



Sasken Communication Technologies Limited

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AUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2006

(Rs. in Lakhs except share data)

Sr. No.		For the Quarter ended December 31, 2006	For the Quarter ended December 31, 2005	For the Nine months ended December 31, 2006	For the Nine months ended December 31, 2005	For the Year ended March 31, 2006
1	Revenue from Software Services & Products	8,896.79	6,545.27	26,453.15	20,135.05	26,754.43
2	Cost of Revenue	5,492.39	4,012.77	16,496.22	12,182.37	16,667.46
3	Research & Development Expenses (including Product Engineering Expenses)	503.09	259.96	1,215.27	1,095.49	1,318.27
4	Gross Profit	2,901.31	2,272.54	8,741.66	6,857.19	8,768.70
5	Selling and Marketing Expenses	553.84	393.46	1,598.36	1,516.30	2,065.18
6	Administrative and General Expenses	1,172.10	970.67	2,984.15	2,552.08	3,208.55
7	Profit from operations before Interest, Depreciation and Amortisation	1,175.37	908.41	4,159.15	2,788.81	3,494.97
8	Amortisation of Non Compete Fees	54.72	31.67	162.78	62.70	94.03
9	Interest	1.98	-	64.59	0.20	0.20
10	Depreciation	381.02	398.10	1,119.97	1,137.73	1,551.99
11	Other Income/(Expense)	289.59	81.48	481.79	479.11	650.36
12	Profit Before tax and exceptional items	1,027.24	560.12	3,293.60	2,067.29	2,499.11
13	Exceptional Items	-	676.08	-	676.08	676.08
14	Profit before tax	1,027.24	(115.96)	3,293.60	1,391.21	1,823.03
15	Provision for taxation (Current & Deferred)	170.67	64.61	390.25	398.45	461.96
16	Fringe Benefit Tax	28.96	18.74	82.51	56.38	70.60
17	Profit after Taxes	827.61	(199.31)	2,820.84	936.38	1,290.47
18	Paid-up equity share capital (at par value of Rs.10 each)	2,821.80	2,779.92	2,821.80	2,779.92	2,793.64
19	Reserves excluding revaluation reserves	38,318.34	35,021.95	38,318.34	35,021.95	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	2.94	(0.72)	10.06	3.85	5.11
	Diluted EPS	2.90	(0.71)	9.91	3.76	5.00
21	Proposed Dividend	-	-	-	-	838.09
22	Aggregate of Public Shareholding (Unaudited)					
	* Number of shares	20,669,624	20,208,848	20,669,624	20,208,848	20,345,623
	* Percentage of shareholding	73.25%	72.70%	73.25%	72.70%	72.83%

* Non promoter shareholding as classified under category B in the shareholding pattern in Clause 35 of the Listing agreement.

Other Information :

	For the Quarter ended December 31, 2006	For the Quarter ended December 31, 2005	For the Nine months ended December 31, 2006	For the Nine months ended December 31, 2005	For the Year ended March 31, 2006
Staff Costs	5,745.30	3,872.87	16,339.64	12,284.56	16,360.65
Items exceeding 10% of aggregate expenditure	-	-	-	-	-
Details of Other Income :					
Miscellaneous income	0.45	1.06	0.65	4.13	5.43
Dividend received on current investments(non trade)	34.22	194.80	399.00	384.02	542.42
Net gain on sale of current investments (non trade)	42.62	0.66	168.27	7.36	5.96
Interest income on Bank Deposits (Gross)	-	0.57	0.06	8.18	8.28
Net profit on sale of long term investments (non trade)	-	-	-	-	26.12
Writeback of liabilities no longer required	60.94	-	60.94	-	-
Adjustments in value of long term investments (non trade)	-	-	-	-	25.09
Other interest income	7.73	0.07	7.76	1.21	3.22
Exchange gain/(loss), Net	143.63	(115.68)	(154.89)	74.21	33.84
Total	289.59	81.48	481.79	479.11	650.36

	For the Quarter ended December 31, 2006	For the Quarter ended December 31, 2005	For the Nine months ended December 31, 2006	For the Nine months ended December 31, 2005	For the Year ended March 31, 2006
1	Segment Revenue				
a.	Software Services	8,481.29	6,330.11	25,052.47	17,826.16
b.	Software Products	415.50	215.16	1,400.68	2,308.89
	Total	8,896.79	6,545.27	26,453.15	20,135.05
	Less Inter segment revenue	-	-	-	-
	Net Sales/Income from Operations	8,896.79	6,545.27	26,453.15	20,135.05
2	Segment Results				
	(Profit+)/Loss(-) before tax and interest from each segment				
a.	Software Services	3,167.54	2,350.81	9,061.08	5,792.74
b.	Software Products	(621.74)	(430.93)	(1,339.11)	67.05
	Total	2,545.80	1,919.88	7,721.97	5,859.79
	Less: i) Interest	1.98	-	64.59	0.20
	ii) Other un-allocable expenditure net off un-allocable Income.	1,516.58	1,359.76	4,363.78	3,792.30
	Total Profit Before Tax and Exceptional items	1,027.24	560.12	3,293.60	2,067.29
	Exceptional Item	-	676.08	-	676.08
	Total Profit before tax	1,027.24	(115.96)	3,293.60	1,391.21
3	Capital Employed (Segment Assets - Segment Liabilities)				
a.	Software Services	7,114.26	4,943.51	7,114.26	4,943.51
b.	Software Products	4,197.88	2,185.17	4,197.88	2,185.17
	Sub total	11,312.14	7,128.68	11,312.14	7,128.68
c.	Unallocated corporate assets	32,443.50	32,428.05	32,443.50	32,428.05
	Less Corporate liabilities	(2,615.50)	(1,754.86)	(2,615.50)	(1,754.86)
	Total Capital Employed	41,140.14	37,801.87	41,140.14	37,801.87

