.40	5,676.70	345.00	273.00	20,498.11	18,886.40
Jan	392.30	119.00	6,357.10	4,448.50	370.00	123.50	21,206.77	15,332.42
Feb	162.30	119.60	5,545.20	4,803.60	161.40	119.75	18,895.34	16,457.74
Mar	142.10	84.00	5,222.80	4,468.55	127.85	84.00	17,227.56	14,677.24

Stock Price Movement in National Stock Exchange Ltd.
Price Vs. S&P CNX Nifty Index



Investor Correspondence:

The Company Secretary
Sasken Communication Technologies Ltd.
139/25, Ring Road, Domlur,
Bangalore 560 071.
Tel: 080 3989 1122 Extn. 4914
Fax: 080 3981 3329/2535 1309
Email: investor@sasken.com

Registrar and Share Transfer Agent:

(For share transfers and other communication relating to share certificates, dividend and change of address)

Karvy Computershare Pvt. Ltd.
Plot No.17-24, Beside Image Hospital,
Vittalrao Nagar, Madhapur, Hyderabad 500 081.
Tel: 040 2344 0627
Fax: 040 2342 0814
Contact Person: Mr. K.S. Reddy, Asst. Gen. Manager
Email: ksreddy@karvy.com

Distribution of Shareholding as at March 31, 2008

No. of equity shares held	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
1 - 5,000	36,332	92.80	3,169,237	11.10
5,001 - 10,000	1,254	3.20	972,954	3.40
10,001 - 20,000	708	1.81	1,039,831	3.64
20,001 - 30,000	234	0.60	589,270	2.06
30,001 - 40,000	135	0.34	482,043	1.69
40,001 - 50,000	89	0.23	420,011	1.47
50,001 - 100,000	179	0.46	1,299,287	4.55
100,001 and above	219	0.56	20,588,160	72.09
Total	**39,150**	**100.00**	**28,560,793**	**100.00**

Shareholding Pattern as per Clause 35 of the Listing Agreement as at March 31, 2008

Category	No. of Shares	%
A. Promoters and Promoter Group		
Indian		
Individuals/Hindu Undivided Family	4,466,279	15.64
Bodies Corporate	1,802,218	6.31
Foreign		
Individuals/Hindu Undivided Family	1,283,478	4.49
Total Shareholding of Promoters and Promoter Group (A)	7,551,975	26.44
B. Public Shareholding		
Institutions		
Mutual Funds	1,819,657	6.37
Banks and Financial Institutions	21,500	0.08
Foreign Institutional Investors	1,806,802	6.33
Foreign Venture Capital Investors	490,500	1.72

Category	No. of Shares	%
Non-Institutions		
Bodies Corporate	2,486,946	8.71
Individual shareholders holding nominal share capital upto Rs.1 Lakh	6,587,024	23.06
Individual shareholders holding nominal share capital in excess of Rs.1 Lakh	2,613,449	9.15
Others:		
Trust	10,050	0.04
NRIs/Foreign Nationals	1,584,545	5.55
Foreign Investors	3,228,334	11.30
Clearing Members	360,011	1.26
Total Public Shareholding (B)	**21,008,818**	**73.56**
Total (A)+(B)	**28,560,793**	**100.00**
C. Shares held by Custodians and against which Depository Receipts have been issued	**0**	**0**
Grand Total (A)+(B)+(C)	**28,560,793**	**100.00**

List of Persons holding more than 1% of shares as on March 31, 2008

Sl. No.	Name of the shareholder	No. of Shares	% of Share Capital
1	Nortel Networks Mauritius Ltd.	3,228,334	11.30
2	Lekar Pharma Ltd.	722,552	2.53
3	Fidelity Trustee Company Pvt. Ltd. A/c. Fidelity International Opportunities Fund	700,000	2.45
4	C J Mody as Karta of HUF	662,077	2.32
5	Bipin Turakhia	585,145	2.05
6	R C Mody as Karta of HUF	539,976	1.89
7	MVC VI FVCI Ltd.	490,500	1.72
8	Nirav Shirish Mody	405,015	1.42
9	SBIMF – SBI One India Fund	400,000	1.40
10	Fidelity Trustee Company Pvt. Ltd. A/c. Fidelity India Special Situations Fund	399,954	1.40
11	Fidelity Funds – Pacific Fund	377,905	1.32
12	Sejal Pranabh Mody	372,231	1.30
13	Anusuya J Mody	368,206	1.29
14	Jyotindra B Mody	368,106	1.29
15	Nayna C Mody	338,534	1.19
16	Pranabh Dinesh Mody	318,506	1.12
17	Neeta K Jhaveri	316,297	1.11
18	Chandrakant Jamiyatram Mody	304,464	1.07

Details of Complaints

Description	2007-08	
	Received	Cleared
Non receipt of Refund Orders after IPO	4	4
Non Credit of Shares after IPO	1	1
Non receipt of Dividend	16	16
Total	**21**	**21**

There are no valid requests pending for share transfers as at March 31, 2008.

Other information useful for Shareholders

Share transfer requests are acted upon within 7-10 days from the date of their receipt at the Registered Office/Registrar. In case no response is received within 15 days of lodgement of transfer request, the lodger may write to the Company with full details so that necessary action could be taken to safeguard interests of the concerned against any possible loss/interception during postal transit. As mandated by the Stock Exchanges, the Company has designated investor@sasken.com as the exclusive e-mail ID for redressal of investor complaints. Investors are urged to make use of this facility.

Dematerialization requests duly completed in all respects are normally processed within 7 days from the date of their receipt.

Electronic Clearing Service/Mandates/Bank Details

Shareholders may note that Bank Account details given by them to their Depository Participants would be used for payment of dividend under Electronic Clearing Service facility. Shareholders desirous of modifying those instructions may write to the Share Transfer Agent, Karvy Computershare Pvt. Ltd. Hyderabad (for shares held in physical form) or to their respective Depository Participants (for shares held in electronic form), as early as possible and in any case before the date of next Annual General Meeting.

Unclaimed Dividends

Under the provisions of the Companies Act, 1956 dividends that remain unclaimed for a period of seven years from the date of declaration are required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. As at March 31, 2008, there was no amount remaining unclaimed pertaining to the dividend declared on June 8, 2001.

After expiry of seven years from the date of declaration of dividend no claims shall lie against the said Fund or the Company for the amounts of dividend so transferred nor shall any payment be made in respect of such claims. Members who have not encashed the dividend warrants issued after June 2001 may write to the Company and follow the procedure for claiming the amount.

Dematerialisation of Shares

Equity Shares of the Company can be traded on the Stock Exchanges only in dematerialized form and at present 80% of the shares are in demat. Considering the advantages of scripless trading including adding marketability to the shares, shareholders who are holding shares in physical form are requested to consider dematerializing their shareholding so as to avoid inconvenience in future.

General

Shareholders holding shares in physical form are requested to notify the Company/Registrar in writing, any change in their address and Bank Account details under the signature of sole/first joint holder. Beneficial owners of shares in demat form are requested to send their instructions regarding change of name, change of address, bank details, nomination, power of attorney, etc. directly to their Depository Participants (DP) as the same are maintained by the DP.

Non-resident shareholders are requested to notify at the earliest:

- Change in their residential status on return to India for permanent settlement;
- Particulars of their NRE Bank Account with a bank in India, if not furnished earlier;
- Email address, if any, to the Company.

In case of loss/misplacement of share certificates, investors should immediately lodge a FIR/Complaint with the police and inform the Company/Registrar along with copy of FIR/acknowledged copy of complaint.

For expeditious transfer of shares, shareholders should fill in complete and correct particulars in the transfer deed. Wherever applicable, registration number of Power of Attorney should also be quoted in the transfer deed at the appropriate place.

Shareholders are requested to maintain record of their specimen signature before lodgement of shares with the Company to obviate possibility of difference in signature at a later date.

Shareholder(s) of the Company who have multiple accounts in identical name(s) or holding more than one Share Certificate in the same name under different Ledger Folio(s) are requested to apply to the Company for consolidation of such Folio(s) with the relevant share certificates.

Nomination in respect of shares – Section 109A of the Companies Act, 1956 provides facility for making nominations by shareholders in respect of their holding of shares. Such nomination greatly facilitates transmission of shares from the deceased shareholder to his/her nominee without having to go through the process of obtaining Succession Certificate/Probate of the Will, etc. It would therefore be in the best interests of the shareholders holding shares in physical form registered as a sole holder to make such nominations. Please write to the Company Secretary for a nomination form.

Shareholders holding shares in demat form are advised to contact their DP for making nominations.

Some of the shareholders have not yet exchanged their old share certificates for new share certificates necessitated by the consolidation of capital effected by the Company in July 2004 (i.e. consolidation of two old shares of Rs.5 each into one new share of Rs.10). Such holders are advised to send the share certificates immediately. If the share certificates for exchange are brought in person, the new share certificates will be provided on the spot. If the share certificates are sent by post, the new share certificates will be sent under Registered Post within 2 days from the date of receipt of the old share certificates. It is needless to mention that the old share certificate(s) cannot be submitted for dematerialization.

Shareholders are requested to quote their E-mail IDs, Telephone/Fax numbers for prompt reply to their communication.

We solicit suggestions for improving the investor services.

Our Contact Details:

Address	Telephone	Fax
Sasken Communication Technologies Ltd. 139/25, Ring Road, Domlur, Bangalore 560 071, India	+91 80 3989 1122	+91 80 3981 3329
Maruthi Info Tech Center, Survey No: 11/1,12/1, Koramangala – Indira Nagar Inner Ring Road, AmarJyoti Layout, Bangalore 560 071, India	+91 80 3989 1122	+91 80 3981 3329
Gold Hill Square, No. 690, Hosur Main Road Bommanahalli, Bangalore 560 068, India	+91 80 3989 1122	+91 80 3981 3329
Bagmane Parin Building, Bagmane Tech Park, Sy. No.65/2, Byrasandra Village, C V Raman Nagar, Bangalore 560 093, India	+91 80 3989 1122	+91 80 3981 3329
S.R Chambers, Plot No. 2/A, S.No 162, H.No. 4A/5A, D.P Road, Aundh, Pune 411 007, India	+91 20 3989 1122	+91 20 2588 1333
III Floor, TPL House, No.3, Cenotaph Road Chennai 600 018, India	+91 44 3989 1122	+91 44 2436 4914
Niederlassung Deutschland. Beethovenstrasse 8-10 60325 Frankfurt, AM Main, Germany	+49 699 755 4525	+49 699 755 4100
Solna Strandväg 78, SE-171 54 Solna, Stockholm, Sweden	+46 8 50 52 1036	+46 8 50 52 1010
3000, Cathedral Hill, Guildford Surrey, GU2 7YB, UK	+44 1483 243 572	+44 1483 245 184

Address	Telephone	Fax
One Burlington Business Center, 67 South Bedford Street, Suite 400W, Burlington, MA 01803, USA	+1 781 229 5828	+1 781 359 1808
1700 Alma Dr, Suite # 350, Plano, TX 75075–6932, USA	+1 972 943 1040	+1 972 943 1047
2900 Gordon Avenue, Suite 105 Santa Clara, CA 95051, USA	+1 408 730 0114	+1 408 774 1007

Subsidiary Companies

Address	Telephone	Fax
Sasken Network Engineering Ltd. 139/25, Ring Road, Domlur, Bangalore 560 071, India	+91 80 3989 1122	+91 80 3981 3329
Sasken Network Engineering Ltd. Krishik Sarvodaya Foundation Bldg. 15, Golf Avenue Rd., Off Airport Rd. Bangalore - 560 008, India	+91 80 5126 5236	+91 80 5126 5235
Sasken Communication Technologies (Shanghai) Co. Ltd. Room 14505, No.498, Guoshoujing Road, Shanghai 201 203, China	+86 21 5080 0699	+86 21 5080 0841
Sasken Communication Technologies (Representative Office) 11A61, Shanghai Mart, Yan'An Xi Road No. 2299, Shanghai 200 336, China	+86 21 6236 0675	+86 21 6236 0676
Sasken Communication Technologies Oy Elektroniikkatie 8, FI-90570, Oulu, Finland	+358 10 408 1111	+358 8 551 3471
Sasken Finland Oy Hermiankatu 12B, FI-33720, Tampere, Finland	+358 10 408 1111	+358 3 318 6100
Sasken Finland Oy Lemminkäisenkatu 46, FI-20520, Turku, Finland	+358 10 408 1111	+358 6 861 2370
Sasken Finland Oy Elektronikkatie 8, FI-90570, Oulu, Finland	+358 10 408 1111	+358 8 551 3471
Sasken Finland Oy P.O. Box 29 FI-69601, Kaustinen, Finland	+358 10 408 1111	+358 6 861 2370
Sasken Japan KK Shinkawaya Center, Bldg 3F, 4-24-5 Kuji, Takatsu-ku, Kawasaki-Shi, Kanagawa Pref. 213-0032, Japan	+81 44 850 9860	+81 44 850 9861
Sasken Communication Technologies México S.A. de C.V. Carretera Miguel Alemian K.M 14.5, Apodaca, 666433, Nuevo Leon, Mexico	+52 81 8625 7400	+52 81 8625 7447
Sasken Network Solutions Inc. 1700 Alma Dr, Suite # 350, Plano, TX 75075–6932, USA	+1 972 943 1040	+1 972 943 1047
Sasken Inc. 1700 Alma Dr, Suite # 350, Plano, TX 75075–6932, USA	+1 972 943 1040	+1 972 943 1047

Financial Statements in Compliance with Indian GAAP

Auditors' Report

To
The Members of Sasken Communication Technologies Ltd.

1. We have audited the attached Balance Sheet of Sasken Communication Technologies Ltd. ("the Company") as at March 31, 2008, the Profit and Loss Account and the Cash Flow Statement for the year then ended annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditors' Report) Order, 2003 (as amended), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to above, we report that:

   (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (d) In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

   (e) On the basis of the written representations received from the directors, as on March 31, 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2008 from being appointed as a director in terms of clause (g) of sub-Section (1) of Section 274 of the Companies Act, 1956;

   (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2008;

      (ii) in the case of the Profit and Loss Account, of the profit for the year then ended on that date; and

      (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For S R Batliboi & Co.
Chartered Accountants

per Sunil Bhumralkar
Partner
Membership No. 35141

Bangalore
April 18, 2008

Annexure Referred to in Paragraph 3 of our Report of Even Date
Re: Sasken Communication Technologies Ltd.

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.

(c) There was no substantial disposal of fixed assets during the year.

(ii) In our opinion and according to the information and explanations given to us, in view of the nature of activities of the Company, the provisions of Clause 4(ii) relating to inventory is not applicable to the Company.

(iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

(b) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

(iv) In our opinion and according to the information and explanations given to us, as represented by the management that some items are of a special nature for which alternative quotations cannot be obtained, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of software products and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.

(v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered into the register maintained under Section 301 have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transaction made in pursuance of such contracts or arrangements exceeding value of Rupees Five Lakhs has been entered into during the financial year at a price which is reasonable having regard to the prevailing market price at the relevant time.

(vi) The Company has not accepted any deposits from the public.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 for the software products and services of the Company.

(ix) (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs)	Period	Forum where dispute is pending
Income Tax Act, 1961	Income Taxes	922,850	AY 1992-93	Karnataka High Court
Income Tax Act, 1961	Income Taxes	6,296,583	AY 1999-00	CIT (Appeals)
Income Tax Act, 1961	Income Taxes	2,076,872	AY 2000-01	Karnataka High Court
Income Tax Act, 1961	Income Taxes	1,228,186	AY 2001-02	ITAT
Income Tax Act, 1961	Income Taxes	18,591,921	AY 2002-03	CIT (Appeals)
Income Tax Act, 1961	Income Taxes	4,450,321	AY 2003-04	CIT (Appeals)
Income Tax Act, 1961	Income Taxes	3,577,596	AY 2004-05	CIT (Appeals)
Income Tax Act, 1961	Income Taxes	38,655,760	AY 2005-06	CIT (Appeals)
Income Tax Act, 1961	Non-withholding of Income Taxes	17,898,637	AY 2006-07	CIT (Appeals)
KVAT Act, 2003	KVAT	3,619,006	FY 2003-04	JCCT (Appeals)
CST Act, 1965	CST	224,988	FY 2003-04	JCCT (Appeals)
KVAT Act, 2003	KVAT	17,706,763	FY 2005-06	JCCT (Appeals)
CST Act, 1965	CST	8,441,022	FY 2005-06	JCCT (Appeals)
KVAT Act, 2003	KVAT	20,608,999	FY 2006-07	JCCT (Appeals)
CST Act, 1965	CST	12,547,166	FY 2006-07	JCCT (Appeals)
Total		**156,846,690**		

Note : Of the above, Rs.77,044,628 has been deposited.

(x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

(xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution or bank. The Company did not have any outstanding debentures during the year.

(xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof in our opinion are not prima-facie prejudicial to the interest of the Company.

(xvi) The Company did not have any term loans outstanding during the year.

(xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet and Cash Flow Statement of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.

(xix) The Company did not have any outstanding debentures during the year.

(xx) The Company has not raised any money through a public issue during the year.

(xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For S R Batliboi & Co.
Chartered Accountants

per Sunil Bhumralkar
Partner
Membership No. 35141

Bangalore
April 18, 2008

Balance Sheet

Amount in Rs.Lakhs

	Schedule No.	As at March 31, 2008	As at March 31, 2007
Sources of Funds			
Shareholders' Funds			
Share Capital	1	2,856.08	2,850.01
Employee Stock Options Outstanding (Net of deferred compensation Cost (Refer Note 10 in the Notes to Accounts)		524.86	172.40
Reserves and Surplus	2	39,431.36	38,817.71
Total Sources		**42,812.30**	**41,840.12**
Application of Funds			
Fixed Assets	3		
Gross Block		21,038.03	20,144.37
Less : Accumulated Depreciation		12,654.04	10,609.72
Net Block		8,383.99	9,534.65
Capital Work in Progress including Capital Advances		58.56	408.34
Total		**8,442.55**	**9,942.99**
Capitalized Software Products (Net of Amortization)		2,123.62	3,327.36
Investments	4	18,549.73	17,556.33
Current Assets, Loans and Advances			
Inventories	5	184.50	30.94
Sundry Debtors	6	9,682.67	7,673.32
Cash and Bank Balances	7	3,109.75	1,702.87
Loans and Advances	8	6,758.32	6,787.90
Total	(A)	**19,735.24**	**16,195.03**
Less: Current Liabilities and Provisions	9		
Current Liabilities		3,333.16	3,585.55
Provisions		2,705.68	1,596.04
Total	(B)	**6,038.84**	**5,181.59**
Net Current Assets	(A-B)	13,696.40	11,013.44
Total Applications		**42,812.30**	**41,840.12**
Notes to Accounts	16		

The Schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

As per our report of even date.

For S R Batliboi & Co.
Chartered Accountants

per Sunil Bhumralkar
Partner
Membership No. 35141

Place: Bangalore
Date : April 18, 2008

For and on behalf of the Board of Directors

Rajiv C Mody
Managing Director

G Venkatesh
Wholetime Director

Neeta Revankar
Chief Financial Officer

R Vittal
Company Secretary

Profit and Loss Account

Amount in Rs.Lakhs

	Schedule No.	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007
Revenues		38,925.12	36,630.72
Cost of Revenues	10	28,089.83	24,118.08
Gross Profit		**10,835.29**	**12,512.64**
Research and Development Expenses	11	2,145.94	2,168.19
Gross Profit after Research and Development Expenses		8,689.35	10,344.45
Selling and Marketing Expenses	12	2,299.33	2,226.32
Administrative and General Expenses	13	4,079.79	4,223.96
Employee stock Option compensation Cost (Net) (Refer Note 10 in the Notes to Accounts)		359.71	168.17
Profit from Operations		**1,950.52**	**3,726.00**
Amortization-Non Compete Fees		154.10	224.41
Other Income	14	341.36	744.72
Exchange Gain/(Loss) (Net) (Refer Note 3(a) in the Notes to Accounts)		1,782.23	235.16
Provision for Diminution in Value of Investments		144.89	–
Profit Before Interest and Income Taxes		**3,775.12**	**4,481.47**
Interest Expense	15	–	64.59
Profit Before Taxes		**3,775.12**	**4,416.88**
Income Tax expense, Net (Refer Note 8 in Notes to Accounts)		1,146.47	514.52
Fringe Benefit Tax		135.12	89.26
Profit After Tax		**2,493.53**	**3,813.10**
Add: Balance Brought Forward		8,264.00	5,338.42
Add: Balance in Profit and Loss Account of SNS (Refer Note 4 (a) in Notes to Accounts)		–	827.54
Less: Adjustment for transitional provision under Revised AS 15 (Refer Note 3 (b) in Notes to Accounts)		(657.30)	–
Profit Available for Appropriation		**10,100.23**	**9,979.06**
Proposed Equity Dividend		1,142.43	1,140.01
Tax on Dividend		194.16	193.74
Transfer to General Reserve		249.36	381.31
Balance Carried to Balance Sheet		8,514.28	8,264.00
Earnings Per Share (EPS) (Equity Share par Value Rs.10 each)			
Basic		8.74	13.57
Diluted		8.73	13.36
Weighted Average Number of Equity Shares Used in Computation of			
Basic EPS		28,532,146	28,099,694
Diluted EPS		28,548,881	28,532,926
(Refer Note 13 in Notes to Accounts)			
Notes to Accounts	16		

The Schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account.

As per our report of even date.

For S R Batliboi & Co.
Chartered Accountants

per Sunil Bhumralkar
Partner
Membership No. 35141

Place: Bangalore
Date : April 18, 2008

For and on behalf of the Board of Directors

Rajiv C Mody
Managing Director

G Venkatesh
Wholetime Director

Neeta Revankar
Chief Financial Officer

R Vittal
Company Secretary

Cash Flow Statement

Amount in Rs.Lakhs

	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007
A. Cash Flows from Operating Activities:		
Net Profit Before Tax	3,775.12	4,416.88
Adjustments for:		
Depreciation	1,949.59	1,647.97
Amortization of Non Compete Fees	154.10	224.41
Amortization of Technical Knowhow	79.02	11.57
Amortization of Capitalized Software Costs	1,203.74	252.29
Other Non-Cash (Writeback)/Charges	466.89	89.85
Foreign Exchange Adjustments	632.05	(548.98)
Interest Expense	–	64.59
Other Income	(260.43)	(707.89)
Operating Profit Before Working Capital Changes	8,000.08	5,450.69
Adjustments for:		
(Increase)/Decrease in Sundry Debtors	(1,913.64)	(1,769.34)
(Increase)/Decrease in Work in Progress	(153.56)	143.17
(Increase)/Decrease in Loans and Advances	(1,008.12)	(1,077.79)
Increase/Decrease) in Current Liabilities and Provisions	555.13	991.30
Cash Generated from Operations	5,479.89	3,738.03
Taxes (Paid)/Received, Net	(1,135.25)	(687.86)
Net Cash from operations	**4,344.64**	**3,050.17**
B. Cash Flows from Investing Activities:		
Purchase of Fixed Assets and Intangible Assets	(1,083.61)	(2,289.55)
Sale of Fixed Assets	141.63	–
Capitalization of Software Product Development Expenses	–	(1,481.54)
Interest Received and Other Income	2.78	21.74
Sale/(Purchase) of Investments Net	1,859.74	15,602.06
Investment in Subsidiary	(1,823.81)	(13,287.80)
Acquisition of Subsidiaries	–	(17.21)
Investment in Joint Ventures	(771.24)	(480.82)
Loans/Advances given to/taken from Subsidiaries	64.45	(956.47)
Investment in Deposits	(16.50)	(30.26)
Net Cash from/(used in) Investing Activities	**(1,626.56)**	**(2,919.85)**

Amount in Rs.Lakhs

	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007
C. Cash Flows from Financing Activities:		
Proceeds from issue of shares (includes share application money), Net of share issue expenses	112.83	1,001.25
Proceeds from Short Term Loan and Bridge Loan	–	14,500.00
Repayment of Short term Loan and Bridge Loan	–	(14,500.00)
Dividend Paid inclusive of dividend Tax	(1,333.75)	(955.63)
Interest Paid	–	(64.59)
Net cash (used in)/from financing activities	**(1,220.92)**	**(18.97)**
Net increase in Cash and Bank Balances (A+B+C)	1,497.16	111.35
Effect of translation on Bank balance	(106.78)	(51.09)
Cash and Bank Balances at the beginning of the year	1,672.61	1,136.34
Addition on Merger of Subsidiary – Integrated Softtech Solutions Pvt. Ltd.	–	132.20
Addition on Merger of Subsidiary – Sasken Network Systems Ltd.	–	343.81
Cash and Bank Balances at the end of the year (Refer Note 6 (n) in the Notes to Accounts)	**3,062.99**	**1,672.61**
Supplementary Non-cashflow information		
Investment in Subsidiary through Conversion of Loan	174.72	300.00
Dividends Received and Re-Invested in Units of Mutual Funds	178.35	463.36

As per our attached report of even date.

