



Sasken Communication Technologies Limited

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AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2006

(Rs. in Lakhs except share data)

Sl. No.		For the Quarter ended June 30 2006	For the Quarter ended June 30 2005	For the Year ended March 31 2006
1	Revenues from Software Services & Products	7,688.26	5,889.05	26,754.43
2	Cost of Revenue	5,209.36	3,796.61	16,667.46
3	Research & Development Expenses (including Product Engineering Expenses)	291.14	414.79	1,318.27
4	Gross Profit	2,187.76	1,677.65	8,768.70
5	Selling and Marketing Expenses	463.17	553.93	2,267.45
6	Administrative and General Expenses	819.55	696.64	3,006.28
7	Profit from operations before Interest, Depreciation and Amortisation	905.04	427.08	3,494.97
8	Amortisation of Non Compete Fees	42.77	ñ	94.03
9	Interest	0.54	0.02	0.20
10	Depreciation	355.65	320.01	1,551.99
11	Other Income/(Expense)	56.90	196.67	650.36
12	Profit Before Tax and exceptional items	562.98	303.72	2,499.11
13	Exceptional Items	ñ	ñ	676.08
14	Profit Before Tax	562.98	303.72	1,823.03
15	Provision for taxation (Current & Deferred)	(22.51)	59.71	461.96
16	Fringe Benefit tax	26.02	15.28	70.60
17	Profit After Taxes	559.47	228.73	1,290.47
18	Paid-up Equity Share Capital (at par value of Rs.10 each)	2,797.68	2,251.15	2,793.64
19	Reserves excluding revaluation reserves	ñ	ñ	34,600.40
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	2.00	1.06	5.11
	Diluted EPS	1.97	1.05	5.00
21	Proposed Dividend	ñ	ñ	838.09
22	Aggregate of Public Shareholding (Unaudited)			
	Number of shares	20,387,521	14,793,189	20,347,123
	Percentage of shareholding	72.87%	65.71%	72.83%

Other Information

	For the Quarter ended June 30 2006	For the Quarter ended June 30 2005	For the Year ended March 31 2006
Staff Cost	4,804.64	3,969.59	16,360.65
Items exceeding 10% of aggregate expenditure	ñ	ñ	ñ
Details of Other Income :			
Miscellaneous Income	0.06	0.04	5.43
Dividend received on current investments(non trade)	213.16	69.46	542.42
Net gain on sale of current investments (non trade)	8.53	2.66	5.96
Interest income on Bank Deposits (Gross)	0.06	7.49	8.28
Net profit on sale of Long Term Investments (non trade)	ñ	ñ	26.12
Reversal of provision for diminution in value of long term investments (non trade)	3.60	ñ	25.09
Other interest income	0.02	0.55	3.22
Exchange Gain/(Loss), Net	(168.53)	116.47	33.84
Total	56.90	196.67	650.36

Sl. No.		For the Quarter ended June 30 2006	For the Quarter ended June 30 2005	For the Year ended March 31 2006
1	Segment Revenue			
a.	Software Services	7,328.56	5,347.07	24,003.42
b.	Software Products	359.70	541.98	2,751.01
	Total	7,688.26	5,889.05	26,754.43
	Less Inter Segment Revenue	ñ	ñ	ñ
	Net Sales/Income from Operations	7,688.26	5,889.05	26,754.43
2	Segment Results (Profit+/-/Loss (-) before tax and interest from each segment)			
a.	Software Services	2,391.51	1,558.75	7,829.54
b.	Software Products	(520.40)	(152.99)	(424.41)
	Total	1,871.11	1,405.76	7,405.13
	Less: i) Interest	0.54	0.02	0.20
	ii) Other un-allocable expenditure net of un-allocable Income	1,307.59	1,102.02	4,905.82
	Total Profit Before Tax and Exceptional items	562.98	303.72	2,499.11
	Exceptional Item	ñ	ñ	676.08
	Total Profit Before Tax	562.98	303.72	1,823.03
3	Capital Employed (Segment Assets - Segment Liabilities)			
a.	Software Services	7,331.52	4,636.81	6,034.59
b.	Software Products	3,436.58	1,070.66	2,743.98
	Sub total	10,768.10	5,707.47	8,778.57
c.	Unallocated Corporate Assets	29,296.64	19,422.41	30,718.00
	Less Corporate Liabilities	(2,656.73)	(865.76)	(2,102.53)
	Total Capital Employed	37,408.01	24,264.12	37,394.04

