

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2009

(Rs. in Lakhs except share data)

Sl. No.	Description	For the Quarter ended Dec. 31, 2009	For the Quarter ended Dec. 31, 2008	For the Nine months ended Dec. 31, 2009	For the Nine months ended Dec. 31, 2008	For the Year ended March 31, 2009
1	Revenue from Software Services, Software Products & Network Engineering Services	14,518.33	18,510.24	42,041.40	52,954.57	69,781.33
2	Cost of Revenue	10,064.20	11,936.64	29,333.27	33,875.92	43,842.05
3	Research & Development Expenses	—	98.93	—	335.15	335.15
4	Gross Profit	4,454.13	6,474.67	12,708.13	18,743.50	25,604.13
5	Selling and Marketing Expenses	374.55	818.56	913.41	2,131.14	2,869.07
6	Administrative and General Expenses	1,623.62	1,450.96	4,320.79	4,633.07	6,354.67
7	Profit from operations before Interest, Depreciation and Amortisation	2,455.96	4,205.15	7,473.93	11,979.29	16,380.39
8	Amortisation	12.98	11.57	47.69	670.08	681.66
9	Interest	54.92	87.53	214.83	297.67	381.77
10	Depreciation	704.28	736.97	2,282.73	2,146.53	3,057.36
11	Other Income	158.21	134.05	450.22	393.52	721.97
12	Exchange gain/(loss), Net**	235.94	(1,385.66)	1,275.10	(3,445.65)	(4,261.48)
13	Provision for diminution in value of investments	(44.05)	10.71	(85.35)	10.71	117.71
14	Profit before Tax and Exceptional item	2,121.98	2,106.76	6,739.35	5,802.17	8,602.38
15	Exceptional Item***	—	—	—	—	1,519.70
16	Profit before Tax	2,121.98	2,106.76	6,739.35	5,802.17	7,082.68
17	Provision for Income Tax (Current & Deferred)	408.69	636.56	1,368.81	1,845.89	2,727.68
18	Fringe Benefit Tax	—	34.52	—	112.26	124.59
19	Profit After Taxes	1,713.29	1,435.68	5,370.54	3,844.02	4,230.41
20	Paid-up equity share capital (at par value of Rs.10 each)	2,711.11	2,711.11	2,711.11	2,711.11	2,711.11
21	Reserves excluding revaluation reserves	50,294.28	46,550.73	50,294.28	46,550.73	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	6.32	5.24	19.81	13.66	15.17
	Diluted EPS	6.07	5.24	19.01	13.66	15.17
23	Proposed / Interim Dividend	—	—	542.22	—	1,084.44
24	Aggregate of Public Shareholding* Number of shares Percentage of shareholding	19,525,027 72.02%	19,559,376 72.15%	19,525,027 72.02%	19,559,376 72.15%	19,519,357 72.00%
25	Promoters and promoter group shareholdings					
	a) Pledged / Encumbered					
	— Number of shares	5,000	—	5,000	—	—
	— Percentage of shares (as a % of the total shareholding of promoters and promoter group)	0.07%	—	0.07%	—	—
	— Percentage of shares (as a % of the total share capital of the company)	0.02%	—	0.02%	—	—
	b) Non-encumbered					
	— Number of shares	7,581,024	—	7,581,024	—	7,591,694
	— Percentage of shares (as a % of the total shareholding of promoters and promoter group)	99.93%	—	99.93%	—	100%
	— Percentage of shares (as a % of the total share capital of the company)	27.96%	—	27.96%	—	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)

Description	For the Quarter ended Dec. 31, 2009	For the Quarter ended Dec. 31, 2008	For the Nine months ended Dec. 31, 2009	For the Nine months ended Dec. 31, 2008	For the Year ended March 31, 2009
Staff Cost	8,580.62	11,157.26	25,509.17	31,121.17	40,065.17
Items exceeding 10% of aggregate expenditure	—	—	—	—	—
Details of Other Income:					
Miscellaneous income	9.83	0.79	16.45	7.64	11.52
Dividend received on current investments (non trade)	115.88	12.07	252.66	111.19	125.82
Net gain on sale of current investments (non trade)	—	0.20	0.04	0.46	—
Interest income on bank deposits (gross)	8.16	69.73	133.19	120.24	212.94
Write back of advance from customer	13.63	6.26	14.16	6.26	7.70
Research and Technology tax incentive	—	7.61	—	72.22	273.14
Profit on sale of Fixed Assets	—	1.81	0.78	4.26	8.15
Other interest income	0.04	23.53	0.07	28.93	28.93
Asset recovery charges	10.67	12.05	32.87	42.32	53.77
Total	158.21	134.05	450.22	393.52	721.97

(Rs. in Lakhs)

