



## Sasken Communication Technologies Limited

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### AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2006

(Rs. in Lakhs except share data)

Sr. No.		For the Nine Months ended December 31 2005	For the Quarter ended March 31 2006 (unaudited)	For the Quarter ended March 31 2005 (unaudited)	For the Year ended March 31 2006	For the Year ended March 31 2005
1	Revenues from software services & products	20,135.05	6,619.38	6,787.18	26,754.43	22,299.02
2	Cost of revenue	12,182.37	4,485.09	3,261.64	16,667.46	12,000.16
3	Research & Development Expenses (including Product Engineering Expenses)	1,095.49	222.78	681.13	1,318.27	2,141.85
4	Gross Profit	6,857.19	1,911.51	2,844.41	8,768.70	8,157.01
5	Selling and Marketing Expenses	1,516.30	548.88	636.91	2,065.18	2,121.29
6	Administrative and General Expenses	2,552.08	656.47	861.47	3,208.55	2,714.65
7	Profit from operations before Interest, Depreciation and Amortisation	2,788.81	706.16	1,346.03	3,494.97	3,321.07
8	Amortisation of Non Compete Fees	62.70	31.33	-	94.03	-
9	Interest	0.20	-	8.88	0.20	44.85
10	Depreciation	1,137.73	414.26	407.85	1,551.99	1,341.89
11	Other Income/(Expense)	479.11	171.25	303.74	650.36	399.67
12	Profit Before tax and exceptional items	2,067.29	431.82	1,233.04	2,499.11	2,334.00
13	Exceptional Items	676.08	-	-	676.08	-
14	Profit before tax	1,391.21	431.82	1,233.04	1,823.03	2,334.00
15	Provision for taxation (Current)	398.45	63.51	150.06	461.96	164.20
16	Fringe Benefit tax	56.38	14.22	-	70.60	-
17	Profit after Taxes	936.38	354.09	1,082.98	1,290.47	2,169.80
18	Paid-up equity share capital (at par value of Rs.10 each)	2,779.92	2,793.64	1,684.72	2,793.64	1,684.72
19	Reserves excluding revaluation reserves	35,021.95	34,600.40	12,376.77	34,600.40	12,376.77
20	Basic and diluted EPS for the period, for the year to date and for the previous year after exceptional items.(not annualised) (par value of Rs. 10 per share)					
	Basic EPS	3.85	1.27	6.44	5.11	13.28
	Diluted EPS	3.76	1.25	6.36	5.00	12.88
21	Proposed Dividend	-	838.09	505.42	838.09	505.42
22	Aggregate of Non promoters shareholding* (unaudited)					
	* Number of shares	20,583,162	20,729,004	9,764,275	20,729,004	9,764,275
	* Percentage of shareholding	74.04%	74.20%	57.96%	74.20%	57.96%

#### Other Information

	For the Nine Months ended December 31 2005	For the Quarter ended March 31 2006 (unaudited)	For the Quarter ended March 31 2005 (unaudited)	For the Year ended March 31 2006	For the Year ended March 31 2005
<b>Staff Cost</b>	12,284.56	4,076.09	3,754.64	16,360.65	13,377.32
<b>Items exceeding 10% of aggregate expenditure</b>	-	-	-	-	-
<b>Details of Other Income :</b>					
Miscellaneous income	4.13	1.30	-	5.43	0.02
Dividend received on current investments(non trade)	384.02	158.40	5.91	542.42	14.09
Net gain on sale of current investments (non trade)	7.36	(1.40)	0.59	5.96	11.39
Interest income on Bank Deposits (Gross)	8.18	0.10	0.02	8.28	3.46
Net profit from sale of Long Term Investments (non trade )	-	26.12	-	26.12	-
Reversal of provision for diminution in value of long term investments (non trade)	-	25.09	-	25.09	-
Other interest income	1.21	2.01	1.21	3.22	4.25
Exchange gain/(Loss), Net	74.21	(40.37)	284.60	33.84	339.08
Interest on Loan/Optionally Convertible Debentures to subsidiary Companies	-	-	11.41	-	27.38
<b>Total</b>	<b>479.11</b>	<b>171.25</b>	<b>303.74</b>	<b>650.36</b>	<b>399.67</b>

