

Sl. No.		For the Quarter ended June 30, 2010	For the Quarter ended June 30, 2009	For the Year ended March 31, 2010
1	Revenue from Software Services, Software Products & Network Engineering Services	14,576.36	13,951.15	57,419.31
2	Cost of Revenue	9,703.21	9,779.49	39,932.17
3	Gross Profit	4,873.15	4,171.66	17,487.14
4	Selling and Marketing Expenses	487.94	255.02	1,373.84
5	Administrative and General Expenses	1,567.59	1,514.21	5,925.64
6	Profit from operations before Interest, Depreciation and Amortisation	2,817.62	2,402.43	10,187.66
7	Amortisation	167.88	34.72	213.06
8	Interest	37.70	80.86	261.35
9	Depreciation	813.65	843.66	2,952.95
10	Other Income	246.62	139.11	767.37
11	Exchange gain/(loss), Net **	608.52	1,048.65	1,679.21
12	Provision for diminution in value of investments/(reversals)	-	-	(85.35)
13	Profit before Tax	2,653.53	2,630.95	9,292.23
14	Provision for Income Tax (Current & Deferred)	545.19	609.35	1,740.50
15	Minimum Alternate Tax Credit	(196.75)	-	-
16	Profit After Taxes	2,305.09	2,021.60	7,551.73
17	Paid-up equity share capital (at par value of Rs.10 each)	2,735.35	2,711.11	2,711.11
18	Reserves excluding revaluation reserves	37,789.43	47,760.87	49,515.01
19	Basic and diluted EPS for the Quarter and for the previous year (not annualised) (par value of Rs. 10 each)			
	Basic EPS	8.45	7.46	27.85
	Diluted EPS	8.08	7.34	26.62
20	Proposed Dividend ***	9.70	-	1,626.66
21	Aggregate of Public Shareholding *			
	Number of shares	19,758,552	19,524,471	19,525,027
	Percentage of shareholding	72.23%	72.02%	72.02%
22	Promoters and promoter group shareholdings			
	a) Pledged/Encumbered			
	- Number of shares	-	-	5,000
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	-	-	0.07%
	- Percentage of shares (as a % of the total share capital of the company)	-	-	0.02%
	b) Non-encumbered			
	- Number of shares	7,594,949	7,586,580	7,581,024
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	100.00%	100.00%	99.93%
	- Percentage of shares (as a % of the total share capital of the company)	27.77%	27.98%	27.96%

* 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 8 in the notes appended

Other Information :

Rs in Lakhs

	For the Quarter ended June 30, 2010	For the Quarter ended June 30, 2009	For the Year ended March 31, 2010
Staff Cost	8,573.12	8,737.91	34,824.95
Items exceeding 10% of aggregate expenditure			
Details of Other Income:			
Miscellaneous income	27.49	2.07	61.07
Dividend received on current investments (non trade)	176.89	31.44	392.51
Net gain on sale of current investments (non trade)	0.63	-	0.98
Interest income on bank deposits (gross)	9.27	93.48	143.27
Interest income on Income tax Refund	-	-	78.68
Write back of unclaimed balances/ provisions	0.26	0.53	45.70
Profit on sale of Fixed Assets	0.02	0.47	1.80
Other interest income	-	0.03	0.07
Asset recovery charges	32.06	11.09	43.29
Total	246.62	139.11	767.37

SASKEN COMMUNICATION TECHNOLOGIES LIMITED
139/25, RING ROAD, DOMLUR, BANGALORE 560 071
AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2010

(Rs. in Lakhs)

Sl. No.		For the Quarter ended June 30, 2010	For the Quarter ended June 30, 2009	For the Year ended March 31, 2010
1	Segment Revenue			
a.	Software Services	12,298.27	12,934.54	50,760.01
b.	Software Products	1,230.50	109.57	2,560.71
c.	Automotive, Utilities and Industrial	1.99	10.50	81.58
d.	Network Engineering Services	1,045.60	896.54	4,017.01
	Total	14,576.36	13,951.15	57,419.31
	Less Inter segment revenue	-	-	-
	Net Sales/Income from Operations	14,576.36	13,951.15	57,419.31
2	Segment Results (Profit+)/Loss(-) before tax and interest from each segment)			
a.	Software Services	3,101.90	3,231.47	12,330.45
b.	Software Products	499.70	(90.00)	840.99
c.	Automotive, Utilities and Industrial	(79.92)	(40.42)	(151.09)
d.	Network Engineering Services	429.43	245.93	1,479.82
	Total	3,951.11	3,346.98	14,500.17
	Less: i) Interest	37.70	80.86	261.35
	ii) Other un-allocable expenditure net off un-allocable Income	1,868.40	1,683.82	6,711.15
	iii) Exchange (gain) / loss	(608.52)	(1,048.65)	(1,679.21)
	iv) Provision for/ (reversal of) diminution in value of investments	-	-	(85.35)
	Total Profit before tax	2,653.53	2,630.95	9,292.23
3	Capital Employed - (Segment Assets - Segment Liabilities)			
a.	Software Services	16,425.22	28,994.52	28,333.28
b.	Software Products	380.76	243.23	905.27
c.	Automotive, Utilities and Industrial	119.14	352.74	82.94
d.	Network Engineering Services	2,096.74	2,236.66	1,864.96
	Sub total	19,021.86	31,827.15	31,186.45
e.	Unallocable Corporate Assets	30,429.97	24,900.58	29,927.87
	Less: Corporate Liabilities	(8,795.05)	(6,255.75)	(8,756.20)
	Total Capital Employed	40,656.78	50,471.98	52,358.12

NOTES:

1) The above audited results were taken on record by the Board of Directors of the Company at its meeting held on July 31, 2010.

