

SASKEN COMMUNICATION TECHNOLOGIES LIMITED

139/25, RING ROAD, DOMLUR, BANGALORE 560 071

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2009

(Rs. in Lakhs except share data)

Sl. No.		For the Quarter ended September 30, 2009	For the Quarter ended September 30, 2008	For the Half Year ended September 30, 2009	For the Half Year ended September 30, 2008	For the Year ended March 31, 2009
1	Revenue from Telecom Software Services, Telecom Software Products & Network Engineering Services	13,571.92	17,630.86	27,523.07	34,444.33	69,781.33
2	Cost of Revenue	9,489.56	11,307.99	19,269.07	21,939.28	43,842.05
3	Research & Development Expenses	-	93.85	-	236.22	335.15
4	Gross Profit	4,082.36	6,229.02	8,254.00	12,268.83	25,604.13
5	Selling and Marketing Expenses	283.84	584.67	538.86	1,312.58	2,869.07
6	Administrative and General Expenses	1,182.97	1,530.51	2,697.18	3,179.70	6,354.67
7	Profit from operations before Interest, Depreciation and Amortisation	2,615.55	4,113.84	5,017.96	7,776.55	16,380.39
8	Amortisation	-	313.53	34.71	658.51	681.66
9	Interest	79.04	99.03	159.90	210.14	381.77
10	Depreciation	734.80	719.45	1,578.45	1,411.97	3,057.36
11	Other Income	152.90	136.92	292.01	259.46	721.97
12	Exchange gain/(loss), Net **	(9.49)	(1,358.40)	1,039.16	(2,059.99)	(4,261.48)
13	Provision for diminution in value of investments (net of reversals)	(41.30)	-	(41.30)	-	117.71
14	Profit before Tax and Exceptional item	1,986.42	1,760.35	4,617.37	3,695.40	8,602.38
15	Exceptional Item ***	-	-	-	-	1,519.70

16	Profit before Tax	1,986.42	1,760.35	4,617.37	3,695.40	7,082.68
17	Provision for Income Tax (Current / Deferred & MAT)	350.77	687.04	960.12	1,209.33	2,727.68
18	Fringe Benefit Tax	-	36.40	-	77.74	124.59
19	Profit After Taxes	1,635.65	1,036.91	3,657.25	2,408.33	4,230.41
20	Paid-up equity share capital (at par value of Rs.10 each)	2,711.11	2,801.58	2,711.11	2,801.58	2,711.11
21	Reserves excluding revaluation reserves	49,403.10	45,943.91	49,403.10	45,943.91	45,579.20
22	Basic and diluted EPS for the year and for the previous year after exceptional items (not annualised) (par value of Rs. 10 each)					
	Basic EPS	6.03	3.64	13.49	8.45	15.17
	Diluted EPS	5.81	3.64	12.99	8.44	15.17
23	Proposed/ Interim Dividend	542.22	-	542.22	-	1,084.44
24	Aggregate of Public Shareholding *					
	Number of shares	19,537,971	20,463,818	19,537,971	20,463,818	19,519,357
	Percentage of shareholding	72.07%	73.04%	72.07%	73.04%	72.00%
25	Promoters and promoter group shareholdings					
	a) Pledged/Encumbered					
	- Number of shares	-	-	-	-	-
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	-	-	-	-	-
	- Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-
	b) Non-encumbered					
	- Number of shares	7,573,080	-	7,573,080	-	7,591,694
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	100.00%	-	100.00%	-	100%
	- Percentage of shares (as a % of the total share capital of the company)	27.93%	-	27.93%	-	28%

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

**Please refer to Note 5 in the notes appended

***Please refer to Note 6 in the notes appended

Other Information :

Rs in Lakhs

	For the Quarter ended September 30, 2009	For the Quarter ended September 30, 2008	For the Half Year ended September 30, 2009	For the Half Year ended September 30, 2008	For the Year ended March 31, 2009
Staff Cost	8,190.64	10,270.59	16,928.55	19,963.91	40,065.17
Items exceeding 10% of aggregate expenditure					-
Details of Other Income:					
Miscellaneous income	4.54	5.93	6.61	6.84	11.52
Dividend received on current investments (non trade)	105.34	57.45	136.78	99.12	125.82
Net gain on sale of current investments (non trade)	0.04	-	0.04	0.26	-
Interest income on bank deposits (gross)	31.56	21.78	125.04	50.51	212.94
Write back of advance from customer	-	-	0.53	-	7.70
Research and Technology tax incentive	-	13.70	-	64.61	273.14
Profit on sale of Fixed Assets	0.31	2.40	0.78	2.45	8.15
Other interest income	-	5.39	0.03	5.40	28.93
Asset recovery charges	11.11	30.27	22.20	30.27	53.77
Total	152.90	136.92	292.01	259.46	721.97

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AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2009

(Rs. in Lakhs)