Notes

- The above audited results were taken on record by the Board of Directors of the Company at its meeting held on 20th July, 2006. There are no qualifications in auditors' reports for the period.
- The financial statements are prepared in accordance with the principles and procedures for preparation and presentation of consolidated financial statements as set out in the Accounting Standard on Consolidated Financial Statements prescribed by the Institute of Chartered Accountants of India. The financial statements of the parent company and the subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra group balances and transactions and resulting unrealised gains/losses. The consolidated financial statements are prepared by applying uniform accounting policies.
- During the quarter, the Company completed the acquisition of the entire share capital in Integrated SoftTech Solutions Private Limited (3,535,730 shares of Rs.10 each) for a consideration of Rs.480.82 lakhs. The audited results of Integrated SoftTech Solutions Private Limited, post the date of acquisition, for the month of June 2006 has been included in the consolidated financial statements.
- Sasken Network Systems Limited (SNSL), Sasken Network Engineering Limited (SNEL), Sasken Communication Technologies Mexico S.A.De C. V. (Sasken Mexico), Sasken Communication Technologies (Shanghai) Limited (Sasken China) and Integrated SoftTech Solutions Private Limited (iSoftTech) are wholly owned subsidiaries and their results are consolidated in the above results. The financial results of Sasken China for the quarter ended 30th June, 2006 are unaudited.
- During the quarter, the Company invested USD 140,000 in Sasken China as share capital and has given Rs.156.45 lakhs as loan and Rs.4.74 lakhs as advance. Sasken China is yet to commence operations.
- As at the end of the quarter, the Company has invested Rs.203,169 in Sasken Mexico as share capital and has given Rs.615.33 lakhs

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2006

(Rs. in Lakhs except share data)

Sl. No.		For the Quarter ended June 30 2006	For the Quarter ended June 30 2005	For the Year ended March 31 2006
1	Revenue from Software Services, Products & Network Engineering Services	9,112.33	6,774.20	30,812.79
2	Cost of Revenue	5,984.98	4,244.43	18,883.47
3	Research & Development Expenses (including Product Engineering Expenses)	210.18	414.76	1,134.68
4	Gross Profit	2,917.17	2,115.01	10,794.64
5	Selling and Marketing Expenses	479.84	563.62	2,292.43
6	Administrative and General Expenses	1,048.71	781.24	3,500.51
7	Profit from Operations before Interest, Depreciation and Amortisation	1,388.62	770.15	5,001.70
8	Amortisation of Non Compete Fees	42.77	ñ	94.03
9	Interest	2.63	3.83	14.30
10	Depreciation	507.07	349.20	1,880.41
11	Other Income/(Expense)	78.28	197.35	640.72
12	Profit Before Tax and exceptional items	914.43	614.47	3,653.68
13	Exceptional Items	ñ	ñ	676.08
14	Profit Before Tax	914.43	614.47	2,977.60
15	Provision for Income Tax (Current & Deferred)	9.98	117.98	575.57
16	Fringe Benefit Tax	39.65	19.28	110.41
17	Profit After Taxes	864.80	477.21	2,291.62
18	Paid-up Equity Share Capital (at par value of Rs.10 each)	2,797.68	2,251.15	2,793.64
19	Reserves excluding revaluation reserves	ñ	ñ	35,708.37
20	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	3.09	2.22	9.08
	Diluted EPS	3.05	2.19	8.87
21	Proposed Dividend	ñ	ñ	838.09
22	Aggregate of Public Shareholding (Unaudited)			
	Number of shares	20,387,521	14,793,189	20,347,123
	Percentage of shareholding	72.87%	65.71%	72.83%