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.

The following are the particulars of the Company (on a standalone basis):

Turnover	: Rs. 10,410.02 lakhs
Profit before Tax	: Rs. 2,699.85 lakhs
Profit after tax	: Rs. 2,463.29 lakhs

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. The financial results of TSAE for the quarter ended June 30, 2010 are unaudited.

- c) During the quarter, the Company made the following investments in its Subsidiaries/ Joint Ventures:

Investee Company	Details	Amount (Rs. In lakhs)
Sasken Communication Technologies Oy	Unrestricted Equity	818.59
Sasken Communication Technologies (Shanghai) Co. Ltd.	Share Capital	92.32
Sasken Network Engineering Ltd	Debentures	464.66
ConnectM Technology Solutions Pvt. Ltd.	Share Application Money	222.50
TACO Sasken Automotive Electronics Ltd.	Share Capital	7.00

- d) 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	(48.12)	-
Sasken Communication Technologies Mexico S. A. de C.V	(133.84)	-
Sasken Communication Technologies Oy	102.07	-
Sasken Finland Oy	128.13	-
Sasken Communication Technologies (Shanghai) Co Ltd	40.44	-
Sasken Inc	250.37	1,776.33
Sasken Network Solutions Inc	8.04	-
Sasken Japan KK	13.10	-

Other Notes:

5) Accounting for derivatives:

Effective April 1, 2010, the Company has adopted the principles of hedge accounting for derivative financial instruments as set out in Accounting Standard (AS) 30, "Financial Instruments: Recognition and Measurement", to the extent that the adoption does not conflict with other accounting standards and other authoritative pronouncements. Based on the recognition and measurement principles of hedge accounting set out in AS 30, changes in the fair values of derivative financial instruments designated as effective cash flow hedges are recognized directly in reserves/ equity and are reclassified to the profit and loss account upon the occurrence of the hedged transaction. Changes in fair value relating to derivatives not designated as hedges are recognized in the profit and loss account.

Had the Company not adopted the principles for hedge accounting set out in AS 30, the changes in the fair value of derivative instruments amounting to Rs.362.24 lakhs would not have been recognized as a gain in the profit and loss account and consequently the profits before tax for the quarter would have been lower by Rs 362.24 lakhs.

6) Scheme of Arrangement:

The Company had approached the High Court of Karnataka, Bangalore to create a Business Restructuring Reserve (BRR) to be carved out from Securities Premium account in terms of a Scheme under Section 391 / 394 of the Companies Act, whereby the Business Restructuring Expenses (as covered under the scheme) will be adjusted against the said Reserve. Pursuant to the Scheme and as approved by the High Court of Karnataka, Bangalore vide its order dated March 31, 2010, a sum of Rs 14,578.08 lakhs, was transferred from the Securities Premium Account and credited to BRR Account during the year ended March 31, 2010.

Further, during the year ended March 31, 2010, impairment loss on capitalized software amounting to Rs.1,519.70 lakhs, being considered as a Restructuring Expense incurred after the Appointed Date, was adjusted against the BRR.

During the current quarter, the company has evaluated its investments (including goodwill arising on consolidation of subsidiaries and related assets) for the purpose of determination of potential diminution in value. Based on such evaluation and considering the underlying factors including downturn in the business of Saskaen Finland and the decrease in related activities/businesses, the Company has identified and recognized an impairment loss for goodwill arising on consolidation amounting to Rs. 13,058.38 lakhs relating to Group's operations in Finland/Europe. The said impairment loss being considered as a restructuring expense incurred after the Appointed Date, i.e., April 1, 2008, has been adjusted against the BRR Account, in the consolidated accounts, in accordance with the scheme.

Had the Scheme not prescribed the aforesaid treatment, the balances would be as under:

(i) In the Profit and Loss Account:

Item	For the quarter ended June 30, 2010 (Rs lakhs)
Impairment Loss on goodwill	13,058.38
Profit / (Loss) after Tax	(10,753.29)

(ii) In the Balance Sheet:

Item	Cumulative Impact As at June 30, 2010 (Rs. lakhs)
<u>Reserves & Surplus:</u>	
Securities Premium Account	29,308.54
Business Restructuring Reserve Account	-
Profit and Loss Account Balance	7,501.54

Consequent to the aforesaid adjustment, the entire amount in BRR has been utilized by the Company as at June 30, 2010.

7) Employee Stock Option Plan

During the quarter ended June 30, 2010, the Company issued 160,000 options under Employee Stock Option Scheme 2006, to its employees. The options have a graded vesting period over three years with an exercise price of Rs.190 for 50,000 options, Rs.188 for 40,000 options and Rs.195 for 70,000 options. During the quarter 242,450 options were exercised and allotted.

8) Article 162 of Articles of Association was amended on July 7, 2010, to be in line with the regulatory requirement precluding pro-ration. Accordingly proposed dividend of Rs 9.70 lakhs during the quarter relates to dividend payable for the year ended March 31, 2010 on shares allotted subsequent to the year end but prior to the record date.

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

10) Information on investor complaints for the quarter:

Nature of complaints received	Opening Balance	Additions	Disposal	Closing Balance
Non receipt of Dividend / Share Certificate	Nil	8	8	Nil

For Sasken Communication Technologies Ltd.

Place: Bangalore
Date: July 31, 2010

Rajiv C. Mody
Chairman & Managing Director