For S R Batliboi & Co.
Chartered Accountants

per Sunil Bhumralkar
Partner
Membership No. 35141

Place: Bangalore
Date : April 18, 2008

For and on behalf of the Board of Directors

Rajiv C Mody
Managing Director

G Venkatesh
Wholetime Director

Neeta Revankar
Chief Financial Officer

R Vittal
Company Secretary

Schedules Forming Part of the Balance Sheet

Amount in Rs.Lakhs

	As at March 31, 2008	As at March 31, 2007
Schedule 1		
Share Capital		
Authorised Capital		
50,000,000 Equity Shares of Rs.10 each (At March 31, 2007, 50,000,000 Equity Shares of Rs.10 each)	5,000.00	5,000.00
Total	**5,000.00**	**5,000.00**
Issued, Subscribed and Paid Up Capital		
28,560,793 Equity Shares of Rs.10 each fully paid up (At March 31, 2007, 28,500,136 Equity Shares of Rs.10 each fully paid up) [Of the above, 5,675,000 Equity Shares of Rs.10 each have been alloted as fully paid up Bonus shares by capitalization of balance in Profit and Loss Account of Rs.502.83 Lakhs and General Reserve of Rs.64.67 Lakhs]	2,856.08	2,850.01
Total	**2,856.08**	**2,850.01**
Schedule 2		
Reserves and Surplus **Securities Premium**		
Opening Balance	29,042.15	28,024.19
Add: Received during the year	114.01	1,017.96
Total	**29,156.16**	**29,042.15**
General Reserve		
Opening Balance	1,511.56	1,160.47
Adjustments due to Merger		
Add: Transfer of Balance in Profit and Loss Account as at April 1, 2005 of SNS (Refer Note 4 (a) in Notes to accounts)	–	167.79
Less: Transfer of Balance in Profit and Loss Account as at April 1, 2006 of Isofttech (Refer Note 4 (b) in Notes to accounts)	–	(70.76)
Less: Adjustment arising on merger of Isofttech	–	(127.25)
Add: Transferred from Profit and Loss Account	249.36	381.31
Total	**1,760.92**	**1,511.56**
Profit and Loss Account	8,514.28	8,264.00
Total	**39,431.36**	**38,817.71**

Schedule 3 – Fixed Assets

Amount in Rs.Lakhs

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Balance as at April 1, 2007	Additions during the year	Deletions during the year	Balance as at March 31, 2008	Balance as at April 1, 2007	For the year	Deletions for the year	Balance as at March 31, 2008	As at March 31, 2008	As at March 31, 2007
Land	2,287.67	–	–	2,287.67	–	–	–	–	2,287.67	2,287.67
Building	3,310.98	–	–	3,310.98	959.98	167.72	–	1,127.70	2,183.28	2,351.00
Leasehold Improvements	431.56	197.22	68.74	560.04	167.81	118.20	38.25	247.76	312.28	263.75
Computers	4,694.71	266.13	0.53	4,960.31	2,999.42	751.26	0.38	3,750.30	1,210.01	1,695.29
Electrical Fittings	287.71	4.64	0.11	292.24	156.43	27.63	0.02	184.04	108.20	131.28
Furniture and Fittings	2,006.45	258.78	179.54	2,085.69	947.32	228.41	65.70	1,110.03	975.66	1,059.13
Plant and Machinery including Office Equipment	4,211.75	183.03	43.64	4,351.14	3,038.08	362.40	34.04	3,366.44	984.70	1,173.67
Intangible Assets - Computer Software	2,281.61	232.77	–	2,514.38	2,010.67	293.97	–	2,304.64	209.74	270.94
- Technical Knowhow and Contract Rights	138.85	43.65	–	182.50	11.57	79.02	–	90.59	91.91	127.28
- Non Compete Fees	493.08	–	–	493.08	318.44	154.10	–	472.54	20.54	174.64
Total	**20,144.37**	**1,186.22**	**292.56**	**21,038.03**	**10,609.72**	**2,182.71**	**138.39**	**12,654.04**	**8,383.99**	**9,534.65**
Balance as at March 31, 2007	18,401.74	2,962.90	1,220.27	20,144.37	8,959.45	2,318.36	668.09	10,609.72	9,534.65	–

Note: Refer Note 4(a) and 4(b) in Notes to Accounts pertaining to mergers.

Amount in Rs.Lakhs

	As at March 31, 2008	As at March 31, 2007
Schedule 4		
Investments		
A. Long term – Unquoted, Non Trade, at Cost		
a) Investment in subsidiaries/joint venture (JV) companies		
Sasken Network Engineering Ltd.		
(i) 3,050,000 equity shares of Rs.10 each, fully paid up	305.00	305.00
(As on March 31, 2007 – 3,050,000 equity shares of Rs.10 each)		
(ii) 263,722 Optionally convertible debentures of Rs.100 each, fully paid up	263.71	263.71
(As on March 31, 2007 – 263,722 Optionally convertible debentures of Rs.100 each)		
Sasken Communication Technologies Mexico, S.A. de C.V. 99 equity shares of Rs.2,031.69 each (Mexican Peso 500 each) and 9500 equity shares of Rs.1,839.10 each (Mexican Peso 500 each), fully paid up (As on March 31, 2007 – 99 equity shares of Rs.2,031.69 each)	176.75	2.03
Sasken Communication Technologies (Shanghai) Co. Ltd. (towards equity capital, fully paid up)	144.88	114.55
Less: Provision for diminution in Value of Investment	(144.88)	–
Sasken Communication Technologies Oy		
(i) 22,008,000 equity shares of Rs.59.86 each (Euro 1 each), fully paid up	13,173.25	13,173.25
(ii) 1,350,000 equity shares of Rs.57.79 each (Euro 1 each),fully paid up	780.20	–
(As on March 31, 2007 – 22,008,000 equity shares of Rs.59.86 each (Euro 1 each))		
(iii) Invested Unrestricted equity	379.54	–
Sasken Japan KK		
101,100 Shares of Rs.42.56 each (Yen 100 each), fully paid up	43.03	–
(As on March 31, 2007 – Nil)		
Sasken Inc		
1,500,000 shares of Rs.39.38 each (USD 1 each), fully paid up	590.70	–
(As on March 31, 2007 – Nil)		
Investment in JV – ConnectM Technology Solutions Pvt. Ltd.		
(i) 4,080,000 shares of Rs.10 each, fully paid up	408.00	–
(As on March 31, 2007 – Nil) [also refer Note 5 (b) in the Notes to Accounts]		
(ii) Share application money	8.24	–
Investment in JV – TACO Sasken Automotive Electronics Pvt. Ltd. 3,722,125 equity shares of Rs.10 each, fully paid up (Also refer Note 5 (a) in the Notes to Accounts) As on March 31, 2007 – 172,125 equity shares of Rs.10 each	372.21	17.21
b) Other Investments		
14,584 fully paid common stock of 2Wire Inc, a company incorporated in USA	83.00	83.00
(As on March 31, 2007 – 14,584 fully paid common stock)		
Less: Provision for diminution in value of investment	(50.86)	(50.86)

Amount in Rs.Lakhs

	As at March 31, 2008	As at March 31, 2007
392,285 fully paid equity shares of Rs.10 each of Prime Telesystems Ltd. (As on March 31, 2007 – 392,285 fully paid common stock)	240.00	240.00
Less: Provision for diminution in Value of investment	(240.00)	(240.00)
203,500 common shares of Extandon Inc, a company incorporated in USA (Refer Note 6(e) in the Notes to Accounts)	0.23	0.23
B. Current – Non Trade, Quoted at Lower of Cost and Net Realizable Value		
– HSBC Liquid Plus-Inst. Plus-Daily Dividend [As at March 31, 2008 – Nil Units]; [Market Value – Rs. Nil] [As at March 31, 2007 – 14,665,193.05 Units of Rs.10.01 each] [Market Value – Rs.1,468.37 Lakhs]	–	1,467.28
– Deutsche Floating Rate Fund Regular Plan Weekly Dividend [As at March 31, 2008 – 6,031,998 Units of Rs.10.0509] [Market Value – Rs.606.51] [As at March 31, 2007 – Nil Units] ; [Market Value – Rs. Nil]	606.28	–
– HSBC Fixed Term Series 1 – Growth [As at March 31, 2008 – Nil Units]; [Market Value – Rs. Nil] [As at March 31, 2007 – 5,007,063.33 Units of Rs.10.440 each] [Market Value – Rs.543.05 Lakhs]	–	500.71
– LIC MF Liquid Plus Fund – Daily Dividend Plan [As at March 31, 2008 – 1,003,281.597 Units of Rs.10.000 each] [Market Value – Rs.100.33 Lakhs] [As at March 31, 2007 – 6,208,389.61 Units of Rs.10.980 each] [Market Value – Rs.681.69 Lakhs]	100.33	681.69
– TATA Fixed Horizon Fund – Series 5 [As at March 31, 2008 – Nil Units]; [Market Value – Rs. Nil] [As at March 31, 2007 – 4,500,000.00 Units of Rs.10.000 each] [Market Value – Rs.450.49 Lakhs]	–	450.00
– TFLD Tata Floater Fund – Daily Dividend [As at March 31, 2008 – 7,172,181.985 Units of Rs.10.0356 each] [Market Value – Rs.719.77 Lakhs] [As at March 31, 2007 – 21,616.98 Units of Rs.1,002.300 each] [Market Value – Rs.216.66 Lakhs]	719.77	216.66
- Reliance Liquidity Fund [As at March 31, 2008 – Nil Units]; [Market Value – Rs. Nil] [As at March 31, 2007 – 3,317,616.72 Units of Rs.10.003 each] [Market Value – Rs.331.87 Lakhs]	–	331.87
- Birla Cash Plus – Instl. Premium – Daily Dividend Reinvestment [As at March 31, 2008 – 5,891,979.827 Units of Rs.10.0195 each] [Market Value – Rs.590.35 Lakhs] [As at March 31, 2007 – Nil Units]; [Market Value – Rs. Nil]	590.35	–
Total	**18,549.73**	**17,556.33**

Amount in Rs.Lakhs

	As at March 31, 2008	As at March 31, 2007
Schedule 5		
Inventories		
Work-in-progress	184.50	30.94
Total	**184.50**	**30.94**
Schedule 6		
Sundry Debtors		
a) Debts Outstanding for a Period Exceeding Six Months		
– Unsecured, Considered Good	169.39	49.22
– Unsecured, Considered Doubtful	278.73	218.11
B) Other Debts		
– Unsecured, Considered Good	9,513.28	7,624.10
Less: Provisions	(278.73)	(218.11)
Total	**9,682.67**	**7,673.32**

Amount in Rs.Lakhs

	As at March 31, 2008	As at March 31, 2007
Schedule 7		
Cash and Bank Balances		
Cash on Hand	10.68	14.51
Balances with:		
Scheduled Banks		
– in Current Accounts	2,311.85	1,090.46
– in Deposit Accounts [held as margin money for bank guarantees/letters of credit as on March 31, 2008 – Rs.46.76 Lakhs; As on March 31, 2007 – Rs.30.26 Lakhs]	451.64	186.12
Other Banks		
– Barclays Bank, UK (GBP)	94.88	88.60
– Bank of America, USA (USD)	149.10	245.09
– Bank of Montreal, Canada (CAD)	28.96	7.48
– Summitomo Bank, Japan (JPY)	6.75	9.84
– Kawasaki Shinkim Bank, Japan (JPY)	1.35	1.43
– China Minsheng Banking Corporation (USD)	0.09	4.55
– China Minsheng Banking Corporation (CNY)	2.76	2.15
– Nordbanken AB, Sweden (SEK)	20.63	6.62
– Hypo Vereins Bank, Germany (EUR)	31.06	46.02
Total	**3,109.75**	**1,702.87**
Maximum amount outstanding at any time during the year in other banks		
Current Accounts		
– Barclays Bank, UK (GBP)	328.41	321.01
– Bank of America, USA (USD)	1,355.14	905.48
– Bank of Montreal, Canada (CAD)	80.02	42.38
– Summitomo Bank, Japan (JPY)	98.94	58.26
– China Minsheng Banking Corporation (USD)	4.13	26.50
– China Minsheng Banking Corporation (CNY)	7.64	7.61
– Nordbanken AB, Sweden (SEK)	29.55	16.12
– Hypo Vereins Bank, Germany (EUR)	64.05	54.56
Deposit Account		
– Kawasaki Shinkim Bank, Japan (JPY)	2.93	14.56

Amount in Rs.Lakhs

	As at March 31, 2008	As at March 31, 2007
Schedule 8		
Loans and Advances (Unsecured, considered good)		
Due from Subsidiary Companies		
– Sasken Inc. [maximum amount outstanding during the year – Rs.6.5 Lakhs], [March 31, 2007 – Nil]	6.50	–
– Sasken Network Engineering Ltd. [maximum amount outstanding during the year – Rs.635.58 Lakhs], [March 31, 2007 – Rs.447.60 Lakhs]	635.58	430.78
– Sasken Communication Technologies – Mexico S.A. de C.V., [maximum amount outstanding during the year – Rs.338.03 Lakhs], [March 31, 2007 – Rs.370.77 Lakhs]	338.03	205.66
– Sasken Finland Oy [maximum amount outstanding during the year – Rs.73.51 Lakhs], [March 31, 2007 – Rs.73.51 Lakhs]	14.92	73.51
– Sasken Communication Technologies Oy [maximum amount outstanding during the year – Rs.112.60 Lakhs], [March 31, 2007 – Rs.104.06 Lakhs]	112.60	103.56
– Sasken Communication Technologies (Shanghai) Co. Ltd. [maximum amount outstanding during the year – Rs.4.60 Lakhs], [March 31, 2007 – Rs.5.10 Lakhs]	4.60	0.09
Loan to Sasken Network Engineering Ltd. [maximum amount outstanding during the year – Rs.455.00 Lakhs], [March 31, 2007 – Rs.755.00 Lakhs]	305.00	455.00
Loan to Sasken Communication Technologies Mexico S.A. de C.V. [maximum amount outstanding during the year – Rs.655.25 Lakhs], [March 31, 2007 – Rs.669.13 Lakhs]	272.21	655.25
Advances recoverable in cash or in kind or for Value to be received	1,267.35	1,858.63
Deposits with Government Departments and others	1,612.60	1,533.11
Loans and Advances to Staff	336.87	267.45
Unbilled Revenues	1,525.54	732.00
Advance Income Tax/Fringe Benefit Tax (Net of Provision)	326.52	472.86
Total	**6,758.32**	**6,787.90**

Amount in Rs.Lakhs

	As at March 31, 2008	As at March 31, 2007
Schedule 9		
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors for Goods, Expenses and Services		
– Total outstanding dues of creditors other than Micro, Medium and Small Enterprises [Includes dues to subsidiaries – Rs.70.84 Lakhs] [as on March 31, 2007 – Rs.24.57 Lakhs]	2,259.73	2,895.75
Other Liabilities	834.89	585.37
Deferred Revenues	197.75	–
Advance Received from Customers	40.79	104.43
Total (A)	**3,333.16**	**3,585.55**
Provisions		
Proposed Equity Dividend	1,142.43	1,140.01
Tax on Equity Dividend	194.16	193.74
Provision for Warranty	97.98	6.09
Provision for Gratuity	105.25	86.09
Provision for Employee Compensated Absences	838.04	170.11
Provision for Other Defined Benefit Plans	327.82	–
Total (B)	**2,705.68**	**1,596.04**
Total (A) + (B)	**6,038.84**	**5,181.59**

Amount in Rs.Lakhs

	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007
Schedule 10		
Cost of Revenues		
Salaries and Bonus	18,812.98	17,124.70
Contribution to Provident and Other Funds	1,162.79	850.94
Staff Welfare	202.34	201.10
Recruitment and Relocation	139.66	272.83
Rent	1,493.09	980.74
Repairs and Maintenance		
– Plant and Machinery	239.44	386.58
– Building	258.87	135.88
– Others	159.18	183.51
Communication Expenses	286.75	250.23
Travel Expenses	434.77	467.51
Electricity and Water Charges	630.63	548.99
Professional and Consultancy Charges	627.11	422.29
Depreciation	1,564.47	1,243.98
Contract Staff Cost	563.21	146.33
Software Expenses	157.55	251.02
Training and Conference Expenses	135.90	183.32
Warranty Expenses	91.89	6.09
Sub Total	**26,960.63**	**23,656.04**
Amortization of Capitalized Software Product Costs	1,203.74	307.30
Amortization of Technical Knowhow and Contract Rights	79.02	11.57
Add: Opening Balance of Work-in-Progress	30.94	174.11
Less: Closing Balance of Work-in-Progress	(184.50)	(30.94)
Total	**28,089.83**	**24,118.08**

Amount in Rs.Lakhs

	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007
Schedule 11		
Research and Development Expenses		
Salaries and Bonus	1,255.66	1,542.51
Contribution to Provident and Other Funds	90.25	99.97
Staff Welfare	14.56	11.81
Recruitment and Relocation	2.32	52.19
Rent	97.70	107.43
Repairs and Maintenance		
– Plant and Machinery	96.14	73.80
– Building	14.32	94.33
– Others	12.04	19.80
Communication Expenses	29.01	33.61
Travel Expenses	62.32	188.92
Electricity and Water Charges	38.36	54.36
Professional and Consultancy Charges	193.35	1,068.14
Depreciation	203.86	434.15
Software Expenses	32.91	71.26
Training and Conference Expenses	3.14	10.18
Donations	–	8.50
Sub Total	**2,145.94**	**3,870.96**
Less: Capitalized software product costs	–	(1,702.77)
Total	**2,145.94**	**2,168.19**

Amount in Rs.Lakhs

	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007
Schedule 12		
Selling and Marketing Expenses		
Salaries and Bonus	1,354.64	983.91
Contribution to Provident and Other Funds	46.43	26.96
Staff Welfare	67.82	50.54
Recruitment and Relocation	14.30	27.32
Rent	99.62	93.04
Repairs and Maintenance		
– Plant and Machinery	5.56	7.50
– Building	11.31	19.17
– Others	4.87	5.77
Communication Expenses	118.29	98.80
Travel Expenses	293.95	383.37
Electricity and Water Charges	10.81	10.42
Professional, Legal and Consultancy Charges	197.66	354.24
Agency Commission (others) [Net of Reversal of provision - Rs.81.39 Lakhs; Previous year - Nil]	(20.69)	62.29
Selling Expenses - Others	135.13	135.02
Depreciation	39.88	28.59
Membership and Subscription	–	4.45
Training and Conference Expenses	2.25	5.63
Bad Debts	–	22.37
Doubtful Debts Provided/(Reversed), Net	60.61	(100.69)
Software Expenses	3.17	7.62
Less: Recovery of Common Costs from Subsidiary Companies	(146.28)	–
Total	**2,299.33**	**2,226.32**

Amount in Rs.Lakhs

	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007
Schedule 13		
Administrative and General Expenses		
Salaries and Bonus	1,774.74	1,702.94
Contribution to Provident and Other Funds	157.33	121.51
Staff Welfare	129.37	92.79
Recruitment and Relocation	73.44	224.54
Rent	148.84	122.01
Rates and Taxes	107.08	105.46
Repairs and Maintenance		
– Plant and Machinery	29.57	35.72
– Building	151.97	180.67
– Others	28.99	20.97
Communication Expenses	45.22	30.77
Travel Expenses	314.69	371.23
Electricity and Water Charges	85.55	66.72
Depreciation	141.38	107.47
Professional, Legal and Consultancy Charges	242.10	749.11
Membership and Subscriptions	76.14	70.31
Auditors' Remuneration		
– Audit fees	13.00	11.25
– Out of Pocket Expenses (including service Tax)	1.37	2.45
Training and Conference Expenses	109.80	58.01
Directors' Sitting Fees	2.97	3.00
Donations	20.22	54.24
Insurance	86.46	102.80
Miscellaneous	431.78	414.16
Loss on sale of Fixed Assets	19.40	–
Software Expenses	68.70	60.14
Diminution in Value of investment (non trade)	–	1.45
Less: Recovery of common costs from subsidiary companies	(180.32)	(485.76)
Total	**4,079.79**	**4,223.96**

Amount in Rs.Lakhs

	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007
Schedule 14		
Other Income		
Miscellaneous Income	44.62	1.87
Dividend Received on Current Investments (Non Trade)	178.35	463.36
Net Gain on Sale of Current Investments (Non Trade)	49.91	168.27
Interest Income on Bank Deposits (Gross)	2.03	6.36
Write Back of Advance from Customer	29.45	61.00
Profit on Sale of Fixed Assets	6.86	–
Other Interest Income	0.75	8.90
Interest on Loan to Subsidiary Companies	29.39	34.96
Total	**341.36**	**744.72**

Schedule 15		
Interest Expense		
Loan Processing Fees	–	0.20
On Short Term Loans	–	63.86
Others	–	0.53
Total	**–**	**64.59**

Schedule 16

Notes to Accounts

1. Description of Business

Sasken Communication Technologies Ltd. ("Sasken" or "the Company") is a provider of telecommunication software services and solutions to network equipment manufacturers, mobile terminal vendors and semiconductor companies around the world. Sasken delivers end-to-end solutions that enable richer content delivery on next generation networks.

Sasken has its headquarters in Bangalore, India with offices in Pune, Chennai, China, Germany, Japan, Sweden, United Kingdom (UK) and the United States of America (USA).

2. Significant Accounting Policies

(a) Basis for Preparation of Financial Statements

The financial statements have been prepared to comply in all material respects with the notified Accounting Standards by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and except as disclosed, are consistent with those used during the previous year.

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's best knowledge of current events and actions the Company may undertake in future, actual results ultimately may differ from the estimates.

(b) Revenue Recognition

The Company derives its revenues from product and technology licensing, and software services.

Licensing revenue is recognized when the product or technology is delivered and accepted. Revenue related to customized products or technology development agreements is recognized using the proportionate completion method, determined based on the achievement and acceptance of the milestone. In all cases revenue is recognized only when no further vendor obligations remain and collection is probable. Revenue related to post contract customer support is recognized over the support period.

Revenue from time and material service contracts is recognized as the services are provided. Revenue from fixed price service contracts is recognized based on the proportionate completion method, determined based on the achievement and acceptance of the milestone, provided collection is probable. Revenue from maintenance is recognized ratably over the term of the maintenance arrangement.

Revenue from royalty is recognized on an accrual basis based on the terms of the agreement, provided collection is probable.

Dividend income is recognized when the right to receive dividend is established.

Interest income is recognized on an accrual basis.

(c) Work in Progress

Costs related to milestones that have not been met are treated as costs of future activity and are reported as work-in-progress. Work in progress is carried at cost or net realizable value whichever is lower. Cost includes all expenses directly identifiable to a project and other costs directly attributable to the project. Net realizable value is the estimated revenue expected in the ordinary course of business on completion of the milestone less expected costs of completion of milestone.

(d) Fixed Assets (including Intangible Assets)

Fixed assets including intangible assets are stated at cost, less accumulated depreciation less impairment, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Financing costs relating to acquisition of fixed assets, which necessarily take substantial period of time to get ready for intended use, are also included to the extent they relate to the period till such assets are ready to be put to use.

(e) Depreciation

Depreciation is provided on Straight Line Method (SLM) at the rates mentioned below, which are greater than or equal to the corresponding rates prescribed in Schedule XIV of the Companies Act, 1956:

Type of Asset	Rates (SLM)(%)	Schedule XIV rates (SLM) (%)
Building	5	1.63
Computers	25	16.21
Electrical Fittings	20	4.75
Furniture and Fittings	10	6.33
Plant and Machinery (including Office Equipment)	20	4.75

Leasehold improvements at leased premises are depreciated over the estimated useful life or the lease period, whichever is lower.

Assets with unit value of Rs.5,000 or less are depreciated entirely in the year of acquisition.

Intangible assets comprise of the following and are amortized over the estimated useful life as given below:

1. Computer Software -
   (a) Computer Software used for development of software/rendering software services – over the life of the project/product.
   (b) Generic Computer Software – over 12 months.
   (c) Product Software for administration purposes – 3 years.
2. Non-compete fee – over the contract period of 24 months, on a straight line basis. (Refer Note 6 (f) below).
3. Contract Rights – over a period of 12 months, on a straight line basis.
4. Technical Knowhow – over a period of 36 months, on a straight line basis.

(f) Capitalization and Amortization of Software Products

Costs incurred towards development of computer software products meant for sale, lease or otherwise marketed, are capitalized subsequent to establishing technological feasibility. Capitalization ceases when the product is available for general release to customers. Capitalized software product costs are amortized on a straight line method over the remaining estimated economic life of the product. The unamortized cost of capitalized software products is carried at cost, less accumulated amortization less impairment, if any.

(g) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

(h) Foreign Currency Transactions

(i) Initial Recognition – Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency approximately at the date of the transaction.

(ii) Conversion – Foreign currency monetary items are reported using the closing rate. Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

(iii) Exchange Differences – Exchange differences arising on the settlement or conversion of monetary items, are recognized as income or as expenses in the period in which they arise.

(iv) Forward Exchange Contracts – The Company uses forward exchange contracts to hedge its exposure to movements in foreign exchange rates. The Company does not use the forward exchange contracts for trading or speculation purposes. The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts, to the extent of the underlying assets recognized as at the Balance Sheet date, are recognized in the statement of Profit and Loss of the relevant period. Any Profit or Loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

(v) Translation of Integral and Non-integral foreign operation - The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Company itself.

In translating the financial statements of a non-integral foreign operation for incorporation in financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate; income and expense items of the non-integral foreign operation are translated at exchange rates at the dates of the transactions; and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

On the disposal of a non-integral foreign operation, the cumulative amount of the exchange differences which have been deferred and which relate to that operation are recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.

(i) Employee Benefits

(i) Gratuity:

The Company provides for gratuity, a defined benefit plan covering all eligible employees. The plan provides a lump sum payment to eligible employees at retirement or on termination of employment based on the salary of the respective employee and the years of employment with the Company.

The Company contributes to a gratuity fund maintained by an insurance company. The amount of contribution is determined based upon actuarial valuations as at the year end. Such contributions are charged off to the Profit and Loss Account. Provision is made for the shortfall between the actuarial valuation as per Projected Unit Credit Method and the funded balance with the insurance company as at the Balance Sheet date.

(ii) Provident Fund:

Employees other than the employees at foreign branches are also eligible to receive Provident Fund benefits through a defined benefit plan in which both employee and employer make monthly contributions to the plan, @ 12% each, of the covered employee's basic salary. The Company has established a Provident Fund Trust to which contributions towards provident fund are made each month. The contributions towards the pension fund are remitted to the Regional Provident Fund. Contributions towards Provident Fund and Pension Fund are charged to the Profit and Loss Account on an accrual basis. The Trust guarantees a specified rate of return on such contributions on a periodical basis. The Company will meet the shortfall in the return, if any, which is provided for based on actuarial valuation as on the date of Balance Sheet.

