



Sasken Communication Technologies Limited

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AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2008

(Rs. in Lakhs except share data)

Sl. No.		For the Quarter ended December 31, 2008	For the Quarter ended December 31, 2007	For the Nine months ended December 31, 2008	For the Nine months ended December 31, 2007	For the Year ended March 31, 2008
1	Revenue from Telecom Software Services, Telecom Software Products & Network Engineering Services	18,510.24	14,132.15	52,954.57	41,292.69	57,017.71
2	Cost of Revenue	11,910.66	9,768.80	33,805.85	27,203.73	37,392.93
3	Research & Development Expenses (including Product Engineering Expenses)	98.93	489.20	335.15	1,889.56	2,163.32
4	Gross Profit	6,500.65	3,874.15	18,813.57	12,199.40	17,461.46
5	Selling and Marketing Expenses	844.54	742.08	2,201.21	2,201.78	2,994.12
6	Administrative and General Expenses	1,450.96	1,537.48	4,633.07	5,066.87	6,547.97
7	Profit from operations before Interest, Depreciation and Amortisation	4,205.15	1,594.59	11,979.29	4,930.75	7,919.37
8	Amortisation	11.57	354.25	670.08	1,079.89	1,436.86
9	Interest	87.53	100.09	297.67	302.36	402.58
10	Depreciation	736.97	688.45	2,146.53	2,039.20	2,741.64
11	Other Income	134.05	108.85	393.52	305.37	542.73
12	Exchange gain/(loss), Net**	(1,385.66)	190.36	(3,445.65)	1,839.63	1,799.93
13	Provision for diminution in value of investments	10.71	-	10.71	-	-
14	Profit before Tax	2,106.76	751.01	5,802.17	3,654.30	5,680.95
15	Provision for Income Tax (Current & Deferred)	636.56	288.33	1,845.89	1,035.33	1,557.98
16	Fringe Benefit Tax	34.52	76.58	112.26	161.16	184.54
17	Profit After Taxes	1,435.68	386.10	3,844.02	2,457.81	3,938.43
18	Paid-up equity share capital (at par value of Rs.10 each)	2,711.11	2,855.33	2,711.11	2,855.33	2,856.08
19	Reserves excluding revaluation reserves	46,550.73	41,357.30	46,550.73	41,357.30	43,027.73
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	5.24	1.35	13.66	8.62	13.80
	Diluted EPS	5.24	1.35	13.66	8.57	13.80
21	Dividend	-	-	-	-	1,142.43
22	Aggregate of Public Shareholding*					
	Number of shares	19,559,376	21,034,087	19,559,376	21,034,087	21,008,818
	Percentage of shareholding	72.15%	73.67%	72.15%	73.67%	73.56%

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

**Please refer to Note 12 in the notes appended

Other Information :

(in Rs. Lakhs)

	For the Quarter ended December 31, 2008	For the Quarter ended December 31, 2007	For the Nine months ended December 31, 2008	For the Nine months ended December 31, 2007	For the Year ended March 31, 2008
Staff Cost	11,157.26	9,425.87	31,121.17	27,244.10	36,762.91
Items exceeding 10% of aggregate expenditure	-	-	-	-	-
Details of Other Income:					
Miscellaneous income	0.79	33.71	7.64	42.11	47.70
Dividend received on current investments (non trade)	12.07	55.71	111.19	132.38	183.15
Net gain on sale of current investments (non trade)	0.20	0.53	0.46	49.91	49.91
Interest income on Bank Deposits (Gross)	69.73	17.50	120.24	42.10	64.85
Write back of advance from customer	6.26	0.91	6.26	30.36	30.36
Research and Technology tax incentive	7.61	-	72.22	-	158.01
Profit on sale of Fixed Assets	1.81	0.04	4.26	7.31	7.55
Other interest income	23.53	0.45	28.93	1.20	1.20
Asset recovery charges	12.05	-	42.32	-	-
Total	134.05	108.85	393.52	305.37	542.73

(Rs. in Lakhs)