Sr. No.		For the Nine Months ended December 31 2005	For the Quarter ended March 31 2006 (unaudited)	For the Quarter ended March 31 2005 (unaudited)	For the Year ended March 31 2006	For the Year ended March 31 2005
1	Segment Revenue					
a.	Software Services	17,826.16	6,177.26	5,745.15	24,003.42	18,905.47
b.	Software Products	2,308.89	442.12	1,042.03	2,751.01	3,393.55
	Total	20,135.05	6,619.38	6,787.18	26,754.43	22,299.02
	Less Inter segment revenue	-	-	-	-	-
	Net Sales/Income from Operations	20,135.05	6,619.38	6,787.18	26,754.43	22,299.02
2	Segment Results (Profit+)/Loss (-) before tax and interest from each segment)					
a.	Software Services	5,792.74	2,036.80	2,334.66	7,829.54	6,916.49
b.	Software Products	67.05	(491.46)	173.36	(424.41)	139.42
	Total	5,859.79	1,545.34	2,508.02	7,405.13	7,055.91
	Less: i) Interest	0.20	-	8.88	0.20	44.85
	ii) Other un-allocable expenditure net off un-allocable Income.	3,792.30	1,113.52	1,266.10	4,905.82	4,677.06
	Total Profit Before Tax and Exceptional items	2,067.29	431.82	1,233.04	2,499.11	2,334.00
	Exceptional Item	676.08	-	-	676.08	-
	Total Profit before tax	1,391.21	431.82	1,233.04	1,823.03	2,334.00
3	Capital Employed (Segment Assets - Segment Liabilities)					
a.	Software Services	4,943.51	6,034.59	4,253.21	6,034.59	4,253.21
b.	Software Products	2,185.17	2,743.98	611.67	2,743.98	611.67
	Sub total	7,128.68	8,778.57	4,864.88	8,778.57	4,864.88
c.	Unallocated corporate assets	32,428.05	30,718.00	10,945.91	30,718.00	10,945.91
	Less: Corporate liabilities	(1,754.86)	(2,102.53)	(1,723.81)	(2,102.53)	(1,723.81)
	Total Capital Employed	37,801.87	37,394.04	14,086.98	37,394.04	14,086.98

### AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2006

(Rs. in Lakhs except share data)

Sr. No.		For the Nine Months ended December 31 2005	For the Quarter ended March 31 2006 (unaudited)	For the Quarter ended March 31 2005 (unaudited)	For the Year ended March 31 2006	For the Year ended March 31 2005
1	Revenue from software services, products & network engineering services	23,007.55	7,805.24	7,455.17	30,812.79	24,177.00
2	Cost of revenue	13,746.56	5,136.91	3,696.99	18,883.47	13,087.37
3	Research & Development Expenses (including Product Engineering Expenses)	1,095.49	222.78	683.13	1,318.27	2,143.84
4	Gross Profit	8,165.50	2,445.55	3,075.05	10,611.05	8,945.79
5	Selling and Marketing Expenses	1,531.95	552.48	725.31	2,084.43	2,464.75
6	Administrative and General Expenses	2,866.15	842.36	929.66	3,708.51	2,929.58
7	Profit from operations before Interest, Depreciation and Amortisation	3,767.40	1,050.71	1,420.08	4,818.11	3,551.46
8	Amortisation of Non Compete Fees	62.70	31.33	-	94.03	-
9	Interest	10.85	3.45	8.86	14.30	47.32
10	Depreciation	1,243.78	453.04	452.33	1,696.82	1,419.04
11	Other Income/(Expense)	468.69	172.03	295.66	640.72	367.08
12	Profit before tax and exceptional items	2,918.76	734.92	1,254.55	3,653.68	2,452.18
13	Exceptional Items	676.08	-	-	676.08	-
14	Profit before tax	2,242.68	734.92	1,254.55	2,977.60	2,452.18
15	Provision for income tax (Current)	496.74	98.33	160.01	595.07	174.15
16	Provision for income tax (Deferred)	-	(19.50)	-	(19.50)	-
17	Fringe Benefit tax	83.03	27.38	-	110.41	-
18	Profit After Taxes	1,662.91	628.71	1,094.54	2,291.62	2,278.03
19	Paid-up equity share capital (at par value of Rs.10 each)	2,779.92	2,793.64	1,684.72	2,793.64	1,684.72
20	Reserves excluding revaluation reserves	35,855.31	35,708.37	12,483.59	35,708.37	12,483.59
21	Basic and diluted EPS for the period, for the year to date and for the previous year after exception items (not annualised) (par value of Rs. 10 each)					
	Basic EPS	6.83	2.25	6.44	9.08	13.94
	Diluted EPS	6.67	2.22	6.36	8.87	13.53
22	Proposed Dividend	-	838.09	505.42	838.09	505.42
23	Aggregate of Non promoters shareholding* (unaudited)					
	* Number of shares	20,583,162	20,729,004	9,764,275	20,729,004	9,764,275
	* Percentage of shareholding	74.04%	74.20%	57.96%	74.20%	57.96%