(iii) Leave Encashment/Compensated absences:

As per Company policy, employees are eligible to encash leave standing to the credit of employees at the time of resignation/retirement subject to terms and conditions. Provision for short-term compensated absences is made on the basis of an estimate of availment of the leave balance to the credit of the employees as at the Balance Sheet date. Long-term compensated absences are provided for based on actuarial valuation as at Balance Sheet date.

(iv) Superannuation:

The Company contributes to a superannuation scheme maintained by an insurance company. Such contributions are charged to the Profit and Loss Account on an accrual basis. The Company has no other obligations beyond its monthly contributions.

The actuarial gains/lossess on the employee benefits are immediately recognized in the Profit and Loss Account.

(j) Impairment of Assets

(i) The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

(ii) After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

(iii) A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

(k) Warranty

The Company provides for the estimated costs based on trend of past analysis and nature of services rendered, which may be incurred under free warranties, as provided in licensing and service contracts.

(l) Research and Development

Research and development costs are charged to Profit and Loss Account when incurred. Equipment or facilities that are acquired or constructed for research and development activities, which have alternative future uses are capitalized as tangible assets. Depreciation on such assets is charged to expense as research and development costs.

(m) Income Taxes

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax are measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961 and tax laws applicable to the overseas branches under the respective jurisdictions. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities across various countries of operation are not set off against each other as the Company does not have a legal right to do so. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the Company has carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain or virtually certain, as the case may be that future taxable income will be available against which such deferred tax assets can be realized.

(n) Stock Compensation Expense

The Company accounts for stock compensation expense based on the fair value of the options granted, determined on the date of grant. Compensation expense is amortized over the vesting period of the option on a straight-line basis. The accounting value of the options net of the Deferred Compensation Expense is reflected as Employee Stock Options Outstanding.

(o) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the year are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(p) Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

(q) Segment Policy

Identification of segments:

The Company is focused in the telecommunication space. The risks and returns of the Company are predominantly determined by the nature of the solution offered to its customers, which may be in the form of products or services. The primary reporting segments are Telecom Software Services, Telecom Software Products and others. Revenues and related expenses not generated from Telecom Software Services and Telecom Software Products are grouped as 'Others'. During the year, the Company had re-designated the segment name Software Services and Software Products as Telecom Software Services and Telecom Software Products.

The geographical segment information is disclosed based on the location of the customers.

Allocation of common costs:

Common allocable costs are allocated to the segments according to the relative contribution of each segment to the total common costs.

Unallocated Items:

The Corporate segment includes general corporate income and expense items, which are not allocated to any business segment.

(r) Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the leased term are classified as operating lease. Operating lease payments are recognized as expense in the Profit and Loss Account on a straight-line basis over the lease term.

(s) Derivatives

The Company provides for net losses in respect of all outstanding derivative contracts as at the Balance Sheet date by marking them to market on a portfolio basis.

3. Changes in Accounting Policies

(a) Accounting for Derivatives

Pursuant to The Institute of Chartered Accountants of India's (ICAI) Announcement dated March 29, 2008 on "Accounting for Derivatives", the Company has, based on the principles of prudence enunciated in Accounting Standard 1 on "Disclosure of Accounting Policies", recognized mark to market losses on derivative contracts outstanding,(forward contracts for highly probable collections), as on March 31, 2008 to the extent the losses are not offset by the fair value gain on the underlying hedge items. For the purpose of arriving at the net losses, the Company has considered foreign currency derivative contracts as one portfolio and accordingly, loss amounting to Rs.102.36 Lakhs has been recognized in Profit and Loss Account during the year ended March 31, 2008.

(b) Revised Accounting Standard 15

Effective April 1, 2007, the Company adopted the revised Accounting Standard 15 – Employee Benefits (hereinafter referred to as 'Revised AS 15'). Accordingly, the Company has made provision for the defined employee benefit plans and employee short term and long term compensated absences, which were not covered earlier in the pre-revised AS 15. In accordance with the transitional provisions of Revised AS 15, the Company has adjusted the balance in Profit and Loss Account as at April 1, 2007 for a sum of Rs.657.30 Lakhs, being the liability assessed under the Revised AS 15 as at April 1, 2007. Further, employee benefit expenses for the year ended March 31, 2008 are higher by a sum of Rs.258.01 Lakhs. Consequently, profit for the year is lower by the same extent.

4. Mergers

(a) Sasken and Sasken Network Systems Ltd.

On July 27, 2006, Sasken received the order of the High Court of Karnataka dated June 30, 2006, approving the Scheme of Amalgamation of Sasken Network Systems Ltd. ('SNS' or 'the Transferor Company') with the Company ('the Scheme'). The Scheme is effective with retrospective date of April 1, 2005 ('the Appointed Date'). The Scheme was filed with the Registrar of Companies, Karnataka on July 31, 2006. The Scheme was earlier ratified by Sasken and SNS in their Board meetings on October 27, 2005 and October 26, 2005, respectively and by the shareholders of Sasken on February 25, 2006. SNS was incorporated as a wholly owned subsidiary of Sasken on October 20, 2003 and obtained its certificate to commence business on November 21, 2003, from the Registrar of Companies, Karnataka. SNS provided consultative engineering services focused on telecom operation systems.

As per the approved Scheme and in accordance with the pooling of interest method referred to in Accounting Standard 14 on "Accounting for Amalgamations", the assets and liabilities of SNS have been merged with those of the Company at their respective carrying values and the balance in Profit and Loss Account as at April 1, 2005 (being the appointed date) of Rs.167.79 Lakhs has been transferred to the General Reserves of the Company and the balance has been merged with the Profit and Loss Account balance of the Company as on March 31, 2007.

(b) Sasken and Integrated Softtech Solutions Pvt. Ltd.

Sasken entered into a share purchase agreement with the shareholders of Integrated Softtech Solutions Pvt. Ltd. ('Isofttech' or 'the Transferor Company'), on April 5, 2006, for acquiring 100% of their shares in Isofttech. Isofttech was incorporated as a private limited company on March 19, 2001 with the Registrar of Companies, Tamil Nadu. Isofttech provided software services focused on telecom operation systems. The Company completed the acquisition on June 1, 2006, for a purchase consideration of Rs.480.82 Lakhs.

The Boards of Directors of Isofttech and Sasken approved a Scheme of Amalgamation ('the Scheme') of Isofttech with Sasken, at their respective meetings held on July 19, 2006 and July 26, 2006. The Scheme was approved by the Shareholders of Sasken at a meeting convened on October 14, 2006.

On February 2, 2007 and March 24, 2007, Sasken received the orders of the High Court of Karnataka and High Court of Judicature of Madras, respectively, approving the Scheme. The Scheme was filed with the Registrar of Companies, Karnataka on February 14, 2007 and Registrar of Companies, Tamil Nadu on March 28, 2007. The Scheme is effective with retrospective date of April 1, 2006 ('the Appointed Date').

As per the approved Scheme and in accordance with the pooling of interest method referred to in Accounting Standard 14 on Accounting for Amalgamations, the assets and liabilities of Isofttech have been merged with those of the Company at their respective carrying values as at April 1, 2006 and the debit balance of Rs.70.76 Lakhs in Profit and Loss Account of Isofttech as at April 1, 2006 has been adjusted with the General Reserve of the Company. Prior to the approval of the Scheme, the interim financial statements of the Company reflected its investment of Rs.480.82 Lakhs as "Investment in Subsidiary Company". The excess of purchase consideration over the paid up share capital of Isofttech as at April 1, 2006, amounting to Rs.127.25 Lakhs has been adjusted against the General Reserves of the Company.

5. Joint Ventures

(a) TACO Sasken Automotive Electronics Pvt. Ltd. ("TSAE")

In January 2007, Sasken and Tata AutoComp Systems Ltd. ("TACO") formed a joint venture company called TACO Sasken Automotive Electronics Pvt. Ltd. ("TSAE") in Pune. TSAE focuses on automotive electronics products in the areas of telematics, infotainment and occupant convenience. As at March 31, 2008, the Company and TACO each hold 50% of the equity in TSAE.

(b) ConnectM Technology Solutions Pvt. Ltd. ("ConnectM")

In June 2007, Sasken and IDG Ventures formed a joint venture company called ConnectM Technology Solutions Pvt. Ltd. ("ConnectM") in Bangalore. ConnectM intends to explore and focus on end-to-end cycle development and sustenance to the Transportation, Industrial, Utilities and Enterprise markets enabled by Machine-to-Machine (M2M) communications. As at March 31, 2008, the Company holds 49.50% of the equity in ConnectM.

The Company's proportionate share in assets, liabilities, income and expense of the joint ventures are detailed below.

Amount in Rs.Lakhs

	TSAE		ConnectM	
	As at March 31, 2008	**As at March 31, 2007**	**As at March 31, 2008**	**As at March 31, 2007**
Assets	121.08	10.85	271.10	–
Liabilities	59.92	52.17	27.86	–
Contingent Liabilities	–	–	–	–
Capital Commitments	–	–	–	–

Amount in Rs.Lakhs

	TSAE	ConnectM
	Year ended March 31, 2008	**Year ended March 31, 2008**
Income*	5.60	34.54
Expenses*	256.74	198.48

* For the year ended March 31, 2007-Nil

6. Other Notes

(a) Based on the information available with the Company, there are no suppliers who are registered as micro, small or medium enterprises under The Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2008.

(b) Estimated amount of contracts remaining to be executed on capital account (net of advances) amounted to Rs.98.90 Lakhs (As at March 31, 2007 Rs.62.00 Lakhs).

(c) Contingent Liabilities

Contingent liabilities towards income taxes and indirect taxes not provided for amount to Rs.936.99 Lakhs (As at March 31, 2007 Rs.317.23 Lakhs) and Rs.631.48 Lakhs (As at March 31, 2007 Rs. Nil) respectively. There are certain claims made against the Company by an investee company, which are a subject matter of arbitration proceedings. In the view of the management of the Company such claims are frivolous and are not tenable. No provision has been made for such claims pending completion of legal proceedings as the amount of claims are currently not ascertainable.

Amount in Rs.Lakhs

	As at March 31, 2008	**As at March 31, 2007**
Bank Guarantees	511.65	206.93
Corporate Guarantee on behalf of subsidiaries [Refer Note 11(c)]	11,948.00	11,013.00

(d) Gain on account of unamortized premium for foreign exchange forward contracts entered into by the Company to be recognized in the future financial periods amount to Rs.117.55 Lakhs as at March 31, 2008 and Rs.244.96 Lakhs as at March 31, 2007.

(e) The shares of Extandon Inc, USA, fully paid up, are held by Extandon Inc. as collateral to secure the Company's compliance with all terms and conditions under a software licensing agreement entered into by the Company with Extandon Inc. and performance of the delivery obligations under the repurchase options available with Extandon Inc. under the terms of investment agreement.

(f) Non-Compete Fee:

The Company has incurred Rs.493.08 Lakhs as non-compete fees in respect of two of its key employees under their respective non-compete agreements. The non-compete agreement restricts the employees from solicitation of Company's and its subsidiary's customers and employees and restricts such employees from joining as employees or otherwise providing similar services to the Company's and its subsidiary's competitors. The contract is for a period of two years. Such non-compete fee has been recorded as intangible asset under Accounting Standard 26 – Intangible Assets and the same is being amortized over two years on a straight-line basis from the date of termination of services.

(g) The Company enters into foreign exchange forward contracts to hedge its net foreign currency receivables position including its future receivables. As at March 31, 2008, the Company had foreign exchange forward contracts amounting to USD 477 Lakhs at an average forward exchange rate of Rs.40.30 (March 31, 2007 USD 539 Lakhs at an average forward rate of Rs.45.88). As at the Balance Sheet date, except for receivable from subsidiaries amounting to USD 15.33 Lakhs and Euro 1.04 Lakhs (March 31, 2007 USD 19.78 Lakhs and Euro 3.06 Lakhs), the Company does not have material foreign currency assets or liabilities unhedged (March 31, 2007 – Nil). As per the current policy of the Company, the Company takes foreign exchange forward contracts for currencies primarily denominated in the US Dollar. The Company currently does not have a foreign currency hedge in respect of its investment in subsidiaries outside India.

(h) Earnings and Expenditure in Foreign Currency:

Amount in Rs.Lakhs

	Year Ended March 31, 2008	**Year Ended March 31, 2007**
Earnings in Foreign Currency (on accrual basis):		
Income from Licensing and Software development	37,241.16	35,013.46
Royalty	899.25	521.02
Reimbursement for Expenses other than Travel	–	19.31
Interest on Loan to Subsidiary	29.39	34.96
Expenditure in Foreign Currency (on payment basis):		
Travel	914.65	1,143.21
Less: Recovered from Customers	(1,167.56)	(1,195.83)
Selling Expenses	98.43	89.35
Professional, Legal and Consultancy Charges	539.97	1,232.11
Software Expenses	162.29	312.75
Expenses at Branch Offices	5,642.21	4,988.18
Others	276.81	370.34
Value of Imports on CIF Basis – Capital Goods	184.58	1,469.75
Remittance in Foreign Currency on Account of Dividends:		
No. of Shareholders	29	33
No. of shares of Rs.10 (par Value per Share)	3,950,852	7,505,623
Amount of Dividends Paid	158.03	225.17
Year to which Dividends Relate	2006-07	2005-06

(i) Aggregate of expenses, incurred during the year, that are required to be disclosed under Part II to Schedule VI to the Companies Act, 1956, is as below:

Amount in Rs.Lakhs

Expenditure	**Year Ended March 31, 2008**	**Year Ended March 31, 2007**
Salaries and Bonus	23,198.02	21,354.06
Contribution to Provident and Other Funds	1,456.80	1,099.38
Staff Welfare	414.09	356.24
Recruitment and Relocation	229.72	576.88
Rates and Taxes	107.08	105.46
Rent	1,839.25	1,303.22
Repairs and Maintenance:		
– Plant and Machinery	370.71	503.60
– Building	436.47	576.38
– Others	205.08	230.05
Communication Expenses	479.27	413.41
Travel Expenses	1,105.73	1,411.03
Electricity and Water Charges	765.35	680.49
Professional, Legal and Consultancy Charges	1,260.22	2,593.78
Auditors' Remuneration:		
– Audit Fees	13.00	11.25
– Out of Pocket Expenses (including service Tax)	1.37	2.45
Agency Commission (Others)	(20.69)	62.29
Directors' Sitting Fees	2.97	3.00
Insurance	86.46	102.80
Miscellaneous	431.78	484.47
Loss on Sale of Fixed Assets	19.40	–
Diminution in Value of Current Investments (Non Trade)	–	1.45
Selling Expenses – Others	135.13	135.02
Membership and Subscriptions	76.14	4.45
Depreciation	1,949.59	1,869.20
Donations	20.22	62.74
Contract Staff Cost	563.21	–
Software Expenses	262.33	390.04
Training and Conference Expenses	251.09	257.14
Warranty Expenses	91.89	6.09
Bad Debts	–	22.37
Provision for Doubtful Debts, Net of Reversals	60.61	(100.69)
Add: Opening Balance of Work-in-Progress	30.94	174.11
Less: Closing Balance of Work-in-Progress	(184.50)	(30.94)
Less: Capitalized Software Product Costs	–	(1,702.77)
Less: Recovery of Common Costs from Subsidiary Companies	(326.60)	(485.76)
Amortization of Capitalized Software Product Costs	1,203.74	252.29
Amortization of Technical Knowhow	79.02	11.57
Total	**36,614.89**	**32,736.55**

(j) The following table provides the disclosures in accordance with Revised AS 15 for the year ended and as at March 31, 2008:

Amount in Rs.Lakhs

	Category	**Gratuity**
1	Change in benefit obligations:	
	Projected benefit obligations at beginning of the year	604.03
	Current Service Cost	275.01
	Interest Cost	45.44
	Benefits Paid	(158.64)
	Actuarial (Gain)/Loss	107.65
	Projected benefit obligations (PBO) at the end of the year	873.49
2	Change in plan assets:	
	Plans assets at the beginning of the year at Fair Value	517.95
	Contributions	333.50
	Expected return on plan assets	55.69
	Actuarial Gain/(Loss)	19.75
	Benefits Paid	(158.65)
	Plan assets at the end of the year, at Fair Value	768.24
3	Present Value of the defined benefit obligation:	873.49
	Plan assets at the end of the year, at Fair Value	768.24
	Liability Recognized in the Balance Sheet	105.25
4	Cost for the year:	**Year Ended March 31,2008**
	Current Service Cost	275.01
	Interest Cost	45.44
	Expected return on plan assets	(55.69)
	Actuarial (Gain)/Loss	87.90
	Expense Recognized in the statement of Profit and Loss	352.66
5	Assumptions:	
	Interest rate for discount	8.66% P.A.
	Estimated rate of return on plan assets	8.66% P.A.

The Guidance Note on implementing AS 15, Employee Benefits (revised 2005) states that provident funds set up by employers, which require interest shortfall to be met by employer, needs to be treated as a defined benefit plan. Pending the issuance of the Guidance Note from the Actuarial Society of India, the actuary has expressed inability to reliably measure the provident fund obligations and the fair valuation of plan assets and accordingly, disclosures have not been made in this respect. However, the Company has fully provided for the actuarial liability on account of interest shortfall amounting to Rs.327.82 Lakhs.

Assumptions relating to future salary increases, attrition, etc. have been considered based on relevant economic factors such as inflation, market growth, etc.

The current year being the first year of adoption of Revised AS 15 by the Company, the previous year comparative information has not been furnished.

(k) Revenue for the year ended March 31, 2008, 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.

(l) Buy-Back of Equity Shares:

The Board of Directors has decided on buy-back of Company's fully paid up equity shares of Rs.10 each from the existing shareholders from open market through stock exchanges in accordance with the provisions of Sections 77A, 77AA and 77B of the Companies Act 1956 and the SEBI (Buy-back of Securities) Regulations 1998.

(m) The following investments were purchased and sold during the year:

Amount in Rs.Lakhs

Name of the Fund	**Number of Units**	**NAV**	**Cost**
Tata Fixed Horizon Plan	4,500,000.00	10.000	450.00
Reliance Liquidity Management	64,912.02	1,001.355	650.00
Prudential ICICI Liquid Fund	2,531,325.15	11.852	300.00
Prudential ICICI Liquid Fund	12,000,000.00	10.000	1,200.00
LIC MF Liquid Fund	6,375,169.62	10.980	700.00
Grindlays Floating Rate Fund – Institutional Plan-_LT _Plan B _Daily Dividend	2,999,250.19	10.003	300.00
ING Liquid Plus Fund – Inst Daily Dividend	6,497,855.71	10.003	650.00
ING Liquid Plus Fund – Inst Daily Dividend	4,998,350.54	10.003	500.00
ING Liquid Plus Fund – Inst Daily Dividend	6,497,855.70	10.003	650.00
HSBC Liquid Plan – Daily Dividend	5,493,078.72	10.013	550.00
HSBC Liquid Plan – Daily Dividend	5,992,449.51	10.013	600.00
DWS Insta Cash Plan	3,191,733.41	10.026	320.00
Birla Sun Life Liquid Plus – Institutional Plan-Daily Dividend	5,995,922.77	10.007	600.00
Sundaram BNP Paribas Liquid Plus Super Inst. Dividend Re-investment-Daily	4,995,504.05	10.009	500.00
TFLD Tata Floater Fund – Daily Dividend	7,971,621.03	10.036	800.00
DWS Money Plus Fund	9,991,806.72	10.008	1,000.00
LIC Mutual Fund Liquid Plus Fund-Daily Dividend Plan	2,500,000.00	10.000	250.00

The aggregate amount of quoted investments and unquoted investments, as at March 31, 2008 is Rs.2,016.73 Lakhs and Rs.16,533.00 Lakhs respectively.

(n) Cash and Bank Balances

The following table provides a reconciliation of cash and bank balances in the Cash Flow Statement with the amounts reported in the Balance Sheet.

Amount in Rs.Lakhs

Cash on Hand	10.68	14.51
Balances with Scheduled Banks – in Current Accounts	2,311.85	1,090.46
– in Deposit Accounts (Excluding margin money for Bank Guarantees – Rs.46.76 Lakhs, P.Y. Rs.30.26 Lakhs)	404.88	155.86
Balances with Other Banks	335.58	411.78
Cash and Bank Balances as at the end of the year as per Cash Flow Statement	**3,062.99**	**1,672.61**

7. Managerial Remuneration

(a) Managerial remuneration Paid/payable to Directors:

Amount in Rs.Lakhs

	Year Ended March 31, 2008	Year Ended March 31, 2007
Wholetime Directors		
Salaries and Bonus	179.54	207.17
Contribution to Provident Fund and other Funds #	10.75	9.49
Non Wholetime Directors*	52.80	51.28
Total	**243.09**	**267.94**

The above does not include provisions for gratuity determined on actuarial basis and provisions for leave encashment.

* Stock compensation cost in respect of options issued to the directors of Rs.20.07 Lakhs for the year ended March 31, 2008 (year ended March 31, 2007 – Rs.33.92 Lakhs) has not been considered as managerial remuneration.

(b) Computation of Net Profits under Section 198 read with Section 349 and Section 350 of the Companies Act, 1956 for the year ended March 31, 2008.

Amount in Rs.Lakhs

Particulars		**March 31, 2008**
Profits Before Taxation		3,775.12
Add:		
Managerial Remuneration to Directors	243.09	
Directors' Sitting Fee	2.97	
Stock Compensation Cost	359.71	
Provision for Doubtful Debts, Created (Net of Reversals)	60.61	
Depreciation as per accounts (Except Intangibles)	1,949.59	
Warranty Expenses	91.89	2,707.86
Less:		
Depreciation as per Section 350 of the Companies Act, 1956	1,146.94	
Gain (Net) on Sale of Investments (Non Trade)	49.91	
Profit from Sale of Fixed Assets	6.86	1,203.71
Net Profits as per Section 349 of the Companies Act, 1956		5,279.27
Remuneration to Managing and Wholetime Directors @ 10% of the Net Profits (maximum)		527.93
Remuneration to Non Wholetime Directors @1% of the Net Profits (maximum)		52.80

(c) **Computation of Net Profits under Section 198 read with Section 349 and Section 350 of the Companies Act, 1956 for the year ended March 31, 2007.**

Amount in Rs.Lakhs

Particulars		March 31, 2007
Profits before Taxation		4,416.88
Add:		
Managerial Remuneration to Directors	267.94	
Directors' Sitting Fee	3.00	
Stock Compensation Cost	168.17	
Provision for Doubtful Debts, Created (Net of Reversals)	(100.69)	
Depreciation as per accounts (Except Intangibles)	1,395.97	
Warranty Expenses	6.09	1,740.48
Less:		
Depreciation as per Section 350 of the Companies Act, 1956	861.37	
Gain (Net) on Sale of Investments (Non Trade)	168.27	
Reversal of Provision for Diminution of Investments (Non Trade)	–	1,029.64
Net Profits as per Section 349 of the Companies Act, 1956		5,127.72
Remuneration to Managing and Wholetime Directors @10% of the Net Profits (Maximum)		512.77
Remuneration to Non Wholetime Directors @1% of the Net Profits (Maximum)		51.28

8. Provision forTaxation

The Company is registered under the Software Technology Park Scheme and claiming tax benefits under Section 10A of the Income Tax Act, 1961. Pending clarity on extension of the tax holiday period beyond March 31, 2009 the Company is not able to reliably estimate the future income against which deferred tax assets will be realized. Accordingly, as a matter of prudence, deferred tax asset has not been recognized.

Amount in Rs.Lakhs

	Year Ended March 31, 2008	Year Ended March 31, 2007
Overseas Income Taxes (Comprising of Withholding Taxes and Overseas Branch Income Taxes)	346.70	231.28
The Above are Net of Refund/Reversal of Overseas Taxes	–	144.76

Income Tax Expense for the year ended March 31, 2008 includes a provision of Rs.30.95 Lakhs for earlier years.

9. Fixed Price Revenue Contracts

The following table provides disclosures in accordance with the revised Accounting Standard 7 on "Construction Contracts":

Amount in Rs.Lakhs

Particulars	Year Ended March 31, 2008	Year Ended March 31, 2007
Contract Revenue Recognized during the year	2,736.52	2,742.55
Aggregate amount of costs incurred and Recognized Profits (Less Recognized Losses) up to date of Balance Sheet for contracts in progress as at that date	897.08	173.58
	As at March 31, 2008	**As at March 31, 2007**
Advances received from Customers	–	–
Gross amount due from customers for contract work- presented as an asset	228.30	30.94
Gross amount due to customers for contract work- presented as a liability	–	–

10. Employee Stock Option Plan

Sasken ESOP 2000

On September 22, 2000, the shareholders of the Company approved Stock Option Plan [ESOP-2000] in accordance with the Guidelines issued by the Securities and Exchange Board of India (SEBI) for Employees Stock Option Plans. The Plan covered all employees of the Company including foreign branches, employees of the subsidiaries including its part time/full time Directors other than the promoter directors/employees. The Plan provided for the issue of 30 Lakh shares (including the shares issued under the SAS Stock Option Plan, 1997) of Rs.10 each duly adjusted for any bonus, splits, etc. A Compensation Committee comprising of three independent directors on the Board administers the scheme.

On April 2, 2004 and June 1, 2004, the Company issued 378,925 options to 1,372 employees and 971,533 options to 347 employees, respectively convertible into equity shares of Rs.10 each. These options carry a vesting period ranging one to four years at an exercise price ranging from Rs.160 to Rs.256 per share of Rs.10 each depending upon the vesting period being the fair value of the Company's share as determined by the Company as at the date of grant.