Sl. No.	Description	For the Quarter ended Dec. 31, 2009	For the Quarter ended Dec. 31, 2008	For the Nine months ended Dec. 31, 2009	For the Nine months ended Dec. 31, 2008	For the Year ended March 31, 2009
1	Segment Revenue					
	a. Software Services	12,659.60	16,309.45	37,487.91	44,862.64	59,561.06
	b. Software Products	757.07	1,171.68	1,558.96	5,079.32	6,146.43
	c. Automotive, Utilities and Industrial	41.69	15.62	52.19	35.88	60.39
	d. Network Engineering Services	1,059.97	1,013.49	2,942.34	2,976.73	4,013.45
	Total	14,518.33	18,510.24	42,041.40	52,954.57	69,781.33
	Less Inter segment revenue	—	—	—	—	—
	Net Sales/Income from Operations	14,518.33	18,510.24	42,041.40	52,954.57	69,781.33
2	Segment Results					
	(Profit+/-)/Loss(-) before tax and interest from each segment)					
	a. Software Services	3,099.15	5,269.43	8,957.36	14,100.75	19,027.62
	b. Software Products	264.10	351.57	718.44	1,415.38	746.89
	c. Automotive, Utilities and Industrial	(25.31)	(110.43)	(110.40)	(293.23)	(338.53)
	d. Network Engineering Services	445.57	290.54	943.86	928.99	1,199.47
	Total	3,783.51	5,801.11	10,509.26	16,151.89	20,635.45
	Less: i) Interest	54.92	87.53	214.83	297.67	381.77
	ii) Other un-allocable expenditure net off un-allocable Income	1,886.60	2,210.45	4,915.53	6,595.69	8,791.81
	iii) Exchange loss/(gain)	(235.94)	1,385.66	(1,275.10)	3,445.65	4,261.48
3	Provision for/(reversal of) diminution in value of investments	(44.05)	10.71	(85.35)	10.71	117.71
	Total Profit before tax	2,121.98	2,106.76	6,739.35	5,802.17	7,082.68
4	Capital Employed - (Segment Assets - Segment Liabilities)					
	a. Software Services	28,139.51	31,977.56	28,139.51	31,977.56	30,920.79
	b. Software Products	1,122.15	2,956.92	1,122.15	2,956.92	1,235.48
	c. Automotive, Utilities and Industrial	2,040.57	401.12	2,040.57	401.12	435.00
	d. Network Engineering Services	187.02	2,479.48	187.02	2,479.48	2,612.98
	Sub total	31,489.25	37,815.08	31,489.25	37,815.08	35,204.25
	e. Unallocable Corporate Assets	26,132.70	19,406.93	26,132.70	19,406.93	21,550.06
	Less: Corporate Liabilities	(4,616.56)	(7,960.17)	(4,616.56)	(7,960.17)	(8,464.00)
	Total Capital Employed	53,005.39	49,261.84	53,005.39	49,261.84	48,290.31

NOTES :

- The above audited results were taken on record by the Board of Directors of the Company at its meeting held on January 21, 2010.
- 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.
- 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
- Regarding Subsidiaries and Joint Venture Companies:
 - 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 ConnectIM Technology Solutions Pvt. Ltd. – Joint Venture companies.
 - 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.
 - The financial result of TSAE for the quarter and nine months ended December 31, 2009 is unaudited.
 - 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 Limited	600.76	130.00
Sasken Communication Technologies Mexico S.A. de C.V.	(86.40)	—
Sasken Communication Technologies Oy	120.02	—
Sasken Finland Oy	541.07	—
Sasken Communication Technologies (Shanghai) Co. Ltd.	62.93	—
Sasken Inc	18.87	1,443.79
Sasken Network Solutions Inc	13.97	—
Sasken Japan KK	53.32	—

Other Notes:

- 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 December 31, 2009 there was a mark to market gain of Rs. 631 lakhs, which has not been recognized.
- 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 Section 391 / 394 of the Companies Act, whereby interalia, 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.
- During the quarter 60,000 options have been granted to eligible employees under the ESOP 2006 Scheme.
- During the quarter ended December 31, 2009, Sasken Inc. (subsidiary Company of Sasken) entered into an Asset Purchase Agreement (APA) with Ingenient Technologies Inc whereby Sasken Inc has acquired certain assets of Ingenient Technologies Inc. The company has identified the tangible and intangible assets acquired and has recorded these assets at fair value. The excess of purchase consideration over the fair value has been recorded as goodwill.
- During the quarter ended December 31, 2009, the Company has redesignated the Telecom Software Services and Telecom Software Products as Software Services and Software Products.
- Previous period figures have been re-grouped/re-arranged, wherever necessary to conform to the current period presentation.
- Information on investor complaints for the quarter:

Nature of complaints received	Opening Balance	Additions	Disposal	Closing Balance
Non receipt of Dividend / Annual Report	Nil	23	23	Nil

For Sasken Communication Technologies Ltd.

Place : Bangalore
Date : January 21, 2010

Rajiv C. Mody
Chairman & Managing Director