#### Other Information

	For the Nine Months ended December 31 2005	For the Quarter ended March 31 2006 (unaudited)	For the Quarter ended March 31 2005 (unaudited)	For the Year ended March 31 2006	For the Year ended March 31 2005
<b>Staff Cost</b>	13,573.76	4,571.09	4,135.40	18,144.85	14,543.48
<b>Items exceeding 10% of aggregate expenditure</b>	-	-	-	-	-
<b>Details of Other Income:</b>					
Miscellaneous income	4.13	1.30	-	5.43	0.02
Dividend received on current investments(non trade)	384.02	158.40	5.91	542.42	14.09
Net gain on sale of current investments (non trade)	7.36	(1.40)	0.59	5.96	11.39
Interest income on Bank Deposits (Gross)	8.18	0.10	-	8.28	3.46
Net profit on sale of Long term investments (non trade)	-	26.12	-	26.12	-
Reversal of provision for diminution in value of long term investments (non trade)	-	25.09	-	25.09	-
Other interest income	1.21	2.01	1.21	3.22	4.25
Exchange Gain/(Loss), Net	63.79	(39.59)	287.94	24.20	333.87
<b>Total</b>	<b>468.69</b>	<b>172.03</b>	<b>295.65</b>	<b>640.72</b>	<b>367.08</b>

Sr. No.		For the Nine Months ended December 31 2005	For the Quarter ended March 31 2006 (unaudited)	For the Quarter ended March 31 2005 (unaudited)	For the Year ended March 31 2006	For the Year ended March 31 2005
1	Segment Revenue					
a.	Software Services	19,151.24	6,672.55	6,096.46	25,823.79	20,349.45
b.	Software Products	2,308.89	442.13	1,052.03	2,751.02	3,393.55
c.	Network Engineering Services	1,547.42	690.56	306.68	2,237.98	434.00
	Total	23,007.55	7,805.24	7,455.17	30,812.79	24,177.00
	Less Inter segment revenue	-	-	-	-	-
	Net Sales/Income from Operations	23,007.55	7,805.24	7,455.17	30,812.79	24,177.00
2	Segment Results (Profit+)/Loss (-) before tax and interest from each segment)					
a.	Software Services	6,416.32	2,332.74	2,580.91	8,749.07	7,597.50
b.	Software Products	67.04	(491.45)	66.56	(424.41)	139.42
c.	Network Engineering Services	649.87	204.44	61.41	854.31	60.21
	Total	7,133.23	2,045.73	2,708.88	9,178.97	7,797.13
	Less: i) Interest	10.85	3.45	8.86	14.30	47.32
	ii) Other un-allocable expenditure net off un-allocable Income.	4,203.62	1,307.37	1,445.47	5,510.99	5,297.63
	Total Profit Before Tax and Exceptional items	2,918.76	734.91	1,254.55	3,653.68	2,452.18
	Exceptional Item	676.08	-	-	676.08	-
	Total Profit before tax	2,242.68	734.91	1,254.55	2,977.60	2,452.18
3	Capital Employed - (Segment Assets - Segment Liabilities)					
a.	Software Services	5,682.77	7,034.93	4,901.17	7,034.93	4,901.17
b.	Software Products	2,174.31	2,744.00	611.67	2,744.00	611.67
c.	Network Engineering Services	899.73	1,076.61	406.52	1,076.61	406.52
	Sub total	8,756.81	10,855.54	5,919.36	10,855.54	5,919.36
	Unallocated Corporate Assets	31,163.43	29,387.26	9,998.26	29,387.26	9,998.26
	Less:Corporate Liabilities	(1,285.01)	(1,740.79)	(1,723.82)	(1,740.79)	(1,723.82)
	Total Capital Employed	38,635.23	38,502.01	14,193.80	38,502.01	14,193.80