On February 23, 2005, the Company issued 42,530 options to 41 employees of Sasken Network Systems Ltd. and 2,735 options to 3 employees of the Company. These options carry a vesting period ranging one to four years at an exercise price ranging from Rs.184 to Rs.256 per share depending upon the vesting period, being the fair value of the Company's share as determined by the Company as at the date of grant.

On April 19, 2005, the Company issued 304,050 options to 1,212 employees including 25,350 options to 80 employees of SNS and 21,100 options to 113 employees of SNEL. These options carry a vesting period ranging one to four years at an exercise price ranging from Rs.225 to Rs.321 per share depending upon the vesting period, being the fair value of the Company's share as determined by the Company as at the date of grant.

All the options granted have an exercise period of two years from the date of vesting.

Sasken ESOP 2006

On February 25, 2006, the shareholders of the Company approved Stock Option Plan [ESOP-2006] in accordance with the Guidelines issued by the Securities and Exchange Board of India (SEBI) for Employees Stock Option Plans. The Plan covers all employees of the Company including foreign branches, employees of the subsidiaries and Directors other than the promoter directors/employees. The Plan provides for the issue of 3,575,000 shares of Rs.10 each duly adjusted for any bonus, splits, etc. A Compensation Committee comprising of three independent directors on the Board administers the scheme. The terms of each issuance would be determined by the Compensation Committee.

On June 17, 2006 and October 18, 2006, the Company issued 138,750 options to 5 employees and 4 non-executive directors, and 150,000 options to 1 employee, respectively, convertible into equity shares of Rs.10 each. These options carry a vesting period ranging one to four years at an exercise price ranging from Rs.234 to Rs.394 per share of Rs.10 each depending upon the vesting period being the fair value of the Company's share as determined by the Company as at the date of grant.

On January 1, 2007, the Company issued 5,000 options to 1 employee, convertible into equity shares of Rs.10 each. These options carry a vesting period ranging one to four years at an exercise price ranging from Rs.367 to Rs.559 per share of Rs.10 each depending upon the vesting period being the fair value of the Company's share as determined by the Company as at the date of grant.

On April 1, 2007, the Company issued 2,35,000 options to 5 employees, convertible into equity shares of Rs.10 each. These options carry a vesting period ranging one to four years at an exercise price ranging from Rs.475 to Rs.667 per share of Rs.10 each depending upon the vesting period being the fair value of the Company's share as determined by the Company as at the date of grant.

On July 1, 2007, the Company issued 90,000 options to 4 employees, convertible into equity shares of Rs.10 each. These options carry a vesting period ranging one to four years at an exercise price ranging from Rs.554 to Rs.746 per share of Rs.10 each depending upon the vesting period being the fair value of the Company's share as determined by the Company as at the date of grant.

On October 1, 2007, the Company issued 10,000 options to 2 employees, convertible into equity shares of Rs.10 each. These options carry a vesting period ranging one to four years at an exercise price ranging from Rs.410 to Rs.602 per share of Rs.10 each depending upon the vesting period being the fair value of the Company's share as determined by the Company as at the date of grant.

All the options granted have an exercise period of two years from the date of vesting.

Employee Stock Options outstanding (Net of deferred compensation cost) is as follows:

Amount in Rs.Lakhs

	March 31, 2008	March 31, 2007
Total Accounting Value of Options Outstanding (A)	890.89	461.78
Deferred Compensation Cost	890.89	461.78
Less: Amortized	524.86	172.40
Net Deferred Compensation Cost (B)	366.03	289.38
(A) – (B)	**524.86**	**172.40**

The following table summarizes the Company's stock options activity for Sasken ESOP 2000 and Sasken ESOP 2006:

Shares Underlying Options Outstanding

	March 31, 2008		March 31, 2007	
	No. of Shares	Weighted Average Exercise Price (Rs.)	No of Shares	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	719,673	255.73	1,141,658	201.89
Granted during the year	335,000	609.48	293,750	303.40
Forfeited during the year	(177,250)	393.57	(151,980)	233.27
Exercised during the year	(60,657)	186.00	(563,755)	177.60
Outstanding at the end of the year	816,766	376.09	719,673	255.73
Exercisable at the end of the year	348,876	239.84	154,187	194.40
Weighted average remaining contractual life (in years)	2.45	–	2.54	–
Weighted average Fair Value of Options granted during the year	–	175.27	–	156.77

Note: The weighted average market price of the Company's shares during the year ended March 31, 2008 was Rs.341.99 per share.

The estimated weighted average fair value of options granted in April 2007, July 2007 and October 2007 is Rs.187.59, Rs.152.69 and Rs.89.14 respectively.

This was calculated by applying the Black – Scholes – Merton formula with the following assumptions:

	April 2007	July 2007	Oct 2007
Average Risk Free Interest Rate	8.16%	7.80%	7.95%
Weighted Average Expected Life of Options Granted in (years)	3.80	3.80	3.80
Expected Dividend Yield	0.82%	0.82%	1.19%
Volatility (Annualized)*	48.95%	44.95%	45.35%

* Based on historical market price of the Company's shares for the period since listing.

The details of exercise price of outstanding options is as follows:

As at March 31, 2008

Range of Exercise Price (Rs.)	Number of Options Outstanding	Weighted Average Remaining Life of Options (In Years)	Weighted Average Exercise Price (Rs.)
160 – 225	123,913	0.73	212.83
226 – 321	342,853	1.73	262.51
322 – 474	96,000	3.34	362.35
475 – 746	254,000	3.92	614.24

As at March 31, 2007

Range of Exercise Price (Rs.)	Number of Options Outstanding	Weighted Average Remaining Life of Options (In Years)	Weighted Average Exercise Price (Rs.)
160 – 225	224,925	1.41	201.47
226 – 321	399,748	2.73	260.40
322 – 474	92,000	4.38	364.54
475 – 559	3,000	5.42	537.67

11. Related Party Disclosures

(a) Remuneration Paid to Key Managerial Personnel

Amount in Rs.Lakhs

Name of the Related Party	Relationship	Year Ended March 31, 2008	Year Ended March 31, 2007
Rajiv C Mody	Managing Director	93.07	71.77
Krishna J Jhaveri	Wholetime Director	32.64	102.16
G Venkatesh	Wholetime Director	64.58	42.73

The above does not include provision for gratuity determined on actuarial basis and provision for leave encashment. Total dividend paid out for the year 2006-07, during the year ended, to the above Directors was Rs.9.75 Lakhs (March 31, 2007-Rs.6.81 Lakhs).

(b) Following is the list of subsidiaries/joint venture companies:

	Percentage of holding as at	
	March 31, 2008	March 31, 2007
Subsidiaries		
Sasken Network Engineering Ltd. (SNEL)	100.00%	100.00%
Sasken Communication Technologies Mexico, S.A. de C.V (Sasken Mexico)	100.00%	100.00%
Sasken Communication Technologies (Shanghai) Co. Ltd. (Sasken China)	100.00%	100.00%
Sasken Communication Technologies Oy (Sasken Oy)	100.00%	100.00%
Sasken Finland Oy (Sasken Finland)*	100.00%	100.00%
Sasken Inc. (Sasken, USA)	100.00%	–
Sasken Japan KK (Sasken Japan)	100.00%	–
Joint Ventures		
TACO Sasken Automotive Electronics Pvt. Ltd. (TSAE)	50.00%	50.00%
ConnectM Technology Solutions Pvt. Ltd (ConnectM)	49.50%	–

* 100% subsidiary of Sasken Communication Technologies Oy

(c) Transactions and balances due to/from subsidiary/joint venture companies:

Amount in Rs.Lakhs

Particulars	**As at March 31, 2008**	**As at March 31, 2007**
Equity Holding:		
– SNEL	305.00	305.00
– Sasken Mexico*	176.75	2.03
– Sasken China**	144.88	114.55
– Sasken Oy	14,332.99	13,173.25
– Sasken Inc.	590.70	–
– Sasken Japan	43.03	–
– TSAE	372.21	17.21
– ConnectM	408.00	–
Share Application:		
– ConnectM	8.24	–
Optionally Convertible Debentures (interest free) due from:		
– SNEL	263.71	263.71
Loans outstanding from:		
– SNEL (interest free)	305.00	455.00
– Sasken Mexico	272.21	655.25
Corporate Guarantee provided to banks in respect of loans to:		
– Sasken Mexico	801.60	870.00
– Sasken Oy	10,696.40	9,843.00
– SNEL	450.00	300.00
Other Receivable/(Payable) for Reimbursement of Expenses, Net:		
– SNEL	627.81	430.78
– Sasken Mexico	336.77	204.60
– Sasken Oy	112.60	103.56
– Sasken Finland	(46.88)	73.51
– Sasken China	4.60	0.09
– Sasken Inc.	6.50	

* On September 1, 2007, Rs.174.72 Lakhs of loan receivable from Sasken Mexico was converted into equity.

** Provision for diminution in value of investments Rs.144.88 Lakhs.

(d) The following table summarizes the transactions of the Company with subsidiary companies:

Amount in Rs.Lakhs

Particulars	**Year Ended March 31, 2008**	**Year Ended March 31, 2007**
Cross Charges for Common Administrative Services, Net:		
– SNEL	201.71	81.39
– Sasken Mexico	81.20	132.67
– Sasken Finland	–	103.86
– Sasken Oy	46.44	57.40
Software Development Services rendered to:		
– Sasken Oy	46.33	35.13
Network Support Services procured from:		
– SNEL	40.24	68.13
Interest on Loan charged to:		
– Sasken Mexico	29.39	34.96

12. Segment Reporting

The business segmental information is given based on Software Services and Software Products offerings. Revenues and related expenses not generated from Telecom Software Services and Telecom Software Products are grouped as 'Others'. During the year, the Company has re-designated the segment name Software Services and Software Products as Telecom Software Services and Telecom Software Products. Services that are related with Intellectual Property based product offerings are considered part of the Software Products segment.

(a) Business Segment Information

Segmental Balance Sheet

Amount in Rs.Lakhs

	As at March 31, 2008	As at March 31, 2007
Segment Assets		
Telecom Software Services	10,221.37	8,424.88
Telecom Software Products	4,759.16	5,361.25
Others	329.60	–
Corporate and Others	33,541.01	33,235.58
Total	**48,851.14**	**47,021.71**
Segment Liabilities		
Telecom Software Services	823.63	712.00
Telecom Software Products	422.02	503.06
Others	–	–
Unallocated Liabilities	4,793.19	3,966.53
Total	**6,038.84**	**5,181.59**
Capital Expenditure		
Telecom Software Services	143.38	1,120.17
Telecom Software Products	214.71	109.70
Corporate and Others	828.13	1,395.70
Total	**1,186.22**	**2,625.57**
Capitalized Software Product Costs		
Telecom Software Products	2,123.62	3,327.36
Total	**2,123.62**	**3,327.36**

Segmental Profit and Loss Account

Amount in Rs.Lakhs

	Year Ended March 31, 2008	Year Ended March 31, 2007
Revenues	**38,925.12**	**36,630.72**
Telecom Software Services	33,580.07	34,357.31
Telecom Software Products	4,597.19	2,273.41
Others	747.86	–
Segmental Profits	**8,689.35**	**10,344.45**
Telecom Software Services	9,615.07	12,390.46
Telecom Software Products	(919.48)	(2,046.01)
Others	(6.24)	–
Less:		
Corporate Expenses	6,738.83	6,618.45
Profit from Operations	**1,950.52**	**3,726.00**
Less: Amortization	154.10	224.41
Less: Interest	–	64.59
Add: Other Income, Including Exchange Gain/(Loss)	2,123.59	979.88
Less: Provision for Diminution in Value of Investments	144.89	–
Profit Before Tax	**3,775.12**	**4,416.88**
Income Taxes Including Fringe Benefit Tax	1,281.59	603.78
Profit After Tax	**2,493.53**	**3,813.10**
Other Information:		
Depreciation/Amortization		
Telecom Software Services	1,436.75	1,136.59
Telecom Software Products	1,588.31	596.55
Others	22.52	–
Corporate and Others	338.87	372.04
Total	**3,386.45**	**2,105.18**

Note: Unallocated corporate assets and liabilities comprise of assets and liabilities not identifiable with reportable segments, as these assets and liabilities are used interchangeably between the segments. However, depreciation on such assets has been allocated to the segments based on the related utilization by the respective segments, as used by management for its internal reporting purposes.

(b) Geographic Segment Information

Revenues:

Amount in Rs.Lakhs

Region	**Year Ended March 31, 2008**	**Year Ended March 31, 2007**
North America (including Canada)	12,867.83	12,459.02
Europe	15,545.42	13,671.75
Asia Pacific (other than India)	1,657.05	2,408.22
Middle East	232.84	–
India	8,621.98	8,091.73
Total	**38,925.12**	**36,630.72**

Assets:

Sundry Debtors and Unbilled Revenues

Amount in Rs.Lakhs

Region	**As at March 31, 2008**	**As at March 31, 2007**
North America (including Canada)	3,114.43	2,198.48
Europe	4,959.08	4,124.20
Asia Pacific (other than India)	506.86	552.00
Middle East	93.67	–
India	2,534.17	1,530.64
Total	**11,208.21**	**8,405.32**

Note: Most of the other tangible and intangible assets relate to India. Assets for other geographical segments are not significant and hence not furnished.

13. Earnings Per Share (EPS)

Reconciliation of the Net Income and number of shares considered in the computation of basic and diluted EPS is given below:

Amount in Rs.Lakhs

	Year Ended March 31, 2008	**Year Ended March 31, 2007**
Profit for Computation of Basic and Diluted EPS	2,493.53	3,813.10
Weighted Average Number of Shares Considered for Basic EPS	28,532,146	28,099,694
Add: Effect of Stock Options	16,735	433,232
Weighted Average Number of Shares Considered for Diluted EPS	28,548,881	28,532,926

14. Operating Leases

The Company has operating leases for office premises that are (a) renewable on a periodic basis and are cancellable by giving a notice period ranging from 1 month to 6 months and (b) are non-cancellable for specified periods under arrangements. Rent escalation clauses vary from contract to contract.

Amount in Rs.Lakhs

	Year Ended March 31, 2008	**Year Ended March 31, 2007**
Rent expenses included in Profit and Loss Account towards operating leases	1,839.25	1,303.22

Minimum lease obligation under non-cancellable lease contracts amounts to:

Amount in Rs.Lakhs

	As at March 31, 2008	**As at March 31, 2007**
Due within one year of the Balance Sheet date	926.87	773.89
Due between one to five years	781.83	969.10

15. Provisions

The following table provides disclosures in accordance with Accounting Standard 29 on "Provisions, Contingent Liabilities and Contingent Assets":

Amount in Rs.Lakhs

Particulars	**Provision for Warranty**	
	As at March 31, 2008	**As at March 31, 2007**
Opening Balance	6.09	–
Additions during the year	97.86	14.91
Less: Amounts used/Paid during the year	5.97	8.82
Less: Unused amounts reversed during the year	–	–
Closing Balance	97.98	6.09

16. Comparatives

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

Signatures to Schedules 1 to 16

For S R Batliboi & Co.
Chartered Accountants

per Sunil Bhumralkar
Partner
Membership No. 35141

Place: Bangalore
Date: April 18, 2008

For and on behalf of the Board of Directors

Rajiv C Mody
Managing Director

G Venkatesh
Wholetime Director

Neeta Revankar
Chief Financial Officer

R Vittal
Company Secretary

Balance Sheet Abstract

Information pursuant to Part IV of Schedule VI to the Companies Act, 1956

Statement on Balance Sheet Abstract and General Business Profile of the Company

I. Registration Details			
Registration No.	L72100KA1989PLC014226	State Code	8
Balance Sheet Date	31.03.08		

II. Capital Raised During the Year			**Amount in Rs.Lakhs**
Public Issue	Nil	Rights Issue/Preferential Allotment	Nil
Bonus Issue	Nil	Stock Options	6.07

III. Position of Mobilization and Deployment of Funds			**Amount in Rs.Lakhs**
Total Liabilities	42,812.30	Total Assets	42,812.30
Sources of Funds			
Paid-up Capital	2,856.08		
Reserves and Surplus	39,956.22		
Unsecured Loans	–		
Secured Loans	–		
Application of Funds			
Net Fixed Assets	8,442.55		
Capitalized Software	2,123.62		
Investments	18,549.73		
Net Current Assets	13,696.40		
Misc. Expenditure	Nil		
Accumulated Losses	Nil		

IV. Performance of the Company			**Amount in Rs.Lakhs**
Turnover	38,925.12	Total Expenditure	36,431.59
Profit/(Loss) Before Tax	3,775.12	Profit/(Loss) After Tax	2,493.53
Earnings Per Share (Rs.) (Weighted average)	8.74	Dividend rate	40%

V. Generic names of three principal products of the Company (as per monetary terms)	
Item Code No. (ITC Code)	85249009.10
Product Description	Computer Software

Consolidated Auditors' Report

To The Board of Directors of
Sasken Communication Technologies Ltd.

1. We have audited the attached consolidated Balance Sheet of Sasken Communication Technologies Ltd. ("the Company") and its subsidiaries and joint ventures (collectively called "Sasken Group"), as at March 31, 2008, and also the consolidated Profit and Loss Account for the year ended March 31,2008 and Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. (a) We did not audit the financial statements of the subsidiaries and joint ventures included herein, whose financial statements together reflect total assets of Rs.535,710,792 as at March 31, 2008, total revenues (including other income) of Rs.524,280,455, total expenditure of Rs.501,194,297 and cash inflows, net amounting to Rs.30,607,769 for the year then ended.

   (b) We did not audit the consolidated financial statements of a subsidiary incorporated in Finland, included herein, whose consolidated financial statements [prepared as per accounting principles generally accepted in Finland ('Finnish GAAP')], reflect total assets of Rs.2,641,432,354 as at March 31, 2008 and total revenues (including other income) of Rs.1,327,741,376, total expenditure of Rs.1,206,883,836 and cash inflow, net amounting to Rs.46,149,007 for the year then ended. We have undertaken the audit of conversion of such financial statements from Finnish GAAP to accounting principles generally accepted in India.

   These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the reports of the other auditors.

   (c) We also did not audit the financial statements of Sasken Communication Technologies (Shanghai) Co. Ltd. ["Sasken China"], Sasken Japan KK ("Sasken Japan"), and Sasken Inc. USA ("Sasken USA") for the year ended March 31, 2008. The financial statements of Sasken China, Sasken Japan and Sasken USA included in the consolidated financial statements, are based on unaudited financial statements, which reflect total assets of Rs.64,064,574 as at March 31, 2008 and total revenues (including other income) of Rs.3,001, total expenditure of Rs.8,089,405 and cash inflows, net amounting to Rs.3,128,188 for the year then ended.

4. We report that the consolidated financial statements 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.

5. Based on our audit and on consideration of the reports, as available, of the other auditors on separate financial statements and on the other financial information of the subsidiaries and joint ventures, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (a) in the case of the Consolidated Balance Sheet, of the state of affairs of Sasken Group as at March 31, 2008;

   (b) in the case of the Consolidated Profit and Loss Account, of the profit for the year ended on that date; and

   (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For S R Batliboi & Co.
Chartered Accountants

per Sunil Bhumralkar
Partner
Membership No. 35141

Bangalore
April 18, 2008

Consolidated Balance Sheet

Amount in Rs.Lakhs

	Schedule No.	As at March 31, 2008	As at March 31, 2007
Sources of Funds			
Shareholders' Funds			
Share Capital	1	2,856.08	2,850.01
Employee Stock Options Outstanding (Net of Deferred Compensation Cost)		524.86	172.40
Reserves and Surplus	2	42,502.87	39,152.74
Government Subsidy (PROSOFT)		–	25.09
Loan Funds			
Secured Loans	3	8,233.25	9,091.13
Unsecured Loans	4	530.97	68.76
Deferred Tax Liability		–	7.10
Total Sources		**54,648.03**	**51,367.23**
Application of Funds			
Fixed Assets	5		
Gross Block		45,910.80	41,758.48
Less: Accumulated Depreciation		15,258.44	12,303.53
Net Block		30,652.36	29,454.95
Capital Work in Progress including Capital Advances		70.94	500.43
Total		**30,723.30**	**29,955.38**
Capitalized Software Product Costs (Net of Amortization)		2,123.62	3,327.36
Investments	6	2,664.05	3,680.58
Deferred Tax Asset		125.30	62.98
Current Assets, Loans and Advances			
Inventories	7	313.06	79.91
Sundry Debtors	8	13,326.05	11,081.98
Cash and Bank Balances	9	5,693.34	3,487.61
Loans and Advances	10	8,673.62	7,470.28
Total	(A)	**28,006.07**	**22,119.78**
Less: Current Liabilities and Provisions	11		
Current Liabilities		4,829.00	5,020.51
Provisions		4,165.31	2,758.34
Total	(B)	**8,994.31**	**7,778.85**
Net Current Assets	(A-B)	19,011.76	14,340.93
Total Applications		**54,648.03**	**51,367.23**
Notes to Consolidated Accounts	18		

The Schedules referred to above and notes to consolidated accounts form an integral part of the Consolidated Balance Sheet.
As per our report of even date.

For S R Batliboi & Co.
Chartered Accountants

per Sunil Bhumralkar
Partner
Membership No. 35141

Place: Bangalore
Date : April 18, 2008

For and on behalf of the Board of Directors

Rajiv C Mody
Managing Director

G Venkatesh
Wholetime Director

Neeta Revankar
Chief Financial Officer

R Vittal
Company Secretary

Consolidated Profit and Loss Account

Amount in Rs.Lakhs

	Schedule No.	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007
Revenues		57,017.71	47,712.90
Cost of Revenues	12	40,910.68	31,715.69
Gross Profit		**16,107.03**	**15,997.21**
Research and Development Expenses	13	2,367.18	2,168.19
Gross Profit after Research and Development Expenses		**13,739.85**	**13,829.02**
Selling and Marketing Expenses	14	3,035.07	2,501.47
Administrative and General Expenses	15	6,450.10	6,028.96
Employee Stock Option Compensation Cost (Net)		359.71	168.17
(Refer Note 10 in the Notes to Consolidated Accounts)			
Profit from Operations		**3,894.97**	**5,130.42**
Amortization of Non Compete Fees		154.10	224.41
Other Income	16	542.73	740.83
Exchange Gain/(Loss) (Net) [Refer Note 3(a) in Notes to Consolidated Accounts]		1,799.93	233.85
Profit Before Interest and Income Taxes		**6,083.53**	**5,880.69**
Interest Expense	17	402.58	447.22
Profit Before Taxes		**5,680.95**	**5,433.47**
Income Tax Expense/(Credit), Net			
– Current (Refer Note 8 in Notes to Consolidated Accounts)		1,610.77	908.75
– Deferred		(52.79)	(43.48)
Fringe Benefit Tax		184.54	141.26
Profit After Tax		**3,938.43**	**4,426.94**
Add: Balance brought forward		8,990.48	6,446.39
Less: Transfer to General Reserve on account of Merger of SNS (Also refer Note 4(a) in Notes to Consolidated Accounts)		–	(167.79)
Less: Adjustment for transitional provision under Revised AS 15 (Refer Note 3(b) in Notes to Consolidated Accounts)		(669.36)	–
Profit Available for Appropriations		**12,259.55**	**10,705.54**
Appropriations:			
Proposed Dividend		1,142.43	1,140.01
Tax on Dividend		194.16	193.74
Transfer to General Reserve		249.36	381.31
Balance Carried to Consolidated Balance Sheet		10,673.60	8,990.48
Earnings Per Share (Equity Share par Value Rs.10 each)			
Basic		13.80	15.75
Diluted		13.80	15.52
Weighted Average Number of Equity Shares Used in Computation of			
Basic EPS		28,532,146	28,099,694
Diluted EPS		28,548,881	28,532,926
(Refer Note 13 in Notes to Consolidated Accounts)			
Notes to Consolidated Accounts	18		

The Schedules referred to above and the notes to consolidated accounts form an integral part of the Consolidated Profit and Loss Account.

As per our report of even date.