Other Information

	For the Quarter ended June 30 2006	For the Quarter ended June 30 2005	For the Year ended March 31 2006
Staff Cost	5,997.27	4,386.69	19,833.90
Items exceeding 10% of aggregate expenditure	ñ	ñ	ñ
Details of Other Income:			
Miscellaneous income	0.06	0.04	5.43
Dividend received on current investments(non trade)	217.60	69.46	542.42
Net gain on sale of current investments (non trade)	8.53	2.66	5.96
Interest income on Bank Deposits (Gross)	0.48	7.49	8.28
Net profit on sale of Long term investments (non trade)	ñ	ñ	26.12
Reversal of provision for diminution in value of long term investments (non trade)	3.60	ñ	25.09
Other interest income	0.06	0.55	3.22
Exchange Gain/(Loss), Net	(152.05)	117.15	24.20
Total	78.28	197.35	640.72

Sl. No.		For the Quarter ended June 30 2006	For the Quarter ended June 30 2005	For the Year ended March 31 2006
1	Segment Revenue			
a.	Software Services	8,026.17	5,743.81	25,823.79
b.	Software Products	359.70	541.98	2,751.02
c.	Network Engineering Services	726.46	488.41	2,237.98
	Total	9,112.33	6,774.20	30,812.79
	Less Inter segment revenue	ñ	ñ	ñ
	Net Sales/Income from Operations	9,112.33	6,774.20	30,812.79
2	Segment Results (Profit+/-/Loss (-) before tax and interest from each segment)			
a.	Software Services	2,719.65	1,712.93	8,749.07
b.	Software Products	(520.40)	(152.99)	(424.41)
c.	Network Engineering Services	279.34	270.98	854.31
	Total	2,478.59	1,830.92	9,178.97
	Less: i) Interest	2.63	3.83	14.30
	ii) Other un-allocable expenditure net of un-allocable Income	1,561.53	1,212.62	5,510.99
	Total Profit Before Tax and Exceptional Items	914.43	614.47	3,653.68
	Exceptional Item	ñ	ñ	676.08
	Total Profit before tax	914.43	614.47	2,977.60
3	Capital Employed - (Segment Assets - Segment Liabilities)			
a.	Software Services	9,559.96	4,332.74	7,034.93
b.	Software Products	3,436.58	1,100.66	2,743.98
c.	Network Engineering Services	1,390.70	617.72	1,076.61
	Sub total	14,387.24	6,051.12	10,855.52
d.	Unallocated Corporate Assets	27,045.83	19,434.06	29,387.28
	Less: Corporate Liabilities	(2,656.66)	(865.76)	(1,740.79)
	Total Capital Employed	38,776.41	24,619.42	38,502.01

- as loan and Rs.59.01 lakhs as advance. During the quarter, Sasken Mexico commenced operations.
 - 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 quarter. The issue expenses of Rs.584.31 lakhs have been adjusted against Securities Premium Account.
 - Dividend of Rs.3 per share for fiscal 2006 was approved by the shareholders of the Company at the Annual General Meeting held on 17th June 2006 and the same was paid on 28th June 2006.
 - During the quarter, the Authorised Capital of the Company was increased from Rs.35 crores to Rs.50 crores.
 - Increase in Paid up Capital is on account of allotment of 40,398 equity shares of Rs.10 each fully paid up on the exercise of Options by employees under Employees' Stock Option Scheme.
 - Aggregate of Public Shareholding given above as at 31st March 2006 has been computed in terms of revised Clause 35 of the Listing Agreement.
 - Staff costs for the quarter ended 30th June, 2006 are higher by Rs.81.05 lakhs in the Consolidated results and by Rs.50.69 lakhs on a standalone basis as a result of complying with the revised Accounting Standard 15 - Employee Benefits and consequently profits after taxes for the quarter ended 30th June, 2006 are lower by the same extent respectively.
 - Information on investor complaints pursuant to Clause 41 of the Listing Agreement for the quarter ended 30th June, 2006:
- | Nature of complaints received | Opening Balance | Additions | Disposal | Closing Balance |
|---|-----------------|-----------|----------|-----------------|
| Non receipt of Refund Orders / Non-credit of Shares | - | 26 | 26 | - |
- Previous year/quarter figures are regrouped/reclassified as applicable.

For SASKEN COMMUNICATION TECHNOLOGIES LIMITED

Rajiv C. Mody
Chairman & Managing Director

Place: Bangalore
Date : 20th July, 2006