Notes

- The above audited results were taken on record by the Board of Directors of the Company at its meeting held on 24th January 2007. 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 value of like items of Assets, Liabilities, Income and Expenses after eliminating intra group balances and transactions and resulting unrealized gains / losses. The Consolidated Financial Statements are prepared by applying uniform accounting policies.
- Sasken Network Engineering Limited (SNEL), Sasken Communication Technologies Mexico S.A. De C.V. (Sasken Mexico), Sasken Communication Technologies (Shanghai) Limited (Sasken China), Integrated Sofitech Solutions Private Limited (Sofitech), Sasken Communication Technologies Oy and therefore Bolnia Hightech Oy, Bolnia Hardware Oy and Ionlic Oy are wholly owned subsidiaries and their results are consolidated in the above results. The financial results of Sasken China for the nine months ended 31st December 2006 are unaudited.
- Steps have been initiated for the merger of Integrated Sofitech Solutions Private Limited, a wholly owned subsidiary, with the Company. Petitions under Section 394 of the Companies Act, 1956 filed in the Hon'ble High Court of Madras and the Hon'ble High Court of Karnataka at Bangalore are pending.
- Investments in Subsidiaries: The Company invested Rs. 300 lakhs and Rs. 42.72 lakhs in the equity capital of SNEL and Sasken China, thereby increasing the total investment in SNEL and Sasken China to Rs. 305 lakhs and Rs. 105.72 lakhs respectively.

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2006

(Rs. in Lakhs except share data)

Sr. No.		For the Quarter ended December 31, 2006	For the Quarter ended December 31, 2005	For the Nine months ended December 31, 2006	For the Nine months ended December 31, 2005	For the Year ended March 31, 2006
1	Revenue from Software Services, Products & Network Engineering Services	13,101.84	7,593.94	33,968.63	23,007.55	30,812.79
2	Cost of revenue	8,267.47	4,602.54	21,338.11	13,729.69	18,883.47
3	Research & Development Expenses (including Product Engineering Expenses)	503.09	259.95	1,215.26	1,095.49	1,318.27
4	Gross Profit	4,331.28	2,731.45	11,415.26	8,182.37	10,611.05
5	Selling and Marketing Expenses	664.07	395.96	1,750.19	1,531.95	2,084.43
6	Administrative and General Expenses	1,726.97	1,126.52	4,215.69	2,883.02	3,708.51
7	Profit from operations before Interest, Depreciation and Amortisation	1,940.24	1,208.97	5,449.38	3,767.40	4,818.11
8	Amortisation of Non Compete Fees	54.72	31.67	162.78	62.70	94.03
9	Interest	103.99	4.31	342.22	10.85	14.30
10	Depreciation	554.82	442.31	1,474.93	1,243.78	1,696.82
11	Other Income/(Expense)	311.90	69.37	505.86	468.69	640.72
12	Profit before tax and exceptional items	1,538.61	800.05	3,975.31	2,918.76	3,653.68
13	Exceptional Items	-	676.08	-	676.08	676.08
14	Profit before tax	1,538.61	123.97	3,975.31	2,242.68	2,977.60
15	Provision for income tax (Current & Deferred)	309.06	72.62	610.96	496.74	575.57
16	Fringe Benefit Tax	42.20	32.96	123.42	83.03	110.41
17	Profit After Taxes	1,187.35	18.39	3,240.93	1,662.91	2,291.62
18	Paid-up equity share capital (at par value of Rs.10 each)	2,821.80	2,779.92	2,821.80	2,779.92	2,793.64
19	Reserves excluding revaluation reserves	38,446.78	35,855.31	38,446.78	35,855.31	35,708.37
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 each)					
	Basic EPS	4.22	0.07	11.56	6.83	9.08
	Diluted EPS	4.16	0.07	11.38	6.67	8.87
21	Proposed Dividend	-	-	-	-	838.09
22	Aggregate of Public Shareholding					
	* Number of shares	20,669,624	20,208,848	20,669,624	20,208,848	20,345,623
	* Percentage of shareholding	73.25%	72.70%	73.25%	72.70%	72.83%

* Non promoter shareholding as classified under category B in the shareholding pattern in Clause 35 of the Listing agreement.