For S R Batliboi & Co.
Chartered Accountants

per Sunil Bhumralkar
Partner
Membership No. 35141

Place: Bangalore
Date : April 18, 2008

For and on behalf of the Board of Directors

Rajiv C Mody
Managing Director

G Venkatesh
Wholetime Director

Neeta Revankar
Chief Financial Officer

R Vittal
Company Secretary

Consolidated Cash Flow Statement

Amount in Rs.Lakhs

	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007
A. Cash Flows from Operating Activities:		
Net Profit Before Tax	**5,680.95**	**5,433.47**
From Operations		
Adjustments for:		
Depreciation and Amortization of Technical Knowhow and Capitalized Software	3,999.65	2,395.93
Amortization of Non Compete Fees and Contract Rights	178.85	273.75
Other Non-Cash (Writeback)/Charges	357.43	67.49
Foreign Exchange Adjustments	607.40	(551.75)
Interest Expense	402.58	447.22
Other Income	(299.11)	(726.72)
Operating Profit Before Working Capital Changes	10,927.75	7,339.39
Adjustments for:		
(Increase)/Decrease in Sundry Debtors	(2,021.81)	(2,556.74)
(Increase)/Decrease in Work in Progress	(231.42)	255.05
(Increase)/Decrease in Loans and Advances	(1,592.17)	(2,170.97)
Increase/(Decrease) in Current Liabilities and Provisions	766.87	1,222.12
Cash Generated/(Used) from Operations	7,849.22	4,088.85
Taxes (Paid)/Received	(1,896.51)	(1,204.57)
Net Cash from Operations	**5,952.71**	**2,884.28**
B. Cash Flows from Investing Activities:		
Purchase of Fixed Assets and Intangible Assets	(2,626.61)	(2,720.18)
Capitalization of Software Product Development Expenses	–	(1,481.54)
Sale of Fixed Assets	204.04	–
Interest Received	60.97	40.38
Sale/(Purchase) of Investments, Net	1,286.97	15,602.06
Acquisition of Subsidiary (Net of Cash Received)	–	(19,783.29)
Investment in Deposits	(16.50)	(30.26)
Net Cash From/(Used in) Investing Activities	**(1,091.13)**	**(8,372.83)**
C. Cash Flows from Financing Activities:		
Proceeds from Issue of Shares (Includes Share Application Money)	112.83	1,001.25
Proceeds from Government Subsidy – Net of Utilization	(25.09)	25.09
Proceeds from Short-term Loan and Bridge Loan	457.75	14,753.44
Repayment of Short-term Loan and Bridge Loan	(1,520.37)	(14,900.37)
Net Proceeds from Long-Term Borrowing	–	7,781.36
Increase/(Decrease) in Working Capital Loans	–	138.81
Dividend Paid Inclusive of Dividend Tax	(1,333.75)	(955.63)
Interest Paid	(402.58)	(447.22)
Net Cash (Used in)/from Financing Activities	**(2,711.21)**	**7,396.73**
Net Increase/(Decrease) in Cash and Bank Balances (A+B+C)	2,150.37	1,908.18

Consolidated Cash Flow Statement *(Contd.)*

Amount in Rs.Lakhs

Effect of Translation on Bank balance	38.86	(97.52)
Cash and Bank Balances at the beginning of the year	3,457.35	1,514.49
Addition on Merger of Subsidiary - Integrated Softtech Solutions Pvt. Ltd.	–	132.20
Cash and Bank Balances at the End of the Year	**5,646.58**	**3,457.35**
Cash on Hand	12.18	16.42
Balances with Scheduled Banks		
– in Current Accounts	4,960.50	3,230.37
– in Deposit Accounts (Excluding margin money for Bank Guarantees – Rs.46.76 Lakhs, Previous Year Rs.30.26 Lakhs)	673.90	210.56
Total	**5,646.58**	**3,457.35**
Supplementary Non-Cashflow Information		
Dividends Received and Re-Invested in Units of Mutual Funds	178.35	463.36

As per our attached report of even date

For S R Batliboi & Co.
Chartered Accountants

per Sunil Bhumralkar
Partner
Membership No. 35141

Place: Bangalore
Date : April 18, 2008

For and on behalf of the Board of Directors

Rajiv C Mody
Managing Director

G Venkatesh
Wholetime Director

Neeta Revankar
Chief Financial Officer

R Vittal
Company Secretary

Amount in Rs.Lakhs

	As at March 31, 2008	As at March 31, 2007
Schedule 1		
Share Capital		
Authorised Capital		
50,000,000 Equity Shares of Rs.10 each (At March 31, 2007, 50,000,000 Equity Shares of Rs.10 each)	5,000.00	5,000.00
Total	**5,000.00**	**5,000.00**
Issued, Subscribed and Paid Up Capital		
28,560,793 Equity Shares of Rs.10 each fully Paid up (At March 31, 2007, 28,500,136 Equity Shares of Rs.10 each fully Paid up)	2,856.08	2,850.01
(Of the above, 5,675,000 equity shares of Rs.10 each have been allotted as fully Paid up Bonus shares by capitalization of balance in Profit and Loss Account of Rs.502.83 Lakhs and General Reserve of Rs.64.67 Lakhs)		
Total	**2,856.08**	**2,850.01**
Schedule 2		
Reserves and Surplus		
Securities Premium		
Opening Balance	29,042.15	28,024.19
Add: Received during the year	114.01	1,017.96
Total	**29,156.16**	**29,042.15**
General Reserve		
Opening Balance	1,511.56	1,160.47
Add: Transfer of Balance in Profit and Loss Account as at April 1, 2005 of SNS (Refer Note 4(a) in Notes to Consolidated Accounts)	–	167.79
Less: Transfer of Balance in Profit and Loss Account as at April 1, 2006 of Isofttech (Refer Note 4(b) in Notes to Consolidated Accounts)	–	(70.76)
Less: Adjustment arising on merger of Isofttech	–	(127.25)
Add: Transferred from Profit and Loss Account	249.36	381.31
Total	**1,760.92**	**1,511.56**
Profit and Loss Account	10,673.60	8,990.48
Foreign Exchange Translation Reserve	912.19	(391.45)
Total	**42,502.87**	**39,152.74**

Amount in Rs.Lakhs

	As at March 31, 2008	As at March 31, 2007
Schedule 3		
Secured Loans		
Cash Credit from Union Bank of India (Secured against book debts of Sasken Network Engineering Ltd. and corporate guarantee given by the Company)	–	253.85
Loan from Nordea Bank (Secured against shares of Sasken Finland OY and corporate guarantee given by the Company)	7,157.79	7,558.20
Loan from OKO Bank (Secured against assets of Sasken Finland Oy)	1,075.46	1,279.08
Total	**8,233.25**	**9,091.13**
Schedule 4		
Unsecured Loans		
Loan from ABN AMRO Bank (Against corporate guarantee from the Company)	481.44	–
Loan – Others	49.53	68.76
Total	**530.97**	**68.76**

Schedule 5 – Fixed Assets

Amount in Rs.Lakhs

	GROSS BLOCK					DEPRECIATION					NET BLOCK	
Particulars	**Balance as at April 1, 2007**	**Additions during the year**	**Deletions during the year**	**Adjustments**	**Balance as at March 31, 2008**	**Balance as at April 1, 2007**	**For the year**	**Deletions during the year**	**Adjust ments**	**Balance as at March 31, 2008**	**As at March 31, 2008**	**As at March 31, 2007**
Land	2,287.67	–	–	–	2,287.67	–	–	–	–	–	2,287.67	2,287.67
Building	3,310.98	–	–	–	3,310.98	959.98	167.72	–	–	1,127.70	2,183.28	2,351.00
Leasehold Improvements	617.48	482.79	68.76	(7.66)	1,023.85	241.49	203.48	38.25	(3.19)	403.53	620.32	375.99
Computers	5,001.22	420.85	20.11	6.99	5,408.95	3,091.04	852.14	5.45	7.40	3,945.13	1,463.82	1,910.18
Electrical Fittings	298.90	7.21	0.11	–	306.00	159.83	30.10	0.02	–	189.91	116.09	139.07
Furniture and Fittings	2,318.78	382.43	210.02	14.84	2,506.03	1,092.48	298.94	82.38	14.41	1,323.45	1,182.58	1,226.30
Plant and Machinery including Office Equipment	5,743.51	1,072.18	99.74	104.07	6,820.02	3,969.19	690.63	35.08	87.44	4,712.18	2,107.84	1,774.32
Vehicles	0.08	6.26	0.03	–	6.31	0.08	1.68	–	–	1.76	4.55	-
Intangible Assets												
– Computer Software	2,807.64	452.23	–	34.89	3,294.76	2,336.15	472.20	–	35.27	2,843.62	451.14	471.49
– Goodwill in Consolidation	18,592.25	–	–	1,530.36	20,122.61	–	–	–	–	–	20,122.61	18,592.25
– Technical Knowhow	138.85	43.65	–	–	182.50	11.57	79.02	–	–	90.59	91.91	127.28
– Contracts	148.04	–	–	–	148.04	123.28	24.75	–	–	148.03	0.01	24.76
– Non Compete Fees	493.08	–	–	–	493.08	318.44	154.10	–	–	472.54	20.54	174.64
Total	**41,758.48**	**2,867.60**	**398.77**	**1,683.49**	**45,910.80**	**12,303.53**	**2,974.76**	**161.18**	**141.33**	**15,258.44**	**30,652.36**	**29,454.95**
Balance as at March 31, 2007	18,946.94	3,415.97	1,220.26	*20,615.83	41,758.48	9,178.08	2,638.62	667.16	*1,153.99	12,303.53	29,454.95	–

* Includes addition of fixed assets on acquisition of Integrated Softtech Solutions Pvt. Ltd. and Sasken Finland Oy. Also refer Notes 4(b) in Notes to Consolidated Accounts.

Amount in Rs.Lakhs

	As at March 31, 2008	As at March 31, 2007
Schedule 6		
Investments		
A. Long term – Unquoted, Non Trade, at Cost		
Investment in Omni Capital Fund L.P., a Limited Liability Partnership in USA	590.70	–
14,584 fully Paid Common Stock of 2Wire Inc, a company incorporated in USA (As on March 31, 2007 - 14,584 fully Paid common stock)	83.00	83.00
Less: Provision for diminution in Value of investment	(50.86)	(50.86)
392,285 fully Paid equity shares of Rs.10 each of Prime Telesystems Ltd. (As on March 31, 2007 – 392,285 fully Paid common stock)	240.00	240.00
Less: Provision for diminution in Value of investment	(240.00)	(240.00)
203,500 common shares of Extandon Inc, a company incorporated in USA (Refer Note 6(d) in the Notes to Consolidated Accounts)	0.23	0.23
B. Current – Non Trade, unquoted at lower of Cost and Net realizable Value		
– HSBC Liquid Plus-Inst. Plus-Daily Dividend [As at March 31, 2008 – Nil Units]; [Market Value – Rs. Nil] [As at March 31, 2007 – 14,665,193.05 Units of Rs.10.01 each]; [Market Value – Rs.1,468.37 Lakhs]	–	1,467.28
– Deutsche Floating Rate Fund Regular Plan Weekly Dividend [As at March 31, 2008 – 6,031,998 Units of Rs.10.0509]; [Market Value – Rs.606.51Lakhs] [As at March 31, 2007 – Nil Units]; [Market Value – Rs. Nil]	606.27	–
– HSBC Fixed Term Series 1 – Growth [As at March 31, 2008 – Nil Units]; [Market Value – Rs. Nil] [As at March 31, 2007 – 5,007,063.33 Units of Rs.10.440 each]; [Market Value – Rs.543.05 Lakhs]	–	500.71
– LIC MF Liquid Plus Fund – Daily Dividend Plan [As at March 31, 2008 – 1,003,281.597 Units of Rs.10.000 each]; [Market Value – Rs.100.33 Lakhs] [As at March 31, 2007 – 6,208,389.61 Units of Rs.10.98 each]; [Market Value – Rs.681.69 Lakhs]	100.33	681.69
– TATA Fixed Horizon Fund – Series 5 [As at March 31, 2008 – Nil Units]; [Market Value – Rs. Nil] [As at March 31, 2007 – 4,500,000 Units of Rs.10.00 each]; [Market Value – Rs.450.49 Lakhs]	–	450.00
– TFLD Tata Floater Fund – Daily Dividend [As at March 31, 2008 – 7,172,181.985 Units of Rs.10.0356 each]; [Market Value – Rs.719.77 Lakhs] [As at March 31, 2007 – 21,616.98 Units of Rs.1,002.30 each]; [Market Value – Rs.216.66 Lakhs]	719.77	216.66
– Reliance Liquidity Fund [As at March 31, 2008 – Nil Units]; [Market Value – Rs. Nil] [As at March 31, 2007 – 3,317,616.72 Units of Rs.10.0031 each]; [Market Value – Rs.331.87 Lakhs]	–	331.87
– Birla Cash Plus – Instl. Premium – Daily Dividend Reinvestment [As at March 31, 2008 – 5,891,979.827 Units of Rs.10.0195 each]; [Market Value – Rs.590.35 Lakhs] [As at March 31, 2007 – Nil Units]; [Market Value – Rs. Nil]	590.35	–
– HDFC Cash Management Mutual Fund [As at March 31, 2008 – 505,376 Units of Rs.4.8006 each]; [Market Value – Rs.24.26 Lakhs] [As at March 31, 2007 – Nil Units]; [Market Value – Rs. Nil]	24.26	–
Total	**2,664.05**	**3,680.58**

Amount in Rs.Lakhs

	As at March 31, 2008	As at March 31, 2007
Schedule 7		
Inventories		
Work-in-Progress	226.32	79.91
Stock-in-Trade	86.74	–
Total	**313.06**	**79.91**
Schedule 8		
Sundry Debtors		
a) Debts outstanding for a period exceeding six months		
– Unsecured, Considered Good	427.75	295.85
– Unsecured, Considered Doubtful	280.22	218.11
b) Other Debts		
– Unsecured, Considered Good	12,898.30	10,786.13
– Unsecured, Considered Doubtful	14.06	–
Less: Provisions	(294.28)	(218.11)
Total	**13,326.05**	**11,081.98**
Schedule 9		
Cash and Bank Balances		
Cash on Hand	12.18	16.42
Balances with Banks:		
Scheduled Banks		
– in Current Accounts	4,960.50	3,230.37
– in Deposit Accounts (held as margin money for bank guarantees/letters of Credit as on March 31, 2008 – Rs.46.76 Lakhs; as on March 31, 2007 – Rs.30.26 Lakhs)	720.66	240.82
Total	**5,693.34**	**3,487.61**

Amount in Rs.Lakhs

	As at March 31, 2008	As at March 31, 2007
Schedule 10		
Loans and Advances		
(Unsecured, Considered Good)		
Advances Recoverable in Cash or in Kind or for Value to be Received	1,831.04	2,395.38
Deposits with Government Departments and Others	1,723.44	1,604.17
Loans and Advances to Staff	409.73	281.36
Interest Income Accrued but Not Due	5.32	0.24
Unbilled Revenues	3,912.82	2,447.57
Advance Income Tax/Fringe Benefit Tax (Net of Provisions)	791.27	741.56
Total	**8,673.62**	**7,470.28**
Schedule 11		
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors for Goods, Expenses and Services	2,906.31	3,535.27
Other Liabilities	1,680.80	1,377.17
Deferred Revenues	197.75	–
Advance Received from Customers	44.14	108.07
Total (A)	**4,829.00**	**5,020.51**
Provisions		
Provision for Income Tax	13.31	202.80
Provision for Fringe Benefit Tax	138.00	–
Proposed Equity Dividend	1,142.43	1,140.01
Tax on Proposed Equity Dividend	194.16	193.74
Provision for Warranty	97.98	6.09
Provision for Gratuity	118.55	97.60
Provision for Employee Compensated Absences	2,129.44	1,076.99
Provision for Other Defined Benefit Plans	331.44	41.11
Total (B)	**4,165.31**	**2,758.34**
Total (A) + (B)	**8,994.31**	**7,778.85**

Amount in Rs.Lakhs

	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007
Schedule 12		
Cost of Revenues		
Salaries and Bonus	26,628.01	21,444.92
Contribution to Provident and Other Funds	2,699.21	1,655.99
Staff Welfare	380.22	315.31
Recruitment and Relocation	189.90	355.98
Rent	2,287.36	1,544.48
Repairs and Maintenance		
– Plant and Machinery	327.38	453.59
– Building	299.15	154.82
– Others	182.54	192.07
Communication Expenses	553.00	398.27
Travel Expenses	1,257.76	1,137.84
Electricity and Water Charges	671.74	572.35
Professional and Consultancy Charges	607.76	580.47
Depreciation	2,234.99	1,640.98
Contract Staff Cost	753.78	146.33
Software expenses	262.73	306.89
Training and Conference Expenses	218.98	245.70
Warranty Expenses Provided	91.89	6.09
Miscellaneous	126.22	(10.32)
Sub Total	**39,772.62**	**31,141.76**
Amortization of Capitalized Software Product Costs	1,203.74	307.30
Amortization of Technical Knowhow	79.02	11.57
Add: Opening Balance of Work-in-Progress	79.91	334.97
Less: Closing Balance of Work-in-Progress	(224.61)	(79.91)
Total	**40,910.68**	**31,715.69**

Amount in Rs.Lakhs

	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007
Schedule 13		
Research and Development Expenses		
Salaries and Bonus	1,388.54	1,542.51
Contribution to Provident and Other Funds	95.66	99.97
Staff Welfare	22.53	11.81
Recruitment and Relocation	24.41	52.19
Rent	106.33	107.43
Repairs and Maintenance		
– Plant and Machinery	107.15	73.80
– Building	14.32	94.33
– Others	12.26	19.80
Communication Expenses	30.61	33.61
Travel Expenses	71.10	188.92
Electricity and Water Charges	39.60	54.36
Professional and Consultancy Charges	193.35	1,068.14
Depreciation	203.86	434.15
Software Expenses	32.91	71.26
Training and Conference Expenses	24.55	8.50
Donations	–	10.18
Sub Total	**2,367.18**	**3,870.96**
Less: Capitalized Software Product Costs	–	(1,702.77)
Total	**2,367.18**	**2,168.19**

Amount in Rs.Lakhs

	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007
Schedule 14		
Selling and Marketing Expenses		
Salaries and Bonus	1,664.90	1,131.14
Contribution to Provident and Other Funds	115.35	60.24
Staff Welfare	74.54	53.89
Recruitment and Relocation	31.18	41.32
Rent	124.48	104.21
Repairs and Maintenance		
– Plant and Machinery	7.03	7.98
– Building	12.63	19.84
– Others	6.22	5.77
Communication expenses	125.22	102.41
Travel expenses	371.37	430.62
Electricity and Water Charges	11.44	10.73
Professional, Legal and Consultancy Charges	198.66	354.27
Agency Commission (others) [Net of Reversal of provision – Rs.81.39 Lakhs; Previous Year – Nil]	(20.69)	62.29
Selling Expenses – others	180.02	145.32
Depreciation	40.95	28.96
Training and Conference Expenses	12.44	6.04
Bad Debts	–	25.06
Doubtful Debts Provided/(Reversed), Net	76.16	(100.69)
Software Expenses	3.17	7.62
Membership and Subscriptions	–	4.45
Total	**3,035.07**	**2,501.47**

Amount in Rs.Lakhs

	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007
Schedule 15		
Administrative and General Expenses		
Salaries and Bonus	2,819.87	2,277.02
Contribution to Provident and Other Funds	365.95	200.19
Staff Welfare	158.28	108.53
Recruitment and Relocation	104.36	226.84
Rent	270.74	199.55
Rates and Taxes	123.44	110.61
Repairs and Maintenance		
– Plant and Machinery	60.95	40.26
– Building	202.90	206.40
– Others	53.22	37.79
Communication Expenses	90.57	66.91
Travel Expenses	473.18	471.92
Electricity and Water Charges	102.61	82.19
Depreciation	261.84	243.82
Professional, Legal and Consultancy Charges	383.66	873.06
Membership and Subscriptions	76.14	70.31
Software Expenses	80.06	18.03
Auditors' Remuneration		
– Audit fees	13.00	11.25
– Other Services	–	4.03
– Out of Pocket Expenses (Including service Tax)	1.37	2.45
Training and Conference Expenses	137.17	60.19
Directors' Sitting Fees	2.97	3.00
Donations	20.40	54.24
Insurance	115.23	124.44
Loss on Sale of Fixed Assets (Net)	40.86	–
Miscellaneous	491.33	534.48
Diminution in the Value of Current Investments (Non Trade)	–	1.45
Total	**6,450.10**	**6,028.96**

Amount in Rs.Lakhs

	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007
Schedule 16		
Other Income		
Miscellaneous Income	47.70	75.04
Dividend Received on Current Investments (Non Trade)	183.15	463.36
Net Gain on Sale of Current Investments (Non Trade)	49.91	168.27
Interest Income on Bank Deposits (Gross)	64.85	25.25
Write Back of Advance from Customer	30.36	–
Profit on Sale of Fixed Assets	7.55	0.01
Research and Technology Tax Incentive	158.01	–
Other Interest Income	1.20	8.90
Total	**542.73**	**740.83**
Schedule 17		
Interest Expense		
Term Loans from Banks and Others	402.58	435.32
Others	–	11.90
Total	**402.58**	**447.22**

Schedules forming part of the consolidated accounts for the year ended March 31, 2008

Schedule 18

1. Description of Business

Sasken Communication Technologies Ltd. (“Sasken” or “the Company”) and its subsidiaries (hereinafter collectively referred to as “the Group”) is a provider of telecommunications software services and solutions to network equipment manufacturers, mobile terminal vendors and semiconductor companies around the world. Sasken delivers end-to-end solutions that enable richer content delivery on next generation networks.

Sasken has its headquarters in Bangalore, India with offices in Pune, Chennai, China, Germany, Japan, Sweden, United Kingdom and the United States of America.

2. Significant Accounting Policies

(a) Basis for Preparation of Financial Statements

The accompanying consolidated financial statements include the accounts of Sasken and its subsidiaries and joint ventures as follows:

Name of Subsidiary	Country of Incorporation	% Holding
Sasken Network Engineering Ltd. (SNEL)	India	100.00%
Sasken Communication Technologies Mexico S.A. de C.V (Sasken Mexico)	Mexico	100.00%
Sasken Communication Technologies (Shanghai) Co. Ltd. (Sasken China)	China	100.00%
Sasken Communication Technologies Oy (Sasken Oy)	Finland	100.00%
Sasken Finland Oy (Sasken Finland)*	Finland	100.00%
Sasken Japan KK (Sasken Japan)	Japan	100.00%
Sasken Inc. (Sasken USA)	USA	100.00%

Name of Joint Venture	Country of Incorporation	% Holding
TACO Sasken Automotive Electronics Pvt. Ltd.	India	50.00%
ConnectM Technology Solutions Pvt. Ltd.	India	49.50%

* Fully held by Sasken Oy

During the year, Sasken Network Solutions Inc. has been incorporated on August 28, 2007 at Dallas in United States of America. This company is proposed to be a wholly owned subsidiary of Sasken Network Engineering Ltd. The company has not commenced operations as at Balance Sheet date.

The consolidated financial statements have been prepared to comply in all material respects with the notified Accounting Standards by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Group and are consistent with those used during the previous year.

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's best knowledge of current events and actions the Group may undertake in future, actual results ultimately may differ from the estimates.

All inter company balances and transactions between the Company and its subsidiaries and joint ventures have been eliminated in consolidation.

(b) Revenue Recognition

The Group derives its revenues from product and technology licensing, software services and installation and commissioning services.

Licensing revenue is recognized when the product or technology is delivered and accepted. Revenue related to customized products or technology development agreements is recognized using the proportionate completion method, determined based on the achievement and acceptance of the milestone. In all cases revenue is recognized only when no further vendor obligations remain and collection is probable. Revenue related to post contract customer support is recognized over the support period.

Revenue from time and material service contracts is recognized as the services are provided. Revenue from fixed price service contracts is recognized based on the proportionate completion method, determined based on the achievement and acceptance of the milestone, provided collection is probable. Revenue from maintenance is recognized ratably over the term of the maintenance arrangement.

Revenue from royalty is recognized on an accrual basis based on the terms of the agreement, provided collection is probable.

Dividend income is recognized when the right to receive dividend is established.

Interest income is recognized on an accrual basis.

(c) Inventories and Work-in-Progress

Costs related to milestones that have not been met are treated as costs of future activity and are reported as work-in-progress. Work in progress is carried at cost or net realizable value whichever is lower. Cost includes all expenses directly identifiable to a project and other costs directly attributable to the project. Net realizable value is the estimated revenue expected in the ordinary course of business on completion of the milestone less expected costs of completion of milestone.

Stock in Trade is valued at lower of cost or net realizable value. Cost includes the purchase price and other associated costs directly incurred in bringing the inventory to its present location.

(d) Fixed Assets (including Intangible Assets)

Fixed assets (including intangible assets) are stated at cost, less accumulated depreciation less impairment, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Financing costs relating to acquisition of fixed assets, which necessarily take substantial period of time to get ready for intended use, are also included to the extent they relate to the period till such assets are ready to be put to use.

(e) Depreciation

Depreciation is provided on Straight Line Method (SLM) at the rates mentioned below, which are greater than or equal to the corresponding rates prescribed in Schedule XIV of the Companies Act, 1956:

Type of asset	Rates (SLM)(%)	Schedule XIV rates (SLM)(%)
Building and Vehicle	5	1.63
Computers	25 – $33^{1/3}$	16.21
Electrical Fittings	20	4.75
Furniture and Fittings	10 – 20	6.33
Plant and Machinery including Office Equipment	20 – 25	4.75
Vehicles	20	9.50

Leasehold improvements at leased property are depreciated over the estimated useful life or the lease period of the property, whichever is lower.

Assets with unit value of Rs.5,000 or less are depreciated entirely in the year of acquisition, except in case of Sasken Finland and it's subsidiaries where the assets with unit value of Euro 5,000 or less are depreciated entirely in the period of acquisition.

Intangible assets comprise of the following and are depreciated over the estimated useful life as given below:

1. Goodwill – Goodwill represents the excess of the purchase price over the book value of the net assets of the acquired subsidiary companies on the date of investment. Goodwill is not amortized but is tested for impairment on a periodic basis.
2. Computer Software –
   (a) Computer Software used for development of software/rendering software services – Over the life of the project/product.
   (b) Generic Computer Software – over 12 months.
   (c) Product Software for administration purposes – 3 years.
3. Contract Rights – over 1 to 3 years
4. Non-compete fee – over the contract period of 24 months. (Refer Note 6(e)).
5. Technical Knowhow – over a period of 36 months, on a straight line basis.
6. In case of Sasken Finland and its subsidiaries Software licenses
   (a) Over Euro 3,000 – 3 years
   (b) Development – 5 years
   (c) Business Value (Mechanical) – 3 years

(f) Capitalization and Amortization of Software Products

Costs incurred towards development of computer software products meant for sale, lease or otherwise marketed, are capitalized subsequent to establishing technological feasibility. Capitalization ceases when the product is available for general release to customeRs. Capitalized software product costs are amortized on straight-line method over the remaining estimated economic life of the product. The unamortized cost of capitalized software products is carried at cost, less accumulated amortization less impairment, if any.

(g) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

(h) Foreign Currency Transactions

(i) Initial Recognition – Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency approximately at the date of the transaction.

(ii) Conversion – Foreign currency monetary items are reported using the closing rate. Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

(iii) Exchange Differences – Exchange differences arising on the settlement or conversion of monetary items, are recognized as income or as expenses in the period in which they arise.