#### Notes

- The above audited results were taken on record by the Board of Directors of the Company at its meeting held on 14th April, 2006.
- Sasken Network Systems Limited and Sasken Network Engineering Limited are wholly owned subsidiaries and their results are consolidated in the above results. Audited results of Sasken Communication Technologies Mexico S. A. DE C. V., (a wholly owned subsidiary) for the period 22.11.2005 (date of incorporation) to 31.03.2006 have also been consolidated. Sasken Communication Technologies (Shanghai) Co. Ltd., a wholly owned subsidiary incorporated in China during the quarter, is not operational yet.
- The Directors have recommended a dividend of Rs.3/- per Equity Share of Rs.10/- each on the capital of the Company for the financial year ended 31st March 2006 amounting to Rs.838.09 lakhs. This is subject to the approval of the shareholders.
- The Audit Report on Company's Accounts for the previous two quarters contained a qualification. It related to the accounting treatment accorded by the Company in respect of the allotment of 32,28,334 Equity Shares of Rs.10/- each at the issue price of Rs.141.63 per share, which accounting treatment is based on legal advice given to the Company to the effect that recognizing unquantifiable "benefit" from executory contracts is not permissible under Note (g) to Part I of Schedule VI and other provisions of the Companies Act. Without qualifying their opinion, the auditors have in their report on the Company's accounts for the year ended 31st March 2006, drawn attention of the shareholders regarding the Company's basis for the said accounting treatment.
- Out of the amount of Rs.13,000 Lakhs raised in the Initial Public Offer, Rs.584.31 Lakhs have been paid towards issue expenses and the balance of Rs.12,415.69 Lakhs is held as investment in Mutual Funds as at the end of the year. The issue expenses totalling to Rs.584.31 Lakhs have been adjusted against Securities Premium Account.
- The Exceptional Item relates to payment made against a sum awarded in an Arbitration in a dispute with a customer with whom a licensing agreement had been made. Based on legal advice, a civil suit is being filed against the insurers for the claim awarded in Arbitration.
- Increase in Paid-up capital is on account of ESOP allotments of 1,37,175 Equity Shares of Rs. 10/- each fully paid-up, during the quarter ended 31st March 2006.
- The 5 investor complaints outstanding as at the beginning of the quarter were resolved by the time we finalised the financial results of the previous quarter. During the quarter the Company received 96 complaints upto 31st March 2006 mostly relating to non receipt of Refund Orders and / or non credit of shares in Demat Account. All the complaints have been resolved. The number of complaints outstanding as at 31st March 2006 is NIL.
- Per Share data given above in respect of the periods upto 31st March, 2005 relate to pre-IPO shares prevailing as at that date.
- Previous year/quarter figures are regrouped/reclassified as applicable.

For SASKEN COMMUNICATION TECHNOLOGIES LIMITED

Rajiv C. Mody  
Chairman & Managing Director

Place: Bangalore  
Date : 14th April 2006