Other Information :

	For the Quarter ended December 31, 2006	For the Quarter ended December 31, 2005	For the Nine months ended December 31, 2006	For the Nine months ended December 31, 2005	For the Year ended March 31, 2006
Staff Cost	8,224.92	4,324.52	20,522.02	13,572.95	18,144.85
Items exceeding 10% of aggregate expenditure	-	-	-	-	-
Details of Other Income :					
Miscellaneous income	67.01	1.06	71.78	4.13	5.43
Dividend received on current investments(non trade)	34.22	194.80	399.00	384.02	542.42
Net gain on sale of current investments (non trade)	42.62	0.66	168.27	7.36	5.96
Interest income on Bank Deposits (Gross)	9.23	0.57	14.22	8.18	8.28
Net profit on sale of long term investments (non trade)	-	-	-	-	26.12
Adjustments in value of long term investments (non trade)	-	-	-	-	25.09
Other interest income	0.01	0.07	0.04	1.21	3.22
Exchange gain/(loss), Net	158.81	(127.79)	(147.45)	63.79	24.20
Total	311.90	69.37	505.86	468.69	640.72

	For the Quarter ended December 31, 2006	For the Quarter ended December 31, 2005	For the Nine months ended December 31, 2006	For the Nine months ended December 31, 2005	For the Year ended March 31, 2006
1	Segment Revenue				
a.	Software Services	12,014.37	6,808.97	30,329.83	19,151.24
b.	Software Products	415.49	215.16	1,400.68	2,308.89
c.	Network Engineering Services	671.98	569.81	2,238.12	1,547.42
	Total	13,101.84	7,593.94	33,968.63	23,007.55
	Less Inter segment revenue	-	-	-	-
	Net Sales/Income from Operations	13,101.84	7,593.94	33,968.63	23,007.55
2	Segment Results				
	(Profit+)/Loss(-) before tax and interest from each segment				
a.	Software Services	4,224.34	2,597.05	10,713.14	6,416.32
b.	Software Products	(589.46)	(430.93)	(1,306.84)	67.04
c.	Network Engineering Services	199.69	187.59	727.06	649.87
	Total	3,834.57	2,353.71	10,133.36	7,133.23
	Less: i) Interest	103.99	4.31	342.22	10.85
	ii) Other un-allocable expenditure net off un-allocable Income.	2,191.97	1,549.35	5,815.83	4,203.62
	Total Profit Before Tax and Exceptional items	1,538.61	800.05	3,975.31	2,918.76
	Exceptional Item	-	676.08	-	676.08
	Total Profit before tax	1,538.61	123.97	3,975.31	2,242.68
3	Capital Employed - (Segment Assets - Segment Liabilities)				
a.	Software Services	21,676.50	5,682.77	21,676.50	5,682.77
b.	Software Products	4,197.88	2,174.31	4,197.88	2,174.31
c.	Network Engineering Services	1,715.84	899.73	1,715.84	899.73
	Sub total	27,590.22	8,756.81	27,590.22	8,756.81
d.	Unallocated Corporate Assets	16,189.45	31,163.43	16,189.45	31,163.43
	Less:Corporate Liabilities	(2,511.09)	(1,285.01)	(2,511.09)	(1,285.01)
	Total Capital Employed	41,268.58	38,635.23	41,268.58	38,635.23

- As at the end of quarter, the amounts outstanding from the subsidiaries are as follows:

Company	Rs. lakhs	
	Advances	Loans
Sasken Network Engineering Ltd.	404.95	455.00
Integrated Sofitech Solutions P Ltd.	31.74	-
Sasken Communication Technologies Mexico S A De C V	137.98	669.13
Sasken Communication Technologies Oy	112.15	-

- Increase in paid up capital of the Company is on account of allotment of 172,136 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 December 2006 has been computed in terms of revised Clause 35/40A of the Listing Agreement.
 - Staff Costs for the nine months ended 31st December 2006 are higher by Rs. 141.11 lakhs in the consolidated results and by Rs. 128.36 lakhs on a Standalone basis, as a result of complying with revised Accounting Standard 15 - Employee Benefits, and consequently Profits after taxes for the nine months ended 31st December 2006 are lower by the same extent respectively.
 - Information on Investor Complaints pursuant to Clause 41 of the Listing Agreement for quarter ended 31st December 2006
- | Nature of complaints received | Opening Balance | Additions | Disposal | Closing Balance |
|---|-----------------|-----------|----------|-----------------|
| Non receipt of Dividend / Non-credit of shares in IPO | Nil | 5 | 4 | 1 |
- Previous year / quarter / nine months' figures are regrouped / reclassified as applicable.

For SASKEN COMMUNICATION TECHNOLOGIES LIMITED

Rajiv C. Mody
Chairman & Managing Director