(iv) Forward Exchange Contracts – The Group uses forward exchange contracts to hedge its exposure to movements in foreign exchange rates. The Group does not use the forward exchange contracts for trading or speculation purposes. The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts, to the extent of the underlying assets recognized as at the Balance Sheet date, are recognized in the statement of Profit and Loss of the relevant year. Any Profit or Loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

(v) Foreign operations – The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Group itself. In translating financial statements of non-integral operation for incorporation in financial statements, income and expenditure items are translated at the average exchange rates for the year and the assets and liabilities both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate. Exchange differences arising from such translations are accumulated in foreign currency translation reserve until the disposal of the net investment. On disposal of a non-integral foreign operation, the cumulative amount of the exchange difference which have been deferred and which relate to that operation are recognized as income or expense in the same period in which the gain or loss on disposal is recognized. Where there is a change in the classification of a foreign operation, the translation procedure applicable to the revised classification are applied from the date of the change in the classification.

(i) Employee Benefits

(i) Gratuity:

The Group provides for gratuity, a defined benefit retirement plan covering all eligible employees. The plan provides a lump sum payment to eligible employees at retirement or on termination of employment based on the salary of the respective employee and the years of employment with the Group.

The Group contributes to gratuity funds maintained by insurance companies. The amount of contribution is determined based upon actuarial valuations as at the year end. Such contributions are charged off to the Profit and Loss Account. Provision is made for the difference between the actuarial valuation as per the projected unit credit method and the funded balance with the insurance companies as at the Balance Sheet date.

(ii) Provident Fund:

Employees other than the employees at foreign branches and subsidiaries are also eligible to receive Provident Fund benefits through a defined benefit plan in which both employee and employer make monthly contributions to the plan, @ 12% each, of the covered employee's basic salary. The Company has established a Provident Fund Trust to which contributions towards provident fund are made each month. The Provident Fund Trust guarantees a specified rate of return on such contributions on a periodical basis. The Company will meet the shortfall in the return, if any, which is provided for based on actuarial valuation as on the date of Balance Sheet. The contributions towards the pension fund of the Company are remitted to the Regional Provident Fund. The contributions towards Provident Fund and Pension Fund of SNEL are remitted to the Regional Provident Fund. Contributions towards Provident Fund and Pension Fund are charged to the Profit and Loss Account on an accrual basis.

In case of foreign subsidiary companies, contributions are made as per the respective country laws and regulations. The same is charged to the Profit and Loss Account on an accrual basis. There are no obligations beyond the Company's contributions.

(iii) Leave Encashment/Compensated absences:

The Group estimates its liability for leave encashment based on an actuarial valuation as of the Balance Sheet date. Provision for short term compensated absences is made on an estimate of availment of the un-availed leave balance to the credit of the employees as at the period end. Long-term compensated absences are provided for based on actuarial valuation as at Balance Sheet date.

(iv) Superannuation:

The Company contributes to a superannuation scheme maintained by an insurance company. Such contributions are charged to the Profit and Loss Account on an accrual basis. The Company has no other obligations beyond its monthly contributions.

The actuarial gains/losses on the employee benefits are immediately recognized in the Profit and Loss Account.

(j) Impairment of Assets

(i) The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

(ii) After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

(iii) A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

(k) Warranty

The Group provides for the estimated costs based on trend of past analysis and nature of services rendered, which may be incurred under free warranties, as provided in licensing and service contracts.

(l) Research and Development

All research and development costs are charged to Profit and Loss Account when incurred. Equipment or facilities that are acquired or constructed for research and development activities, which have alternative future uses are capitalized as tangible assets. Depreciation on such assets is charged to expense as research and development costs.

(m) Income Taxes

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax are measured at the amount expected to be paid to the tax authorities in accordance with tax laws applicable to the respective jurisdictions. Deferred income taxes reflect the impact of current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier periods. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities across various countries of operation are not set off against each other as the Group does not have a legal right to do so. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the Company has carry forward of unabsorbed depreciation and tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain or virtually certain, as the case may be that future taxable income will be available against which such deferred tax assets can be realized.

(n) Stock Compensation Expense

The Group accounts for stock compensation expense based on the fair value of the options granted on the date of grant. Compensation expense is amortized over the vesting period of the option on a straight-line basis. The accounting value of the options net of the Deferred Compensation Expense is reflected as Employee Stock Options Outstanding.

(o) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders' by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the year are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(p) Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

(q) Segment Policy

Identification of Segments:

The Group is focused in the telecommunication space. The risks and returns of the Group are predominantly determined by the nature of the solutions offered to its customers, which may be in the form of products or services. The primary reporting segments are Telecom Software Services, Telecom Software Products, Network Engineering Services and Automotive, Utilities and Industrial. During the earlier quarter, the Company had re-designated the segment name Software Services and Software Products as Telecom Software Services and Telecom Software Products.

The geographical segment information is disclosed based on the location of the customers.

(i) Allocation of Common Costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

(ii) Unallocated Items:

The Corporate and other segment include general corporate income and expense items, which are not allocated to any business segment.

(r) Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating lease. Operating lease payments are recognized as expense in the Profit and Loss Account on a straight-line basis over the lease term.

(s) Derivatives

The Company provides for net losses in respect of all outstanding derivative contracts as at the Balance Sheet date by marking them to market on a portfolio basis.

(t) Government Subsidy

Sasken Mexico is participating in program called PROSOFT offered and managed by State Government of Nuevo León, México and Federal Government of Mexico. The program offers incentive in the area of Information Technologies to sponsor their projects with advance funding to be utilized broadly towards Training, Implementing processes for Quality certification, Purchases of Infrastructure and Office Equipment and participation in trade shows/job fare. Sasken was sanctioned with a funding of MXN 5,780,000 for the year 2006. As per the rules of operations the funds were to be utilized for the said activities for the projects during the year 2006 or to apply for an extension. Sasken Mexico applied for an extension to utilize the funds until March 31,2007 and utilized MXN 4,373,867 part of which (MXN 635,788) was allowed by the State Government to be adjusted against investment made by Sasken Mexico to set up infrastructure. And the balance unutilized funds of MXN 1,406,133 was returned to Government (Federal MXN 1,015,333 and State Government MXN 390,800).

Sasken Mexico carried MXN 635,788 referred above under capital reserve, awaiting for the final approvals on the PROSOFT 2006 report submitted to Government. In the month of June 2007, the Federal Government upon their assessment of the report advised Sasken Mexico to refund MXN 126,035.37 as final dues. Sasken Mexico refunded the said amount as on June 29, 2007 and adjusted the balance funds MXN 509,732.63 (Rs.19.09 Lakhs) against the investment to leasehold improvements made by Sasken Mexico in the current year to increase its facility infrastructure.

CONACYT Tax Credit:

Sasken Mexico is participating in the program called CONACYT offered and managed by Federal Government of Mexico. The program offers non cash tax incentive for the companies having Research and Development which is to be utilized for discharging the tax liability within a span of 10 years. Sasken Mexico was sanctioned with a funding of MXN 12,313,185 for the year 2007. The Company has utilized MXN 4,364,985 until March 31, 2008.

The accounting treatment given to account for receipt of funds from Government and its utilization are in line with AS 12 and guidelines issued by ICAI.

3. Changes in Accounting Policies

(a) Accounting for Derivatives

Pursuant to The Institute of Chartered Accountants of India's (ICAI) Announcement dated March 29, 2008 on "Accounting for Derivatives", the Company has, based on the principles of prudence enunciated in Accounting Standard 1 on "Disclosure of Accounting Policies", recognized mark to market losses on derivative contracts outstanding, (forward contracts for highly probable collections), as on March 31, 2008 to the extent the losses are not offset by the fair value gain on the underlying hedge items. For the purpose of arriving at the net losses, the Company has considered foreign currency derivative contracts as one portfolio and accordingly, loss amounting to Rs.102.36 Lakhs has been recognized in Profit and Loss Account during the year ended March 31, 2008.

(b) Revised Accounting Standard 15

Effective April 1, 2007, the Group adopted the revised Accounting Standard 15 – Employee Benefits (hereinafter referred to as 'Revised AS 15'). Accordingly, the Group has made provision for the defined employee benefit plans and employee short term and long term compensated absences, which were not covered earlier in the pre-revised AS 15. In accordance with the transitional provisions of Revised AS 15, the Group has adjusted the balance in Profit and Loss Account as at April 1, 2007 for a sum of Rs.669.36 Lakhs (net of deferred tax of Rs.6.21 Lakhs), being the liability assessed under the Revised AS 15 as at April 1, 2007. Further, employee benefit expenses for the year ended March 31, 2008 are higher by a sum of Rs.266.04 Lakhs. Consequently, profit for the year is lower by the same extent.

4. Acquisitions and Mergers

(a) Sasken and Sasken Network Systems Ltd.

On July 27, 2006, Sasken received the order of the High Court of Karnataka dated June 30, 2006, approving the Scheme of Amalgamation of Sasken Network Systems Ltd. ('SNS' or 'the Transferor Company') with the Company ('the Scheme'). The Scheme is effective with retrospective date of April 1, 2005 ('the Appointed Date'). The Scheme was filed with the Registrar of Companies, Karnataka on July 31, 2006. The Scheme was earlier ratified by Sasken and SNS in their Board meetings on October 27, 2005 and October 26, 2005, respectively and by the shareholders of Sasken on February 25, 2006. SNS was incorporated as a wholly owned subsidiary of Sasken on October 20, 2003 and obtained its certificate to commence business on November 21, 2003, from the Registrar of Companies, Karnataka. SNS provided consultative engineering services focused on telecom operation systems.

As per the approved Scheme and in accordance with the pooling of interest method referred to in Accounting Standard 14 on "Accounting for Amalgamations", the assets and liabilities of SNS have been merged with those of the Company at their respective carrying values and the balance in Profit and Loss Account as at April 1, 2005 (being the appointed date) of Rs.167.79 Lakhs has been transferred to the General Reserve of the Company as on March 31, 2007.

(b) Sasken and Integrated Softtech Solutions Pvt. Ltd.

Sasken entered into a share purchase agreement with the shareholders of Integrated Softtech Solutions Pvt. Ltd. ('Isofttech' or 'the Transferor Company'), on April 5, 2006, for acquiring 100% of their shares in Isofttech. Isofttech was incorporated as a private limited company on March 19, 2001 with the Registrar of Companies, Tamil Nadu. Isofttech provided software services focused on telecom operation systems. The Company completed the acquisition on June 1, 2006, for a purchase consideration of Rs.480.82 Lakhs.

The Boards of Directors of Isofttech and Sasken approved a Scheme of Amalgamation ('the Scheme') of Isofttech with Sasken, at their respective meetings held on July 19, 2006 and July 26, 2006. The Scheme was approved by the Shareholders of Sasken at a meeting convened on October 14, 2006.

On February 2, 2007 and March 24, 2007, Sasken received the orders of the High Court of Karnataka and High Court of Judicature of Madras, respectively, approving the Scheme. The Scheme was filed with the Registrar of Companies, Karnataka on February 14, 2007 and Registrar of Companies, Tamil Nadu on March 28, 2007. The Scheme is effective with retrospective date of April 1, 2006 ('the Appointed Date').

As per the approved Scheme and in accordance with the pooling of interest method referred to in AS 14 on "Accounting for Amalgamations", the assets and liabilities of Isofttech have been merged with those of the Company at their respective carrying values as at April 1, 2006 and the debit balance of Rs.70.76 Lakhs in Profit and Loss Account of Isofttech as at April 1, 2006 has been adjusted with the General Reserve of the Company. Prior to the approval of the Scheme, the interim financial statements of the Company reflected its investment of Rs.480.82 Lakhs as "Investment in Subsidiary Company". The excess of purchase consideration over the paid up share capital of Isofttech as at April 1, 2006 of Rs.127.25 Lakhs has been adjusted against the General Reserves of the Company.

5. Joint Venture

(a) TACO Sasken Automotive Electronics Pvt. Ltd. ("TSAE")

In January 2007, Sasken and Tata AutoComp Systems Ltd. ("TACO") formed a joint venture company called TACO Sasken Automotive Electronics Pvt. Ltd. ("TSAE") in Pune. TSAE focuses on automotive electronics products in the areas of telematics, infotainment and occupant convenience. As at March 31, 2008, the Company and TACO each hold 50% of the equity in TSAE. In accordance with Accounting Standard 27 on "Financial Reporting of Interest in Joint Venture", the group has consolidated the results of TSAE in proportion to its interest in the Joint Venture.

(b) ConnectM Technology Solutions Pvt. Ltd. ("ConnectM")

In June 2007, Sasken and IDG Ventures formed a joint venture company called ConnectM Technology Solutions Pvt. Ltd. ("ConnectM") in Bangalore. ConnectM intends to explore and focus on end-to-end cycle development and sustenance to the Transportation, Industrial, Utilities and Enterprise markets enabled by Machine-to-Machine (M2M) communications. As at March 31, 2008, the Company and IDG Ventures each hold 49.50% of the equity in ConnectM. In accordance with Accounting Standard 27 on "Financial Reporting of Interest in Joint Venture", the group has consolidated the results of ConnectM in proportion to its interest in the Joint Venture.

6. Other Notes

(a) Estimated amount of contracts remaining to be executed on capital account (net of advances) amounted to Rs.116.60 Lakhs (As at March 31, 2007 Rs.244.42 Lakhs).

(b) Contingent Liabilities:

Contingent liabilities towards income taxes and indirect taxes not provided for amount to Rs.936.99 Lakhs (As at March 31, 2007 Rs.317.23 Lakhs) and Rs.667.23 Lakhs (As at March 31, 2007 Rs. Nil) respectively. There are certain claims made against the Company by an investee Company, which are a subject matter of arbitration proceedings. In the view of the management of the Company such claims are frivolous and are not tenable. No provision has been made for such claims pending completion of legal proceedings as the amount of claims are currently not ascertainable.

Amount in Rs.Lakhs

	As at March 31, 2008	As at March 31, 2007
Bank Guarantees	569.37	261.63
Corporate Guarantee	11,948.00	11,013.00

(c) Gain on account of unamortized premium for foreign exchange forward contracts entered into by the Company to be recognized in the future financial periods amount to Rs.117.55 Lakhs as at March 31, 2008 and Rs.244.96 Lakhs as at March 31, 2007.

(d) The shares of Extandon Inc, USA, fully paid up, are held by Extandon Inc. as collateral to secure the Company's compliance with all terms and conditions under a software licensing agreement entered into by the Company with Extandon Inc. and performance of the delivery obligations under the repurchase options available with Extandon Inc. under the terms of investment agreement.

(e) Non-compete Fee:

The Company has incurred Rs.493.08 Lakhs as non compete fees in respect of two of its key employees under their respective non-compete agreements. The non-compete agreement restricts the employees from solicitation of Company's and its subsidiary's customers and employees and restricts such employees from joining as employee or otherwise providing similar services to the Company's and its subsidiary's competitor. The contract is for a period of two years. Such non-compete fee has been recorded as an intangible asset under Accounting Standard 26 – "Intangible Assets" and the same is being amortized over two years on a straight-line basis from the date of termination of services.

(f) The Group enters into foreign exchange forward contracts to hedge its net foreign currency receivables position including its future receivables. As at March 31, 2008, the Group had foreign exchange forward contracts amounting to USD 477 Lakhs at an average forward exchange rate of Rs.40.28 [March 31, 2007 USD 539 Lakhs at an average forward rate of Rs.45.88] and USD 7.00 Lakhs at an average forward rate of 11.094 MXN [March 31, 2007 Nil]. As per the current policy of the Group, the Group takes foreign exchange forward contracts for currencies primarily denominated in the US Dollar.

(h) Revenue for the year ended March 31, 2008, 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.

(g) The following table provides the disclosures in accordance with Revised AS 15 for the year and as at March 31, 2008:

Amount in Rs.Lakhs

	Category	**Gratuity**
1.	Change in benefit obligations:	
	Projected benefit obligations at beginning of the year	615.53
	Current Service Cost	280.37
	Interest Cost	46.44
	Benefits Paid	(158.64)
	Actuarial (Gain)/Loss	103.09
	Projected benefit obligations (PBO) at the end of the year	886.79
2.	Change in plan assets:	
	Plans assets at the beginning of the year at Fair Value	517.94
	Expected return on plan assets	55.69
	Contributions	333.50
	Actuarial Gain/(Loss)	19.75
	Benefits Paid	(158.64)
	Plan assets at the end of the year, at Fair Value	768.24
3.	Present Value of the defined benefit obligation:	886.79
	Plan assets at the end of the year, at Fair Value	(768.24)
	Liability Recognized in the Balance Sheet	118.55
4.	Cost for the year:	**Year ended March 31, 2008**
	Current Service Cost	280.37
	Interest Cost	46.44
	Expected return on plan assets	(55.69)
	Actuarial (Gain)/Loss	83.34
	Expense Recognized in the statement of Profit and Loss	353.46
5.	Assumptions:	
	Interest rate for discount	8.66%
	Estimated rate of return on plan assets	8.66%

The Guidance Note on implementing AS 15, Employee Benefits (revised 2005) states that provident funds set up by employers, which require interest shortfall to be met by employer, needs to be treated as a defined benefit plan. Pending the issuance of the Guidance Note from the Actuarial Society of India, the actuary has expressed inability to reliably measure the provident fund obligations and the fair valuation of plan assets and accordingly, disclosures have not been made in this respect. However, the Company has fully provided for the actuarial liability on account of interest shortfall amounting to Rs.327.82 Lakhs.

Assumptions relating to future salary increases, attrition, etc. have been considered based on relevant economic factors such as inflation, market growth, etc.

The current year being the first year of adoption of Revised AS 15 by the Group, the previous year comparative information has not been furnished.

(i) Buy-Back of Equity Shares:

The Board of Directors has decided on buy-back of Company's fully paid up equity shares of Rs.10 each from the existing shareholders from open market through stock exchanges in accordance with the provisions of Sections 77A, 77AA and 77B of the Companies Act, 1956 and the SEBI (Buy-back of Securities) Regulations 1998.

(j) The Depreciation expenses in the Profit and Loss Account for the year includes an element of higher depreciation provided for the assets which were identified as obsolete and no longer productive. Consequently, the depreciation expenses for the year is higher by Rs.20.23 Lakhs (Previous year Nil).

7. Managerial Remuneration

Managerial remuneration paid/payable to Directors.

Amount in Rs.Lakhs

	Year ended March 31, 2008	Year ended March 31, 2007
Wholetime Directors		
Salaries and Bonus	179.54	207.17
Contribution to Provident Fund and Other Funds#	10.75	9.49
Non Wholetime Directors*	52.80	51.28
Total	**243.09**	**267.94**

The above does not include provisions for gratuity determined on an actuarial basis and provisions for leave encashment.

* Stock compensation cost in respect of options issued to the directors of Rs.20.07 Lakhs for the year ended March 31, 2008 (year ended March 31, 2007 – Rs.33.92 Lakhs) has not been considered as managerial remuneration.

8. Provision for Taxation

The Company is registered under the Software Technology Park Scheme and claiming tax benefits under Section 10A of the Income Tax Act, 1961. Pending clarity on extension of the tax holiday period beyond March 31, 2009 the Company is not able to reliably estimate the future income against which deferred tax assets will be realized. Accordingly, as a matter of prudence, deferred tax asset has not been recognized.

The operations of other Group companies are taxable under the respective tax laws. Deferred Tax Asset (DTA) is recognized only where it is reasonably/virtually certain, as the case may be such DTA would be realized.

Income tax expense during the year ended March 31, 2008 includes a provision of Rs.30.95 Lakhs for earlier years.

The operations of SNEL, Sasken Mexico and Sasken Finland are taxable under the respective Income Tax laws.

The following are the components of the Deferred Tax Asset (DTA) and Deferred Tax Liability (DTL):

Amount in Rs.Lakhs

Deferred Tax Asset	**As at March 31, 2008**	**As at March 31, 2007**
Depreciation		
– SNEL	59.55	43.97
– Mexico	34.48	12.06
Others		
– SNEL	17.50	6.95
– Mexico	13.77	–
Total	**125.30**	**62.98**

Amount in Rs.Lakhs

Deferred Tax Liability	**As at March 31, 2008**	**As at March 31, 2007**
Depreciation		
– Sasken Oy	–	7.10
Total	**–**	**7.10**

9. Fixed Price Revenue Contracts

The following table provides disclosures in accordance with the revised Accounting Standard 7 on “Construction Contracts”:

Amount in Rs.Lakhs

Particulars	**Year ended March 31, 2008**	**Year ended March 31, 2007**
Contract Revenue Recognized	6,968.67	4,562.54
Aggregate Amount of Costs Incurred and Recognized Profits (Less Recognized Losses) up to Date of Balance Sheet for Contracts in Progress as at that Date	2,937.16	1,001.85

Particulars	**As at March 31, 2008**	**As at March 31, 2007**
Advances Received from Customers for Works-in-Progress	3.35	3.64
Gross Amount Due from Customers for Contract Work - Presented as an Asset	268.41	79.91
Gross Amount Due to Customers for Contract Work - Presented as a Liability	–	–

10. Employee Stock Option Plan

Sasken ESOP 2000

On September 22, 2000, the shareholders of the Company approved Stock Option Plan [ESOP-2000] in accordance with the Guidelines issued by the Securities and Exchange Board of India (SEBI) for Employees Stock Option Plans. The Plan covered all employees of the Company including foreign branches, employees of the subsidiaries including its part time/full time Directors other than the promoter directors/employees. The Plan provided for the issue of 30 Lakh shares (including the shares issued under the SAS Stock Option plan, 1997) of Rs.10 each duly adjusted for any bonus, splits, etc. A Compensation Committee comprising of three independent directors on the Board administers the scheme.

On April 2, 2004 and June 1, 2004, the Company issued 378,925 options to 1,372 employees and 971,533 options to 347 employees, respectively convertible into equity shares of Rs.10 each. These options carry a vesting period ranging one to four years at an exercise price ranging from Rs.160 to Rs.256 per share of Rs.10 each depending upon the vesting period being the fair value of the Company's share as determined by the Company as at the date of grant.

On February 23, 2005, the Company issued 42,530 options to 41 employees of Sasken Network Systems Ltd. and 2,735 options to 3 employees of the Company. These options carry a vesting period ranging one to four years at an exercise price ranging from Rs.184 to Rs.256 per share depending upon the vesting period, being the fair value of the Company's share as determined by the Company as at the date of grant.

On April 19, 2005, the Company issued 304,050 options to 1,212 employees including 25,350 options to 80 employees of SNS and 21,100 options to 113 employees of SNEL. These options carry a vesting period ranging one to four years at an exercise price ranging from Rs.225 to Rs.321 per share depending upon the vesting period, being the fair value of the Company's share as determined by the Company as at the date of grant.

All the options granted have an exercise period of two years from the date of vesting.

Sasken ESOP 2006

On February 25, 2006, the shareholders of the Company approved Stock Option Plan [ESOP-2006] in accordance with the Guidelines issued by the Securities and Exchange Board of India (SEBI) for Employees Stock Option Plans. The Plan covers all employees of the Company including foreign branches, employees of the subsidiaries and Directors other than the promoter directors/employees. The Plan provides for the issue of 3,575,000 shares of Rs.10 each duly adjusted for any bonus, splits, etc. A Compensation Committee comprising of three independent directors on the Board administers the scheme. The terms of each issuance would be determined by the Compensation Committee.

On June 17, 2006 and October 18, 2006, the Company issued 138,750 options to 5 employees and 4 non-executive directors, and 150,000 options to 1 employee, respectively, convertible into equity shares of Rs.10 each. These options carry a vesting period ranging one to four years at an exercise price ranging from Rs.234 to Rs.394 per share of Rs.10 each depending upon the vesting period being the fair value of the Company's share as determined by the Company as at the date of grant.

On January 1,2007, the Company issued 5,000 options to 1 employee, convertible into equity shares of Rs.10 each. These options carry a vesting period ranging one to four years at an exercise price ranging from Rs.367 to Rs.559 per share of Rs.10 each depending upon the vesting period being the fair value of the Company's share as determined by the Company as at the date of grant.

On April 1, 2007, the Company issued 2,35,000 options to 5 employees, convertible into equity shares of Rs.10 each. These options carry a vesting period ranging one to four years at an exercise price ranging from Rs.475 to Rs.667 per share of Rs.10 each depending upon the vesting period being the fair value of the Company's share as determined by the Company as at the date of grant.

On July 1, 2007, the Company issued 90,000 options to 4 employees, convertible into equity shares of Rs.10 each. These options carry a vesting period ranging one to four years at an exercise price ranging from Rs.554 to Rs.746 per share of Rs.10 each depending upon the vesting period being the fair value of the Company's share as determined by the Company as at the date of grant.

On October 1, 2007, the Company issued 10,000 options to 2 employees, convertible into equity shares of Rs.10 each. These options carry a vesting period ranging one to four years at an exercise price ranging from Rs.410 to Rs.602 per share of Rs.10 each depending upon the vesting period being the fair value of the Company's share as determined by the Company as at the date of grant.

All the options granted have an exercise period of two years from the date of vesting.

Employee Stock Options outstanding (Net of deferred compensation cost) is as follows:

Amount in Rs.Lakhs

	March 31, 2008	**March 31, 2007**
Total Accounting Value of Options Outstanding (A)	890.89	461.78
Deferred Compensation Cost	890.89	461.78
Less: Amortized	524.86	172.40
Net Deferred Compensation Cost (B)	366.03	289.38
(A) - (B)	524.86	172.40

The following table summarizes the Company's stock options activity for Sasken ESOP 2000 and Sasken ESOP 2006:

Shares Underlying Options Outstanding

	March 31, 2008		**March 31, 2007**	
	No. of Shares	**Weighted average exercise price (Rs.)**	**No. of Shares**	**Weighted average exercise price (Rs.)**
Outstanding at the beginning of the year	719,673	255.73	1,141,658	201.89
Granted during the year	335,000	609.48	293,750	303.40
Forfeited during the year	(177,250)	393.57	(151,980)	233.27
Exercised during the year	(60,657)	186.00	(563,755)	177.60
Outstanding at the end of the year	816,766	376.09	719,673	255.73
Exercisable at the end of the year	348,876	239.84	154,187	194.40
Weighted average remaining Contractual Life (in Years)	2.45	–	2.54	–
Weighted average Fair Value of Options Granted during the year	_	175.27	–	156.77

The weighted average market price of the Company's shares during the year ended March 31,2008 was Rs.341.99 per share.