Sl. No.		For the Quarter ended September 30, 2009	For the Quarter ended September 30, 2008	For the Half Year ended September 30, 2009	For the Half Year ended September 30, 2008	For the Year ended March 31, 2009
1	Segment Revenue					
a.	Telecom Software Services	11,885.56	14,448.73	24,828.31	28,553.18	59,561.06
b.	Telecom Software Products	692.32	2,074.45	801.89	3,907.64	6,146.43
c.	Automotive, Utilities and Industrial	8.21	17.54	10.50	20.26	60.39
d.	Network Engineering Services	985.83	1,090.14	1,882.37	1,963.25	4,013.45
	Total	13,571.92	17,630.86	27,523.07	34,444.33	69,781.33
	Less Inter segment revenue	-	-	-	-	-
	Net Sales/Income from Operations	13,571.92	17,630.86	27,523.07	34,444.33	69,781.33
2	Segment Results (Profit+)/Loss(-) before tax and interest from each segment)					
a.	Telecom Software Services	2,626.17	4,379.86	5,857.64	8,831.32	19,027.62
b.	Telecom Software Products	544.90	547.47	454.90	1,063.81	746.89
c.	Automotive, Utilities and Industrial	(44.67)	(85.98)	(85.09)	(182.80)	(338.53)
d.	Network Engineering Services	252.37	420.46	498.30	638.45	1,199.47
	Total	3,378.77	5,261.81	6,725.75	10,350.78	20,635.45
	Less: i) Interest	79.04	99.03	159.90	210.14	381.77
	ii) Other un-allocable expenditure net off un-allocable Income.	1,345.12	2,044.03	3,028.94	4,385.25	8,791.81
	iii) Exchange loss/(gain) *	9.49	1,358.40	(1,039.16)	2,059.99	4,261.48
3	Provision for diminution in value of investments (net of reversal)	(41.30)	-	(41.30)	-	117.71
	Total Profit before tax	1,986.42	1,760.35	4,617.37	3,695.40	7,082.68

4	Capital Employed - (Segment Assets - Segment Liabilities)					
a.	Telecom Software Services	29,433.53	32,397.35	29,433.53	32,397.35	30,920.79
b.	Telecom Software Products	140.66	3,696.23	140.66	3,696.23	1,235.48
c.	Automotive, Utilities and Industrial	254.09	143.49	254.09	143.49	435.00
d.	Network Engineering Services	2,301.24	2,415.92	2,301.24	2,415.92	2,612.98
	Sub total	32,129.52	38,652.99	32,129.52	38,652.99	35,204.25
e.	Unallocable Corporate Assets	25,623.18	17,615.86	25,623.18	17,615.86	21,550.06
	Less: Corporate Liabilities	(5,638.49)	(7,523.36)	(5,638.49)	(7,523.36)	(8,464.00)
	Total Capital Employed	52,114.21	48,745.49	52,114.21	48,745.49	48,290.31

*Please refer to Note 5 in the notes appended.

NOTES:

1) The above audited results were taken on record by the Board of Directors of the Company at its meeting held on October 29, 2009.

2) The results are based on the consolidated financial statements which have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21 – Consolidated Financial Statements and Accounting Standard (AS) 27 - Financial Reporting of Interests in Joint Ventures issued by the Institute of Chartered Accountants of India.

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

4) Regarding Subsidiaries and Joint Venture Companies:

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

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

b. The Board of Directors of TSAE has at the meeting held on January 9, 2009 decided to close down the operations of the company. Accordingly the financial statements of TSAE have not been prepared under the going concern assumption and all assets and liabilities have been stated at realizable values.

c. The financial results of Sasken Inc, USA and TSAE for the quarter and half year ended September 30, 2009 are unaudited.

d. During the current quarter, the Company made the following investments in its subsidiaries and joint ventures:

Investee Company	Details	Amount (Rs.in lakhs)
Sasken Inc., USA	Share Application Money	360.45
TACO Sasken Automotive Electronics Ltd.	Share Application Money	5.83

e. As at the end of the period, the following amounts are due from/payable to subsidiaries:

Company	Advances (Net) (Rs.in lakhs)	Loans (Rs.in lakhs)
Sasken Network Engineering Ltd.	639.30	130.00
Sasken Communication Technologies Mexico S.A. de C.V.	530.53	-
Sasken Communication Technologies Oy	126.21	-
Sasken Finland Oy	(83.75)	-
Sasken Communication Technologies (Shanghai) Co. Ltd.	89.21	-
Sasken Inc	10.46	-
Sasken Network Solutions Inc	98.43	-
Sasken Japan KK	48.37	-

Other Notes:

5) 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 based on the principles of prudence enunciated in Accounting Standard-1 on "Disclosure of Accounting Policies", recognizes mark to market losses on derivative contracts outstanding, (including forward contracts for highly probable collections), 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, on foreign currency derivative contracts, the Company considers foreign currency derivative contracts as one portfolio. During the quarter ended September 30, 2009 there was a mark to market gain of Rs.107.88 lakhs, which has not been recognized.

6) Scheme of Arrangement

The Board of Directors, at its meeting held on December 15, 2008 resolved to approach the High Court of Karnataka, Bangalore to create a Business Restructuring Reserve to be carved out from Securities Premium account in terms of a Scheme under Sec 391 / 394 of the Companies Act, whereby inter-alia, the losses on impairment of capitalized software products will be adjusted against the said Reserve. The Scheme has been approved by the shareholders and creditors and has been notified to the stock exchanges and is pending before the Honorable High Court of Karnataka. The Company has provided for impairment loss of Rs.1,519.70 lakhs, during the year ended March 31, 2009, as exceptional item, in respect of capitalized software products, which is subject to reversal in terms of the scheme after its becoming effective in law.

7) Mr. Kiran Karnik was co-opted as an Additional Director on October 12, 2009.

8) During the quarter 1,60,000 options have been granted to eligible directors / employees under the ESOP 2006 Scheme.

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

10) The Company has, through its subsidiaries in USA and Japan, signed Asset Purchase Agreement, with Ingenient Technologies Inc. USA, in October 2009. As part of this agreement, Sasken Group will acquire the product portfolio, customer contracts and assets and also assume transfer of certain employees.

11) An interim dividend of Rs.2/- per equity share of Rs.10/- each has been declared at the above board meeting. The record date for the payment of the dividend is November 11, 2009.

12) During the quarter, the Company did not receive any complaints from the investors, nor pending resolution.

For Sasken Communication Technologies Ltd.

Place: Bangalore
Date: October 29, 2009

Rajiv C. Mody
Chairman & Managing Director