Sl. No.		For the Quarter ended December 31, 2008	For the Quarter ended December 31, 2007	For the Nine months ended December 31, 2008	For the Nine months ended December 31, 2007	For the Year ended March 31, 2008
1	Segment Revenue					
a.	Telecom Software Services	16,309.45	12,125.15	44,862.64	35,858.68	48,958.06
b.	Telecom Software Products	1,171.68	952.35	5,079.32	2,822.23	4,597.19
c.	Automotive, Utilities and Industrial	15.62	13.65	35.88	15.14	23.74
d.	Network Engineering Services	1,013.49	1,041.00	2,976.73	2,596.64	3,438.72
	Total	18,510.24	14,132.15	52,954.57	41,292.69	57,017.71
	Less: Inter segment revenue	-	-	-	-	-
	Net Sales/Income from Operations	18,510.24	14,132.15	52,954.57	41,292.69	57,017.71
2	Segment Results (Profit+/-/Loss(-) before tax and interest from each segment)					
a.	Telecom Software Services	5,295.41	3,121.85	14,170.82	10,329.66	14,104.80
b.	Telecom Software Products	351.57	(388.09)	1,415.38	(1,427.35)	(917.69)
c.	Automotive, Utilities and Industrial	(110.43)	(61.75)	(293.23)	(161.02)	(251.59)
d.	Network Engineering Services	290.54	246.75	928.99	686.92	804.33
	Total	5,827.09	2,918.76	16,221.96	9,428.21	13,739.85
	Less: i) Interest	87.53	100.09	297.67	302.36	402.58
	ii) Other un-allocable expenditure net of un-allocable Income.	2,236.43	2,258.02	6,665.76	7,311.18	9,456.25
	iii) Exchange loss/(gain)*	1,385.66	(190.36)	3,445.65	(1,839.63)	(1,799.93)
	Provision for diminution in value of investments	10.71	-	10.71	-	-
	Total Profit before tax	2,106.76	751.01	5,802.17	3,654.30	5,680.94
3	Capital Employed - (Segment Assets - Segment Liabilities)					
a.	Telecom Software Services	31,977.56	23,785.06	31,977.56	23,785.06	28,322.33
b.	Telecom Software Products	2,956.92	3,428.24	2,956.92	3,428.24	4,337.14
c.	Automotive, Utilities and Industrial	401.12	411.11	401.12	411.11	303.87
d.	Network Engineering Services	2,479.48	2,469.47	2,479.48	2,469.47	2,283.66
	Sub total	37,815.08	30,093.88	37,815.08	30,093.88	35,247.00
e.	Unallocable Corporate Assets	19,406.93	17,443.29	19,406.93	17,443.29	15,359.18
	Less: Corporate Liabilities	(7,960.17)	(3,308.67)	(7,960.17)	(3,308.67)	(4,722.37)
	Total Capital Employed	49,261.84	44,228.50	49,261.84	44,228.50	45,883.81

*Please refer to Note 12 in the notes appended.

NOTES:

- The above audited results were taken on record by the Board of Directors of the Company at its meeting held on January 17, 2009. The Audit Report on the Group's accounts for this period contains a qualification regarding non-recognition of impairment loss of Rs. 1,519.70 lakhs, in respect of capitalized software products, pending approval of Scheme of Arrangement by the shareholders and the Court under Section 391/394 of the Companies Act, 1956.
- The quarterly and year to date consolidated 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 as if they were one economic unit. Clause 41 of the amended 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 Limited (SNEL) and its subsidiary Sasken Network Solutions Inc. USA (SNSI), Sasken Communication Technologies Mexico S.A. De C.V. (Sasken Mexico), Sasken Communication Technologies (Shanghai) Co Limited (Sasken China), Sasken Japan KK (Sasken Japan), Sasken Communication Technologies Oy, Finland (Sasken Oy) and its subsidiary Sasken Finland Oy (Sasken Finland), Sasken Inc. USA - all wholly owned subsidiaries; TACO Sasken Automotive Electronics Limited (TSAE) and ConnectM Technology Solutions Pvt. Ltd. (ConnectM) - Joint-Venture companies.
- The Board of Directors of TSAE has at the meeting held on January 09, 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 Sasken Inc. USA for the quarter and nine months ended December 31, 2008 are unaudited.
- Sasken Japan and Sasken China have begun operations in the first quarter while SNSI has begun operations in the second quarter.
- During the current quarter, the Company made the following Investments in its Subsidiaries and Joint Ventures:

Investee Company	Details	Amount (Rs. in lakhs)
Sasken Communication Technologies (Shanghai) Co. Ltd., China	Equity Share Capital	346.24
ConnectM Technology Solutions Pvt. Ltd.	Share Application Money	486.20
TACO Sasken Automotive Electronics Ltd	Redeemable Preference Shares	60.00

- As at the end of the quarter, the following amounts are due from/payable to subsidiaries:

Company	Advances (Net) (Rs. in lakhs)	Loans (Rs. in lakhs)
Sasken Network Engineering Limited	664.81	130.00
Sasken Communication Technologies Mexico S.A. De C.V.	578.44	148.33
Sasken Communication Technologies Oy	121.51	-
Sasken Finland Oy	(66.21)	-
Sasken Communication Technologies (Shanghai) Co. Limited	78.64	-
Sasken Inc	8.04	-
Sasken Network Solutions Inc	196.66	-
Sasken Japan KK	496.33	-

- Provision for diminution in the value of investments in the books of the Company for the quarter and nine months ended December 31, 2008 pertains to TSAE and Sasken Inc. and for the nine months ended December 31, 2007 pertains to Sasken China.

Other Notes

- No Stock Options have been granted to employees under the ESOP Scheme 2006 during the quarter. No shares have been allotted under ESOP Scheme 2000 and 2006 respectively during the quarter.
- Pursuant to The Institute of Chartered Accountants of India's (ICAI) Announcement dated March 29, 2008 on "Accounting for Derivatives", the Group has, based on the principles of prudence enunciated in Accounting Standard-1 on "Disclosure of Accounting Policies", recognized mark to market losses on derivative contracts outstanding (forward contracts for highly probable collections), as on December 31, 2008 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, the Group has considered foreign currency derivative contracts as one portfolio and accordingly, loss amounting to Rs.979.75 lakhs has been recognized in profit and loss account during the nine months ended December 31, 2008.
- Buy-Back of Equity Shares**
In terms of decision of the Board of Directors dated April 18, 2008 and in accordance with the provisions of the Companies Act, 1956 and the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, the Company offered to buy-back its equity shares of face value of Rs.10/- each, upto a maximum amount of Rs.4,000 lakhs at a maximum price of Rs.260/- per share from open market. The Company commenced the buy-back on September 15, 2008 and concluded it on November 3, 2008. The company has bought back 1,449,742 equity shares at an average price of Rs.106.80 per share, utilizing a sum of Rs.1,548.37 lakhs and concluded the buy-back on November 3, 2008. The amount paid towards buy-back of shares, in excess of the face value, has been appropriated out of General Reserve.
In terms of the provisions of Section 77A of the Companies Act, 1956 and SEBI (Buy Back of Securities) Regulations 1998, the Company has extinguished the above mentioned 1,449,742 shares as on December 31, 2008 and has created Capital Redemption Reserve of Rs.144.97 lakhs towards the face value of 1,449,742 shares of Rs.10/- each by way of appropriation against General Reserve.
- Scheme of Arrangement**
The Board of Directors, at its meeting held on December 15, 2008 has resolved to approach the High Court of Karnataka at 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 inter-alia, the losses on impairment of capitalized software products will be adjusted against the said reserve. The Scheme is yet to be notified to the Stock Exchanges and pending approval by the Company's shareholders and the High Court of Karnataka, the Company has not provided for impairment loss of Rs.1,519.70 lakhs in respect of capitalized software products, with consequential impact on the net profits for the quarter and nine months ended December 31, 2008 and the reserves position as at December 31, 2008.
- A provision of Rs.143.50 lakhs has been made, during the quarter, in respect of receivables from certain entities of a customer who has filed for protection against bankruptcy proceedings subsequent to the balance sheet date. Out of the total amount outstanding as at December 31, 2008, from various legal entities of the customer amounting to Rs.1,788.14 lakhs, the company has received part payment subsequent to the balance sheet date. The remaining amount due from the legal entities that have filed for protection is covered by credit insurance.
- Mr. Vinod K. Dham, a Director of the Company resigned from the Board on January 17, 2009. Mr. Srikanth Kannankote, President & COO resigned from the services of the Company on December 31, 2008.
- 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	Nil	4	4	Nil

For Sasken Communication Technologies Ltd.

Place : Bangalore
Date : January 17, 2009

Rajiv C. Mody
Chairman & Managing Director