The estimated weighted average fair value of options granted in April 2007, July 2007 and October 2007 is Rs.187.59, Rs.152.69 and Rs.89.14 respectively.

This was calculated by applying the Black – Scholes – Merton formula with the following assumptions:

	April 2007	July 2007	Oct 2007
Average risk free interest rate	8.16%	7.80%	7.95%
Weighted average expected life of options granted in (years)	3.80	3.80	3.80
Expected dividend yield	0.82%	0.82%	1.19%
Volatility (annualized)*	48.95%	44.95%	45.35%

* Based on historical market price of the Company's shares for the year since listing.

The details of exercise price of outstanding options are as follows:

As at March 31, 2008

Range of exercise price (Rs.)	Number of options outstanding	Weighted average remaining life of options (in years)	Weighted average exercise price (Rs.)
160 – 225	123,913	0.73	212.83
226 – 321	342,853	1.73	262.51
322 – 474	96,000	3.34	362.35
475 – 746	254,000	3.92	614.24

As at March 31, 2007

Range of exercise price (Rs.)	Number of options outstanding	Weighted average remaining life of options (in years)	Weighted average exercise price (Rs.)
160 – 225	224,925	1.41	201.47
226 – 321	399,748	2.73	260.40
322 – 474	92,000	4.38	364.54
475 – 559	3,000	5.42	537.67

11. Related Party Disclosures

Remuneration paid to Key Managerial Personnel

Amount in Rs.Lakhs

Name of the related party	Relationship	Year Ended March 31, 2008	Year Ended March 31, 2007
Rajiv C Mody	Managing Director	93.07	71.77
Krishna J Jhaveri	Wholetime Director	32.64	102.16
G Venkatesh	Wholetime Director	64.58	42.73

The above does not include provision for gratuity determined on actuarial basis and provision for leave encashment. Total dividend paid out for the year 2006 – 07, during the year, to the above Directors was Rs.9.75 Lakhs (Year ended March, 2007 - Rs.6.81 Lakhs).

12. Segment Reporting

The business segmental information is given based on Telecom Software Services, Telecom Software Products, Network Engineering Services and Automotive, Utilities and Industrial. Telecom Software Services that are related with Intellectual Property based product offerings are considered part of the Telecom Software Products segment. Network Engineering Services segment provides network planning, deployment, commissioning, integration and network operations support to network equipment vendors and operators. Automotive, Utilities and Industrial segment provides services to customers in the area of telematics and infotainment.

(a) Business Segment Information

Segment Balance Sheet

Amount in Rs.Lakhs

	As at March 31, 2008	As at March 31, 2007
Segment Assets		
Telecom Software Services	40,278.44	33,919.80
Telecom Software Products	4,759.16	5,361.25
Network Engineering Services	2,853.37	2,411.84
Automotive, Utilities and Industrial	392.19	–
Unallocated Corporate Assets	15,359.18	17,453.19
Total	**63,642.34**	**59,146.08**
Segment Liabilities		
Telecom Software Services	11,956.11	11,810.93
Telecom Software Products	422.02	503.06
Network Engineering Services	569.71	690.42
Automotive, Utilities and Industrial	88.32	–
Unallocated Corporate Liabilities	4,722.37	3,966.52
Total	**17,758.53**	**16,970.93**
Capital Expenditure		
Telecom Software Services	1,565.03	22,393.83
Telecom Software Products	214.71	109.70
Network Engineering Services	151.01	132.59
Automotive, Utilities and Industrial	108.64	–
Corporate and Others	828.21	1,395.68
Total	**2,867.60**	**24,031.80**
Capitalized Software Product Costs		
Telecom Software Products	2,123.62	3,327.36
Total	**2,123.62**	**3,327.36**

Segment Results **Amount in Rs.Lakhs**

	Year Ended March 31, 2008	Year Ended March 31, 2007
Revenues	**57,017.71**	**47,712.90**
Telecom Software Services	48,958.06	42,551.05
Telecom Software Products	4,597.19	2,273.41
Automotive, Utilities and Industrial	23.74	–
Network Engineering Services	3,438.72	2,888.44
Segmental Profit	**13,739.85**	**13,829.02**
Telecom Software Services	14,104.80	14,924.50
Telecom Software Products	(917.69)	(2,046.01)
Automotive, Utilities and Industrial	(251.59)	–
Network Engineering Services	804.33	950.53
Less:		
Corporate Expenses	9,844.88	8,698.60
Profit from Operations	**3,894.97**	**5,130.42**
Less: Amortization	154.10	224.41
Less: Interest	402.58	447.22
Add: Other Income including		
Exchange Gain/(Loss), Net	2,342.66	974.68
Profit Before Taxes	**5,680.95**	**5,433.47**
Income Tax Expense	1,742.52	1,006.53
Profit After Taxes	**3,938.43**	**4,426.94**
Depreciation/Amortization	**4,178.50**	**2,638.62**
Telecom Software Services	2,050.82	1,470.61
Telecom Software Products	1,588.31	596.55
Network Engineering Services	172.65	199.42
Automotive, Utilities and Industrial	27.86	–
Unallocated Depreciation	**338.86**	**372.04**

Note: Unallocated corporate assets and liabilities comprise of assets and liabilities not identifiable with reportable segments, as these assets and liabilities are used interchangeably between the segments. However, depreciation on such assets has been allocated to the segments based on the related utilization by the respective segments, as used by management for its internal reporting purposes.

(b) Geographic Segment Information

Revenues:

Amount in Rs.Lakhs

Region	Year Ended March 31, 2008	Year Ended March 31, 2007
North America (including Canada)	15,659.29	13,760.94
Europe (including Middle East)	28,987.91	20,634.56
Asia Pacific (other than India)	1,758.05	2,704.00
India	10,612.46	10,613.40
Total	**57,017.71**	**47,712.90**

Assets:

Amount in Rs.Lakhs

Region	As at March 31, 2008	As at March 31, 2007
North America (including Canada)	6,551.03	3,318.00
Europe (including Middle East)	34,321.16	28,478.98
Asia Pacific (other than India)	621.44	2,308.44
India	22,148.71	25,040.66
Total	**63,642.34**	**59,146.08**

Additions: Tangible and Intangible Assets

Amount in Rs.Lakhs

Region	As at March 31, 2008	As at March 31, 2007
North America (including Canada)	1,043.33	334.31
Europe (including Middle East)	378.28	20,654.31
Asia Pacific (other than India)	0.04	59.72
India	1,445.95	2,983.46
Total	**2,867.60**	**24,031.80**

13. Earnings Per Share (EPS)

Reconciliation of the Net Income and number of shares considered in the computation of basic and diluted EPS is given below:

Amount in Rs.Lakhs

	Year Ended March 31, 2008	Year Ended March 31, 2007
Profit for Computation of Basic and Diluted EPS	3,938.43	4,426.94
Weighted Average Number of Shares Considered for Basic EPS	28,532,146	28,099,694
Add: Effect of Stock Options	16,735	433,232
Weighted Average Number of Shares Considered for Diluted EPS	28,548,881	28,532,926

14. Operating Lease

The Group has operating leases for office premises that are (a) renewable on a periodic basis and are cancellable by giving a notice period ranging from 1 month to 6 months and (b) are non cancellable for specified periods under arrangements. Rent escalation clauses vary from contract to contract.

Amount in Rs.Lakhs

	Year Ended March 31, 2008	Year Ended March 31, 2007
Rent expenses included in Profit and Loss Account towards operating leases	2,788.91	1,955.67

Minimum lease obligation under non-cancellable lease contracts amounts to:

Amount in Rs.Lakhs

	As at March 31, 2008	As at March 31, 2007
Due within one year of the Balance Sheet date	1,383.94	1,134.08
Due between one to five years	1,448.03	1,254.35

15. Provisions

The following table provides disclosures in accordance with Accounting Standard 29 on Provisions, Contingent Liabilities and Contingent Assets:

Amount in Rs.Lakhs

Particulars	Provision for Warranty	
	As at March 31, 2008	As at March 31, 2007
Opening Balance	6.09	–
Additions During the Year	97.86	14.91
Less: Amounts Used/Paid During the Year	5.97	8.82
Less: Unused Amounts Reversed During the Year	–	–
Closing Balance	97.98	6.09

16. Comparatives

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

Signature to Schedules 1 to 18

For S R Batliboi & Co.
Chartered Accountants

Per Sunil Bhumralkar
Partner
Membership No. 35141

Place: Bangalore
Date: April 18, 2008

For and on behalf of the Board of Directors

Rajiv C Mody
Managing Director

G Venkatesh
Wholetime Director

Neeta Revankar
Chief Financial Officer

R Vittal
Company Secretary

Statement pursuant to Section 212 of the Companies Act, 1956, relating to Subsidiary Companies

(in Rupees)

	Name of the Subsidiary	Sasken Network Engineering Ltd.	Sasken Communication Technologies Mexico S.A. de C.V	Sasken Communication Technologies (Shanghai) Co. Ltd.	Sasken Communication Technologies Oy	Sasken Finland Oy (erstwhile Botnia Hightech Oy)	Sasken Inc	Sasken Japan KK
	Financial year of the Subsidiary ended on	March 31, 2008	March 31, 2008	March 31, 2008	March 31, 2008	March 31, 2008	March 31, 2008	March 31, 2008
1	Holding Company's interest Equity Share Capital	100% 3,050,000 equity shares of Rs.10 each fully Paid up	100% 9,600 equity shares of 500 Mexican Peso each fully Paid up	100%	100% 23,358,000 equity shares of 1 Euro each fully Paid up	100% 20,197 equity shares of 1 Euro each fully Paid up	100% 1,500,000 equity shares of USD1 each fully Paid up	100%
2	Net aggregate amounts of the Profits/(Losses) of the subsidiary so far as it concerns the members of the holding company and is not dealt with in accounts of holding company							
	– For the financial year of the subsidiary	19,766,294	45,101,667	(6,761,839)	35,851,332	85,006,208	Nil	1,324,565
	– For the previous financial year of the subsidiary since it became its subsidiary	8,904,060	17,285,466	(7,808,522)	(35,702,574)	78,710,100	Nil	Nil
3	Net aggregate amounts of the Profits/(Losses) of the subsidiary so far as it concerns the members of the holding Company and is dealt with in accounts of holding company							
	– For the financial year of the subsidiary	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	– For the previous financial year of the subsidiary since it became its subsidiary	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Statement pursuant to Section 212 of the Companies Act, 1956, relating to Subsidiary Companies (Contd.)

(in Rupees)

	Name of the Subsidiary	Sasken Network Engineering Ltd.	Sasken Communication Technologies Mexico S.A. de C.V	Sasken Communication Technologies (Shanghai) Co. Ltd.	Sasken Communication Technologies Oy	Sasken Finland Oy (erstwhile Botnia Hightech Oy)	Sasken Inc	Sasken Japan KK
	Financial year of the Subsidiary ended on	March 31, 2008	March 31, 2008	March 31, 2008	March 31, 2008	March 31, 2008	March 31, 2008	March 31, 2008
4	Capital	30,500,000	17,674,619	14,488,370	1,433,298,420	1,208,924	59,070,400	4,303,128
5	Reserves	45,252,938	55,360,558	(14,570,361)	77,419,363	402,927,366	Nil	(1,737,365)
6	Total Assets	279,765,216	216,231,090	1,026,091	2,240,459,165	718,663,776	59,720,174	3,318,309
7	Total Liabilities	204,012,278	143,195,913	1,108,082	729,741,382	314,527,486	649,774	752,546
8	Details of Investments (except Investment in Subsidiary)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
9	Turnover	273,076,518	229,234,091	Nil	Nil	1,322,575,996	Nil	Nil
10	Profit before Taxation	25,574,294	60,176,032	(6,761,839)	35,851,332	109,974,790	Nil	(1,324,565)
11	Provision for Taxation	5,808,000	15,074,365	Nil	Nil	24,968,581	Nil	Nil
12	Profit after Taxation	19,766,294	45,101,667	(6,761,839)	35,851,332	85,006,208	Nil	(1,324,565)
13	Proposed dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Rajiv C Mody
Managing Director

G Venkatesh
Wholetime Director

Place: Bangalore
Date : April 18, 2008

Neeta Revankar
Chief Financial Officer

R Vittal
Company Secretary

IN ADDITION TO HISTORICAL INFORMATION, THIS ANNUAL REPORT CONTAINS CERTAIN FORWARD-LOOKING STATEMENTS. THE FORWARD-LOOKING STATEMENTS CONTAINED HEREIN ARE SUBJECT TO CERTAIN RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE REFLECTED IN THE FORWARD-LOOKING STATEMENTS. FACTORS THAT MIGHT CAUSE SUCH A DIFFERENCE INCLUDE, BUT ARE NOT Ltd. TO, THOSE DISCUSSED IN THE MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL PERFORMANCE AND ELSEWHERE IN THIS REPORT. READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS, WHICH REFLECT MANAGEMENT'S ANALYSIS ONLY AS OF THE DATE HEREOF.

Management's Discussion and Analysis of Financial Performance

The consolidated financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, and Generally Accepted Accounting Principles (GAAP) in India. The management accepts responsibility for the integrity and objectivity of these consolidated financial statements, as well as for various estimates and judgments used in preparing the financial statements. The management's discussion and analysis is based on the consolidated financial statements.

Company Brief

Sasken Communication Technologies Ltd., (Sasken) established in 1989 and headquartered in Bangalore, India is an embedded communications solutions company, which helps businesses across the communications value chain accelerate product development life cycles through a unique combination of research and development consultancy, wireless software products and software services. Sasken employs 3623 people, who work from state of the art research and development centers in Bangalore, Chennai and Pune in India, and near shore development centers in Finland, Mexico and China and branch offices in Germany, Japan, Sweden, UK and US. Sasken has relationships with many of the top Network OEMs, Semiconductor Vendors, Network Operators and all of the top 5 handset vendors across the world.

Committed to innovation, Sasken works with customers to help them get to market ahead of the competition, and stay focused on new product development and manufacturing. With deep understanding of the communications industry, access to current and emerging technologies, mature development processes, global resources and a proven track record, Sasken creates complete solutions to help clients succeed. Clients choose Sasken for the comprehensive range of application solutions and services, backed by a proven reputation for expert support and high quality. Our growth strategy is offering compelling value propositions to our customers by spotting and exploiting opportunities to help them grow. Each of Sasken's product initiatives – wireless protocol stacks, multimedia subsytems and application framework address a specific market need.

In addition to being directly involved in the development of a variety of technologies, Sasken is a member of premier technology bodies including ITU, 3GPP, GCF, MPEG-ISO, WiMAX, NFC, DLNA and ATM, DSL and SDR forums. Sasken is SEI CMM Level 5 certified and its' solutions are backed by ISO 9001:2000, ISO 27001 and TL 9000 certifications. Sasken's proprietary quality management systems strengthen our business offerings and ensuring customer satisfaction. Sasken's commitment to environment is highlighted by its ISO 14001 certification.

Outlook

This year we were faced with the twin challenges of appreciating rupee and cost escalations. We have put in place measures to combat cost escalation and we believe we are in control.

On the Networks solutions business, consolidation of Network equipment manufacturers (NEMs) continues with the equipment manufacturers engaged in reorganization and portfolio optimization. Services are gaining significance for NEMs and Sasken with its strong capabilities in R&D services is well positioned to help NEMs achieve this objective. GSM deployment continues in emerging markets, which presents significant opportunities for us in the Networks segment. IPTV rollouts have begun to happen and we are well positioned to exploit this trend. Implementation of new products and technologies such as quadruple play and mobile WiMax are expected to change the course of the Network equipment manufacturers. We continue to invest in technologies like HSxPA/ WiMax/LTE to enable us to serve these customers in this segment and we have entered into a partnership with a leading provider of high availability platforms to provide middleware solutions for content delivery and application hosting platforms.

On the semiconductor side, operations are stabilizing with key semiconductor vendors after a round of consolidation in the first half of the calendar year 2007. Industry analysts are expecting a recovery later this year, though the downturn in demand due to a looming threat of US recession remains a key impediment to the recovery. We have some key wins in the semiconductor business unit this year, including a multi year turnkey contract to develop cable modem subsystem solutions for a North America global Tier-1 vendor and entry into two Tier-1 customers for our IC design offerings. During this year our Mexico development center was recognized as the best supplier by one of our leading semiconductor companies.

The mobile handset market has continued its trend of market share dominance by the top 5 OEMs. Again in this segment, handset manufacturers are predicting slowdown in their replacement markets but the impact on the outsourcing spend is not very clear yet. We have had a couple of very significant wins in the last quarter with two key handset manufacturers and now we are well positioned to show robust growth from this segment in the coming quarters. With these wins we are happy to announce that Sasken today engages in its integration services business with all of the top 5 handset makers across the world and the nature of our engagements is very strategic in all these cases. These relationships are helping us driving volume growth in the handset vertical across all locations. We are also pleased to announce that one of our largest handset vendors has recognized us as a preferred vendor.

In the last financial year ended March 31, 2008, we made decisions to re-examine our product portfolio and align it with market reality. We have constantly been communicating the choppy nature of our products business to our investors and the large selling cycle associated with it. The E-Series product line was targeted at the Chinese OEMs and ODMs, but the deeply entrenched power of the regional suppliers have prevented us from successfully pursuing a displacement strategy. Therefore we have taken decisions to freeze investment in this product line. The M-series product line has now reached a mature phase in its technology cycle. The growth of the smart phone segment with the need for rich multimedia capabilities has resulted in good market traction for our flagship S-Series product line.

Financial Highlights for the year ended March 31, 2008

- Consolidated revenues increased by 19.50%, from Rs.47,712.90 Lakhs in fiscal 2007 to Rs.57,017.71 Lakhs in fiscal 2008.
- Software Services revenue grew by 15%, Software Products revenue grew by 102% and Network Engineering Services recorded growth of 19%.
- The revenue mix amongst Software Services, Network Engineering Services and Software Products was 86:6:8 in fiscal 2008 as against 89:6:5 in fiscal 2007.
- Consolidated Profit After Tax for the fiscal ended 2008 was Rs.3,938.43 Lakhs.
- Consolidated basic Earnings Per Share (EPS) for fiscal 2008 was Rs.13.80 (Rs.15.75 - fiscal 2007) and diluted Earnings Per Share was Rs.13.80 (Rs.15.52- fiscal 2007). EPS from services business (including network engineering services) is Rs.21.34 for the year ended March 31, 2008.
- Investment in R & D:
  - The R&D investments have increased by 198.99 Lakhs in the current year. The capitalization of expenses on E-Series had been stopped since December, 2006, as the product development had reached a maturity phase.
  - In the current year, there have been R&D expenditure in one of the joint ventures – TACO Sasken Automotive Electronics Pvt. Ltd., a company which focuses on automotive electronics products.

- Cash and cash equivalents (including investments in mutual funds) stood at Rs.7,734.32 Lakhs as on March 31 2008.
- Headcount of the group stood at 3,623 as on March 31, 2008 and at 3,611 as on March 31, 2007.
- Incorporation of two subsidiaries in US and one in Japan in the current year. Investments amounting to Rs.771.24 Lakhs have been made in the current year in the Joint Ventures – TACO Sasken Automotive Electronics Pvt Ltd and ConnectM Technology Solutions Pvt. Ltd.
- Sasken recommended a dividend of 40%.

Results of Operations

Particulars	Year ended March 31, 2008 (Rs.in Lakhs)	Year ended March 31, 2008 (%)	Year ended March 31, 2007 (Rs.in Lakhs)	Year ended March 31, 2007 (%)	Increase/ (Decrease) (%)
Revenues	**57,017.71**	**100.0**	**47,712.90**	**100.0**	**19.50**
Cost of Revenues	40,910.68	71.8	31,715.69	66.5	28.99
Gross Profit	16,107.03	28.2	15,997.21	33.5	0.69
Research and Development	2,367.18	4.2	2,168.19	4.5	9.18
Gross Profit after Research and Development	13,739.85	24.1	13,829.02	29.0	(0.64)
Selling and Marketing Expenses	3,035.07	5.3	2,501.47	5.2	21.33
Administrative and General Expenses	6,450.10	11.3	6,028.96	12.6	6.98
ESOP Compensation Cost	359.71	0.6	168.17	0.4	113.90
Profit from operations	**3,894.97**	**6.8**	**5,130.42**	**10.8**	**(24.08)**
Amortization of Non-compete fees	154.10	0.3	224.41	0.5	(31.33)
Other Income	542.73	1.0	740.83	1.6	(26.74)
Exchange Gain (Net)	1,799.93	3.2	233.85	0.5	669.69
Profit before interest and Income Taxes	6,083.53	10.7	5,880.69	12.3	3.45
Interest	402.58	0.7	447.22	0.9	(9.98)
Profit Before Income Taxes	5,680.95	10.0	5,433.47	11.4	4.56
Income Taxes including Fringe Benefit Tax, Net	1,742.52	3.1	1,006.53	2.1	73.12
Profit after Income Taxes	**3,938.43**	**6.9**	**4,426.94**	**9.3**	**(11.03)**

Segmental Revenue and EBITDA

Amount in Rs.Lakhs

	Year ended March 31, 2008	**Year ended March 31, 2007**
Total Revenue	**57,017.71**	**47,712.90**
Telecom Software Services	48,958.07	42,551.05
Network Engineering Services	3,438.71	2,888.44
Telecom Software Products	4,597.19	2,273.41
Automotive, Utilities and Industrial	23.74	–
EBITDA Margins	**7,919.37**	**7,575.99**
Telecom Software Services	8,185.91	9,820.90
Network Engineering Services	382.08	422.84
Telecom Software Products	(176.56)	(2,667.75)
Automotive, Utilities and Industrial	(472.06)	–
EBITDA Margins in %	**13.9%**	**15.9%**
Telecom Software Services	16.7%	23.1%
Network Engineering Services	11.1%	14.6%
Telecom Software Products	(3.8%)	(117.3%)
Automotive, Utilities and Industrial	(1,988.8%)	–

Note: the allocation method used in computation of EBITDA given above was not subject to audit.

Despite a rupee appreciation of 11.5%, year on year, software services revenues grew by 15% during the year ended March 31, 2008 to Rs.48,958.07 Lakhs from Rs.42,551.05 Lakhs during the year ended March 31, 2007. In USD terms, services revenue increased by 29.8%. The revenues in the Mexico center doubled in FY 07-08, as compared to FY 06-07. The results of Sasken Finland were consolidated for the whole year, as against 7 months in FY 06-07.

The revenues from network engineering services continued to contribute 6.1% to the consolidated revenues during the year ended March 31, 2008. In absolute amount, the segment witnessed growth in the US geography. The revenues from software products increased to 8.1% during the year ended March 31, 2008 from 4.8% during the year ended March 31, 2007. There were significant royalty and licensing revenue increases in our product lines S Series and M Series. The S Series product line continues to see good traction in the market as new models are being launched and our M Series product line is in a steady state.

EBITDA margins from software services business has declined to 16.7% from 23.1% during the year ended March 31, 2008. The rupee witnessed an appreciation of 11.5% and also the wage increases in April 2007 has led to the decline in EBITDA margins.

EBITDA margins from network engineering services reduced to 11.1% from 14.6% in the year ended March 31, 2008. This segment has witnessed reduced utilizations and NEMS infrastructure space was sluggish in FY 07-08.

EBITDA margins from software products improved to (3.8%) in the current year from (117.3%) during the year ended March 31, 2007. The segment saw considerable increase in royalties and licensing revenues. The investment in R&D projects has also reduced in the current year, which too has contributed to improvement in margins.

Cost of Revenues

Cost of revenues comprise of costs incurred by the business units and operating costs allocated to the business unit, based on the related utilization by each of the segments. Cost of revenues increased to Rs.40,910.68 Lakhs during the year ended March 31, 2008 from Rs.31,715.69 Lakhs during the year ended March 31, 2007, an increase of 29%, and Rs.9,194.99 Lakhs in absolute terms. The cost of revenues for the year ended March 31, 2007 had only 7 months of consolidation of Sasken Finland. For the current year March 2008, we have consolidated 12 months of costs, which has contributed to the increase. The Mexico center also witnessed expansion in operations, with a net increase of 72 additional engineering headcount as at the end of the year. The amortization of capitalized software development costs for the current year was higher by Rs.896.44 Lakhs as the amortization was for 1 full year in FY 07-08 as against 3 months of amortization in FY 06-07. The salaries for offshore employees increased by 10% during FY 07-08. The consolidated results also include cost of revenues incurred by the joint ventures with TACO Sasken Automotive Electronics Pvt. Ltd. and ConnectM Technology Solutions Pvt. Ltd.

Research and Development Expenses

Research and Development expenses include the costs of product development, and modifications and enhancements to products. In absolute terms, at the net level, there has been an increase in the amount of expenses incurred in research and development by Rs.198.99 Lakhs, which represents an increase of 9.2% year on year. During the current year, the consolidated R&D costs include our share of costs in the joint venture with TACO, amounting to Rs.184 Lakhs. At the gross level, before capitalization of software development costs, the R&D costs have reduced by Rs.1,503.78 Lakhs year on year. The costs incurred towards development of 'Sasken Application Framework' (SAF) were capitalized until December 31, 2006 as the product was still in development phase and was not available for generic release. The R&D costs capitalized in the FY 06-07 was Rs.1,702.77 Lakhs. Some of the projects which were in R&D phase have reached a maturity stage and hence the costs have reduced in the current year. During FY 06-07, Professional and consultancy expenses of Rs.1,068.14 Lakhs had been incurred, primarily on account of the use of Professional consultants from Israel and Ukraine as part of the development effort on 'SAF'. This has not been incurred in FY 07-08 as the product had reached a maturity level, by December 2006. Depreciation has reduced by Rs.230.29 Lakhs in the FY 07-08.

Selling and Marketing Expenses

Selling and marketing expenses primarily include costs related to employment and travel expenses of the marketing and sales staff, rent for foreign offices and agency commission fees. The selling and marketing expenses were at Rs.3,035.07 Lakhs in FY 07-08, as compared to Rs.2,501.47 Lakhs in FY 06-07, amounting to an increase of Rs.533.60 Lakhs year on year. The increase has been on account of strengthening of the sales team and consolidation of 12 months of Sasken Finland's operations. During the current year, there was also a provision for doubtful debts amounting to Rs.76.16 Lakhs.

Administrative and General Expenses

Administrative and general expenses primarily include costs related to employment expenses of corporate functions, rent, professional, legal and consultancy fees and training expenses. Administrative and general expenses increased by Rs.421.14 Lakhs during the year ended March 31, 2008. Costs have increased due to consolidation of 12 months of Sasken Finland's operations and towards costs incurred in the Joint venture with TACO. There were additional facility expansion costs incurred in India operations in FY 07-08.

Employee Stock Compensation Cost

During the FY 07-08, the Company issued 335,000 options, which carry a vesting period ranging one to five years at a weighted average exercise price of Rs.609.48 per share depending upon the exercise period. The Company accounts for stock compensation expenses based on the fair value of the options granted on the date of grant. An amount of Rs.359.71 Lakhs was charged as compensation cost to Profit and Loss Account during the year ended March 31, 2008 as against Rs.168.17 Lakhs during the year ended March 31, 2007.

Amortization of Non Compete Fees

During the year ended March 31, 2006, the Company paid non-compete fees of Rs.493.08 Lakhs to two of its key employees under a non-compete and non-solicitation agreement entered into with these employees. One of the employees resigned from the services of the Company during fiscal 2006 and the other employee resigned in June 2006. Consequently the non-compete fees paid to the employees is being amortized over a period of two years on a straight-line basis. The non compete fee for one of the employees has been fully amortized in FY 07-08. Accordingly, the amortization is lesser in the current year and an amount of Rs.154.10 Lakhs has been charged to the Profit and Loss Account for FY 07-08.

Other Income and Exchange Gain

Other income and exchange gain amounted to Rs.542.73 Lakhs and Rs.1,799.93 Lakhs respectively, constituting 1% and 3.2%, of total revenues during the year ended March 31, 2008. The average investments in FY 06-07 were higher as the Company had invested the IPO proceeds in mutual funds, until August 2006, when the proceeds were utilized for acquisition of Sasken Finland.

The Company manages its foreign exchange exposures in line with its hedging policy. The policy is not so much to make profit from currency movements but to ensure that foreign exchange exposures on exports and imports are properly monitored, limiting risks to tolerable levels. Thus, risk limitation/reduction is the prime objective. The exchange gain is primarily on account of exchange differences on forward contracts. The FY 07-08 witnessed a rupee appreciation of around 11.5% as compared to FY 06-07.

Interest

Interest expenses in FY 07-08, was Rs.402.58 Lakhs as compared to Rs.447.22 Lakhs in FY 06-07. The interest payment is largely on the loan of 13 Million Euros, used towards acquisition of Sasken Finland in August 2006.

Income Taxes

The income tax expense was 3.1% of revenues during FY 07-08, while the income tax for FY 06-07 was 2.1% of revenues. The group incurs taxation of 26% and 29% in the subsidiaries in Finland and Mexico respectively. The higher taxation in absolute amount has been a result of higher overseas taxation, withholding tax on royalty and licensing revenues and an increase of domestic income. In the current financial year, the Company also incurred higher Fringe Benefit Taxes (FBT).

Profit After Taxation

Consolidated profit after taxation was at 6.9% in FY 07-08, as compared to 9.3% in FY 06-07. The profit after taxation, for fiscal 2008, stood at Rs.3,938.43 Lakhs despite a rupee appreciation of 11.5%. The current year also saw improvement in products segment margins.

Financial Condition

Liabilities	Year ended March 31, 2008 (Rs.in Lakhs)	%	Year ended March 31, 2007 (Rs.in Lakhs)	%
Liabilities				
Share Capital (including Share Application Money)	2,856.08	5.2	2,850.01	5.5
ESOP Outstanding	524.86	1.0	172.40	0.3
Reserves and surplus	42,502.87	77.8	39,152.74	76.2
Deferred Tax Liability	–	–	7.10	0.0
Borrowing	8,764.22	16.0	9,184.98	17.9
Total Liabilities	**54,648.03**	**100.0**	**51,367.23**	**100.0**
Assets				
Net Fixed Assets	30,723.30	56.2	29,955.38	58.3
Capitalized software product costs (Net of Amortization)	2,123.62	3.9	3,327.36	6.5
Investments	2,664.05	4.9	3,680.58	7.2
Deferred Tax Asset	125.30	0.2	62.98	0.1
Current Assets				
Cashand Equivalents	5,693.34	10.4	3,487.61	6.8
Recievables	13,326.05	24.4	11,081.98	21.6
Other Current Assets	8,986.68	16.4	7,550.19	14.7
Total Current Assets	28,006.07	51.2	22,119.78	43.1
Current Liabilities	8,994.31	16.5	7,778.85	15.1
Net Current Assets	19,011.76	34.8	14,340.93	27.9
Total Assets	**54,648.03**	**100.0**	**51,367.23**	**100.0**

Share Capital

The issued share capital increased to Rs.2,856.08 Lakhs as at March 31, 2008 as against Rs.2,850.01 Lakhs as at March 31, 2007. The increase was due to conversion of 60,657 shares of Rs.10 each issued to employees under the ESOP Scheme.

Employee Stock Options (Net of Deferred Compensation Cost)

The employee stock option outstanding (net of deferred compensation cost) has increased to Rs.524.86 Lakhs as the Company issued 335,000 options during the current year to its employees under the ESOP Scheme and also recorded a compensation cost of Rs.359.71 Lakhs in the current year.

Reserves and Surplus

Reserves and surplus as at March 31, 2008 was Rs.42,502.87 Lakhs, as against Rs.39,152.74 Lakhs as at March 31, 2007.

The increase in reserves and surplus is attributable to:

(i) Share premium on allotment of shares to employees under the ESOP Scheme.

(ii) Transfer of profits to the reserves.

(iii) Recognition of Translation reserve on non integral operations in Finland and Mexico.

Secured Loans

Secured loans have reduced to Rs.8,233.25 Lakhs as at March 31, 2008, as against Rs.9,091.13 Lakhs on March 31, 2007. The secured loan is primarily represented by the debt arrangement for acquisition of Sasken Finland. The principal repayment towards this loan has commenced in FY 07-08.

Unsecured Loans

Unsecured loans have increased to Rs.530.97 Lakhs as at March 31, 2008, from Rs.68.76 Lakhs as at March 31, 2007. These are loans taken in the subsidiaries in Mexico and Finland.

Fixed Assets

The Net Fixed Assets, including capital work-in-progress, represents 56.2% of the total assets. The fixed assets, as at March 31, 2008, were at Rs.30,723.30 Lakhs as against Rs.29,955.38 Lakhs as at March 31, 2007. The increase of fixed assets during FY 07-08 is primarily attributable to:

(i) Expansion of facility space in India operations.

(ii) Additional investments in Computers and Office equipment.

Capitalized Software Product Costs (Net of Amortization)

The capitalized software product costs comprises of development costs of 'Sasken Application Framework'(SAF). The capitalization of development costs have ceased since December 31, 2006. The capitalized product development costs would be amortized over a period of 36 months, starting from January 1, 2007.

Investments

The investments, representing 4.9% of the total assets, as at March 31, 2008 were Rs.2,664.05 Lakhs, as against Rs.3,680.58 Lakhs, as at March 31, 2007.

The Company invests surplus funds in highly rated Mutual Fund papers, considering the safety and liquidity as the key determinants for the investment in a fund.

Deferred Tax Asset and Liability

Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets and deferred tax liabilities across various countries of operation are not set off against each other as the Company does not have a legal right to do so. The deferred tax assets have been recognized on Mexico and Network engineering services operations.

Inventories

Inventories represent (a) Work-in-progress – that is costs related to project milestones that have not been met. The work-in-progress, as at March 31, 2008 was at Rs.226.32 Lakhs, as against Rs.79.91 Lakhs as at March 31, 2007 (b) Stock-in-trade – costs related to stock of software/hardware held for sale. The stock-in-trade, as at March 31, 2008 was at Rs.86.74 Lakhs, as against Nil as at March 31, 2007.

Sundry Debtors

Sundry debtors, representing 24.4% of the total assets, as at March 31, 2008 were at Rs.13,326.05 Lakhs, as against Rs.11,081.98 Lakhs as at March 31, 2007. The increase in debtors is primarily due to the increase of revenue in services business. The management periodically reviews the quality of receivables and makes provision where necessary.

Cash and Bank balances

Cash and Bank balances, representing 10.4% of the total assets, as at March 31, 2008 were at Rs.5,693.34 Lakhs, as against Rs.3,487.61 Lakhs as at March 31, 2007. The Company maintains sufficient cash balance for operational requirements and invests surplus funds in highly rated Mutual Fund papers.

Loans and Advances

Loans and advances, representing 15.9% of the total assets, as at March 31, 2008 were at Rs.8,673.62 Lakhs, as against Rs.7,470.28 Lakhs as at March 31, 2007. The increase is primarily due to increase in unbilled revenue for March 2008. Unbilled revenue represents amounts recognized based on services performed in accordance with contract terms and where invoices have not been raised.

Current Liabilities and Provisions

Current liabilities and provisions, representing 16.5% of the total assets, as at March 31, 2008 were at Rs.8,994.31 Lakhs, as against Rs.7,778.85 Lakhs as at March 31, 2007. The increase is significantly due to increase in business operations and provision for employee compensated absences.

Cash Flow

The net cash from operating activities was Rs.5,952.71 Lakhs during the year ended March 31, 2008 as against Rs.2,884.28 Lakhs during the year ended March 31, 2007.

The inflow on account of operating profits before working capital changes was Rs.10,927.75 Lakhs during the year ended March 31, 2008 as against Rs.7,339.39 Lakhs during the year ended March 31, 2007, an increase of Rs.3,588.36 Lakhs. The increase was mainly on account of higher profits before taxes, depreciation and amortization compared with that of the previous year. The outflow on account of working capital was Rs.3,078.53 Lakhs for the year ended March 31, 2008 as against an outflow of Rs.3,250.54 Lakhs during the year ended March 31, 2007.

The net cash used in investing activities was Rs.1,091.13 Lakhs during the year ended March 31, 2008 as against Rs.8,372.83 Lakhs net used during the year ended March 31, 2007. In the previous year, the funds were used for acquisition of Sasken Finland and Isofttech.

The net cash used in financing activities was Rs.2,711.21 Lakhs during the year ended March 31, 2008 and as against net cash generated of Rs.7,396.73 Lakhs during the year ended March 31, 2007. The outflow was mainly on account of payout of additional dividend in FY 2008 and due to repayment of the long term loan, which the Company had borrowed for Sasken Finland acquisition.

Opportunities and Threats

Our Networks solutions group continues to create value for customers in the telecom network space by providing solutions, resources, consultation in RAN, Core, OSS/BSS, Datacom, Enterprise Networks and Test & Measurement.

Operators face an increasingly competitive environment as the dominant source of ARPU shifts from traditional circuit switched voice, data and SMS messaging into a diverse set of packet data services. In the wireless domain, there are a large number of service providers, service life cycles are becoming shorter and operators are under pressure to invest in new service capabilities. This presents great opportunities for us.

Operators and Network equipment vendors continue to upgrade their networks using 3G/4G technologies like HSDPA, HSUPA and WiMax. Significant opportunities exist for us to address the pain points that our customers face in these initiatives.

On the semiconductor side, we are observing the encouraging trend of traditional silicon vendor seeking to add more value through software. And with increased application of semiconductors in several consumer electronic segments, including digital lifestyle, and near field communications, the opportunity for Sasken becomes that much bigger.

The mobile handset market has continued its trend of market share dominance by the top 5 OEMs. On the products side of the business, we are pleased to report that we have a very significant design-in on the 3430 platform with a leading handset vendor. Key design wins during this year were shipments made by a leading mobile phone vendor in the Asia Pacific market. This year saw us integrate our Finland operations completely into the Sasken fold and this is now beginning to show results.

In the R&D services market that we operate in, the key challenges for our customers are reduced time to market and pressures on R&D spend. While our customers will continue to focus more on their R&D, they will at the same time need to focus on achieving this with the same or reduced R&D spends. Other challenges continue to be threat of recession in our key markets of North America and rupee appreciation.

Sasken was chosen by the department of Scientific and Industrial Research, Ministry of Science and Technology as one of the 9 companies in India for outstanding in house R&D achievements in 2007.

Material Developments in HR

Our total employee headcount, excluding contractors, has increased to 3623 as of March 31, 2008. We had gross additions of 1188 and net additions of 12 during the year gone by. Our attrition rate for the full year stood at 24.3%. Our focus this year was on improving utilization and productivity per employee.

Risk and Concerns

The management of Sasken actively takes steps to manage the various risks that the Company is exposed to. The major activities to this end are as follows:

Sasken is an embedded communications solutions and support company that is committed to innovation. Sasken works with terminal device manufacturers, network equipment manufacturers, semiconductor vendors and network operators.

Business Risks

Revenues from software products were approximately 8% of your Company's revenues in FY 2008 as against 5% in FY 2007.

Our product business by nature is unpredictable and hence it is not appropriate to look at past performance and seek trends. It continues to be a source of differentiation for your Company and we will endeavor to leverage it as best as we can. The contribution of our top 5 customers has reduced to 72% in the last quarter of the financial year, thereby showing the increased diversification of our customer base.

We are primarily in the people business and our high attrition rate is a cause of worry for us. However we are putting in efforts to get this number down.

Revenue Range	Number of Clients Year ended March 31, 2008	Number of Clients Year ended March 31, 2007
Less than USD 1 Million	73	75
More than USD 1 Million less than USD 3 Million	9	3
More than USD 3 Million less than USD 10 Million	3	3
More than USD 10 Million less than USD 20 Million	1	1
More than USD 20 Million	3	2
Total number of engagements with Clients during the year	89	84

In the current financial year, we added one more key Tier-1 customer to a USD 20 Million account. We also increased substantially the number of customers in the USD 1 - USD 3 Million bucket from 3 in FY 06-07 to 9 in FY 07-08. This is in line with our stated intent to mitigate business risks by diversifying our key customer accounts.

Protection of Intellectual Property

It is the prime and foremost responsibility of any company in the knowledge industry to safeguard its own intellectual property. The management has taken the following measures to protect its IP:

Filing of Patents

The Company actively encourages employees to file patents to protect its intellectual property. Apart from serving the purpose of protection, these patents, as and when granted, could lead to revenues from their license, or to other benefits, by cross licensing of these patents, in exchange for others that we may want to use. Sasken has filed 41 Patent applications. Out of these, 19 have been granted, 4 since the last Report.

Filing of Trademarks

Trademarks have acquired much importance to Sasken with the software market focusing on branding of software products and services. We have also applied for registration of certain trademarks in USA, EU, Russia, Japan, China and India.

Protection of Confidentiality

Sasken assigns much importance to the confidentiality of its software, trade secrets, internal data, systems and processes. Sasken ensures that the employees, clients, prospects, subcontractors, advisors, consultants, vendors, prospective investors who are exposed to any of the confidential information of Sasken, are contractually bound to keep it confidential.

Contracting Process for Limitation of Liability

Each and every contract entered into by Sasken, including both customer and vendor contracts, undergoes a well-settled legal and commercial contract review process. The process ensures that, the clauses, which may be imposed by the customer/vendors that expose Sasken to risks, are proportionate with the benefits accruing from the contract. Sasken is also protected by insurance coverage.

Financial Risks

Foreign Exchange Fluctuation Risk

Most of Sasken' revenues are in US Dollars, while its expenses are in Indian Rupees. Operating profits are therefore subject to fluctuations in exchange rates. The exchange rate between the Rupee and the US Dollar has changed substantially in the recent years. During the year Rupee appreciated by around 11.5%, with the year end closing at Rs.40.07 to a dollar. Subsequent to the acquisition of Sasken Finland, we expect that majority of our billings in future will be in US Dollar and Euro, while a significant portion of our expense will be in Indian Rupee. This will result in our operations being significantly impacted on account of exchange fluctuations.

The following are the de-risking measures we adopt to minimize the impact of exchange fluctuations.

The Company periodically reviews its foreign exchange exposures and takes appropriate hedges regularly. The policy of the Company is to take hedges for risk mitigation and not for profit maximization. The Company has pre set loss limits and unhedged exposures are subject to these loss limits for the purpose of deciding the hedge.

Liquidity Risk

The Board reviews the liquidity position periodically and determines the need for infusion of equity and debt capital into the business. The Company has met its working capital requirements through internal cash accruals during the current year. The Company also has fund based and non fund based lines of credit to meet its working capital requirement.

Internal Control Systems

The Company continues to comply with the requirements of Enterprise Risk Management (ERM), which is mandated by Clause 49 of the listing agreement. Apart from identifying and documenting 'Entity level' risks and controls, the exercise involves identifying all significant (a) locations and (b) business processes, followed by (c) documenting each of the process flows (d) creation of risk registers and (e) an assessment of controls by way of testing. The risk register captures all areas of potential financial risks and operational risks and, the associated internal controls that are already in place or have been identified.

As part of the assessment exercise conducted, certain proposed controls identified in previous periods have been implemented and tested for their effectiveness, and other proposed controls are being implemented. Additionally, certain new controls have been identified for matters of significant importance or relevance, for implementation in the coming periods.

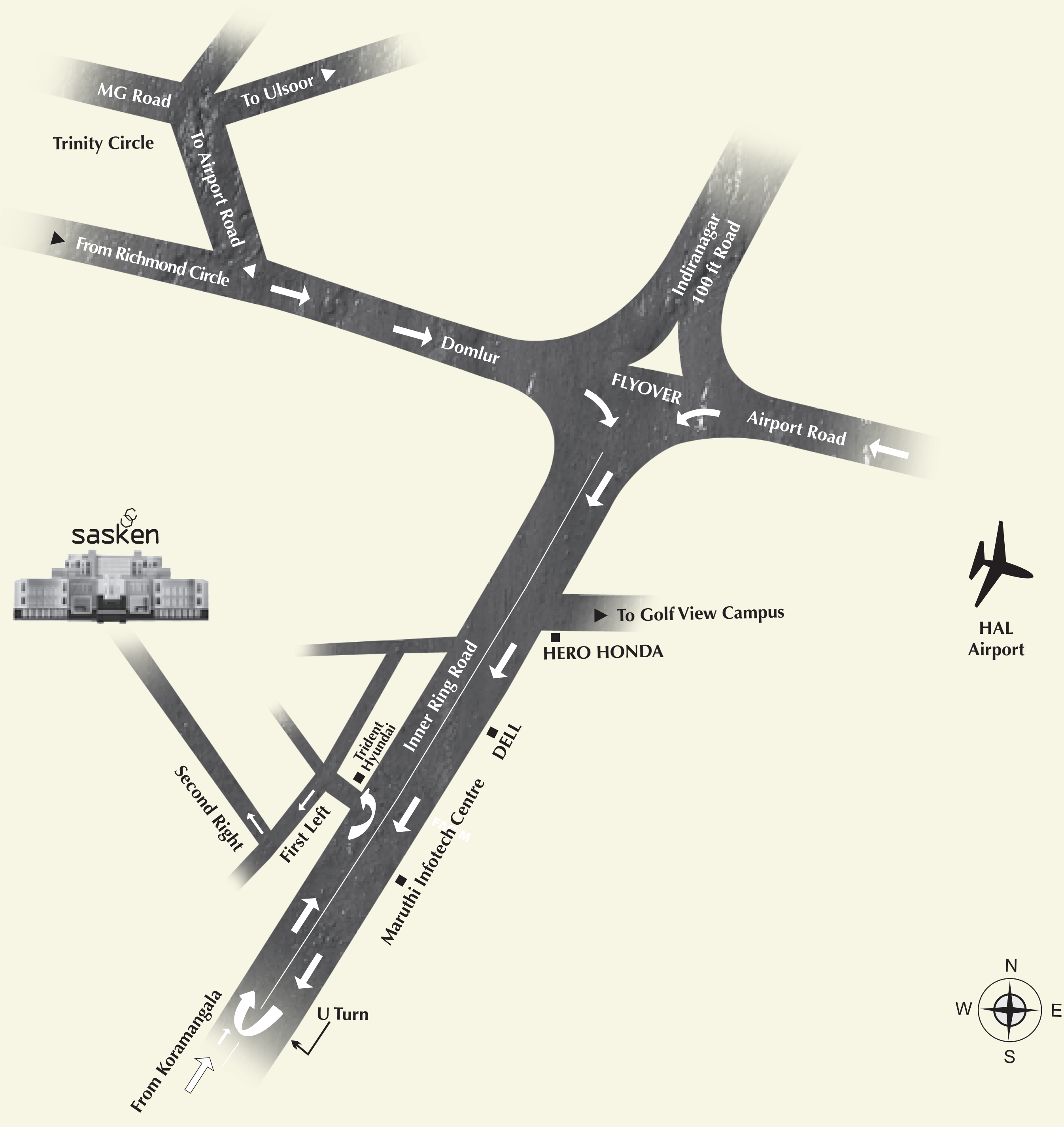
During the year, as a good corporate governance measure, the Company initiated the setting up of the risk management framework at its Mexico Subsidiary, by studying its 'significant and material' processes. The mechanism of continuously monitoring and assessing the internal controls at this location would be put in place, during the coming year.

As a result of automation of the ERM process achieved during the last year, the Company continues to 'capture and track', risks and controls, through the software tool.

Further, as a good corporate governance measure, all matters of significant importance or relevance have been reported to the Audit Committee and the Company's Statutory Auditors.

Going forward, the Company would continue to do regular assessment of the risks and controls for the existing and new process flows. The processes followed by other Subsidiary companies would also be brought under the purview of ERM.

Route Map to Sasken Corporate Office



Sasken Communication Technologies Ltd.

Registered Office: 139/25, Ring Road, Domlur, Bangalore 560 071.

Attendance Slip

I hereby certify that I am a shareholder/proxy for the shareholder of the Company. I hereby record my presence at the Twentieth Annual General Meeting of Sasken Communication Technologies Ltd. held at the Registered Office at 139/25, Ring Road, Domlur, Bangalore 560 071 on Monday, June 30, 2008 at 10.00 a.m.

Name of the attending Shareholder (In block letters) : ______________________________

Name of the Proxy (To be filled in if the Proxy attends instead of the Shareholder) : ______________________________

Signature of the Shareholder : ______________________________

Signature of the Proxy : ______________________________

Member's Folio Number/DP ID and Client ID : ______________________________

No. of Shares held : ______________________________

Note: Shareholders/Proxy holders are requested to bring the Attendance Slip with them duly completed and signed when they come to the meeting and hand it over at the Reception.

Sasken Communication Technologies Ltd.

Registered Office: 139/25, Ring Road, Domlur, Bangalore 560 071.

Annual General Meeting to be held on Monday, June 30, 2008 at 10.00 a.m. at the Registered Office.

Proxy Form

I/We ________________________ of ___________ in the district of ____________ being a member/members of Sasken Communication TechnologiesLtd. hereby appoint _________________________ of _______________ in the district of ______________or failing him_________________of_______________ in the district of _________________ as my/our proxy to attend and vote for me/us and on my/our behalf at the Twentieth Annual General Meeting of the Company to be held on Monday, June 30, 2008 at 10.00 a.m. at the Registered Office of the Company at 139/25, Ring Road, Domlur, Bangalore 560 071 and at any adjournment thereof.

Signed this _____________________ day of __________________2008.

Member's Folio Number/DP ID and Client ID: ______________________________

No. of Shares held : ______________________________

Signature of the Member __________________________ Signature of Proxy_____________________

Affix Re. 1
Revenue stamp

Note: The Proxy must be deposited at the Registered Office of the Company at 139/25, Ring Road, Domlur, Bangalore 560 071, not later than 48 hours before the time for holding the meeting.

ECS MANDATE FORM

Members holding shares in Physical Mode	Members holding shares in Demat Mode
Please complete this form and send it to: Karvy Computershare Pvt. Ltd. Unit: Sasken Communication Technologies Ltd. Plot No.17-24, Beside Image Hospital, Vittalrao Nagar, Madhapur, Hyderabad 500 081	Please inform your DPs directly (if not done earlier)

I hereby consent to have the amount of dividend on my equity shares credited through the Electronic Clearing Service (Credit Clearing) – (ECS). The particulars are:

1	Folio No./Certificate No.	
2	Name of 1st Holder	
3	Name of the Bank	
4	Full address of the Branch	
5	Account No.	
6	Account Type (Please tick the relevant account)	Savings / Current / Cash Credit
7	9 Digit Code Number of the Bank and Branch appearing on the MICR cheque issued by the Bank (Please attach a photocopy of a cheque for verifying the accuracy of the code number)	

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I will not hold the Company responsible.

____

Signature of the 1st Holder as per the specimen signature with the Company

Name : ___________________________

Address: ______________________________

Date : ___________________

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sasken

INDIA
CHINA
FINLAND
GERMANY
JAPAN
MEXICO
SWEDEN
UK
USA

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