

Sl. No.	Description	For the Quarter ended December 31, 2010	For the Quarter ended December 31, 2009	For the Nine Months ended December 31, 2010	For the Nine Months ended December 31, 2009	For the Year ended March 31, 2010
1	Revenue from Software Services, Software Products & Network Engineering Services	13,831.70	14,518.33	41,791.34	42,041.40	57,419.31
2	Cost of Revenue	9,213.36	10,064.20	27,985.54	29,333.27	39,932.17
3	Gross Profit	4,618.34	4,454.13	13,805.80	12,708.13	17,487.14
4	Selling and Marketing Expenses	458.84	374.55	1,436.71	913.41	1,373.84
5	Administrative and General Expenses	1,469.30	1,623.62	4,445.19	4,320.79	5,925.64
6	Profit from operations before Interest, Depreciation and Amortisation	2,690.20	2,455.96	7,923.90	7,473.93	10,187.66
7	Amortisation	152.08	12.98	491.22	47.69	213.06
8	Interest	25.24	54.92	94.72	214.83	261.35
9	Depreciation	679.58	704.28	2,179.06	2,282.73	2,952.95
10	Other Income	204.27	158.21	657.89	450.22	767.37
11	Exchange gain/(loss), Net **	37.20	235.94	775.57	1,275.10	1,679.21
12	Investment write off / Provision for / (reversal of) diminution in value of investments	(45.30)	(44.05)	(45.30)	(85.35)	(85.35)
13	Profit before Tax	2,120.07	2,121.98	6,637.66	6,739.35	9,292.23
14	Provision for Income Tax (Current & Deferred)	723.58	413.99	1,692.93	1,390.94	1,740.50
15	Minimum Alternate Tax Credit	(176.59)	(5.30)	(505.40)	(22.13)	-
16	Profit After Taxes	1,573.08	1,713.29	5,450.13	5,370.54	7,551.73
17	Paid-up equity share capital (at par value of Rs.10 each)	2,755.53	2,711.11	2,755.53	2,711.11	2,711.11
18	Reserves excluding revaluation reserves	40,873.75	50,294.28	40,873.75	50,294.28	49,515.01
19	Basic and diluted EPS for the Quarter, Nine months and previous year (not annualised) (par value of Rs. 10 each)					
	Basic EPS	5.70	6.32	19.84	19.81	27.85
	Diluted EPS	5.49	6.07	19.11	19.01	26.62
20	Proposed Dividend	-	-	700.16	542.22	1,626.66
21	Aggregate of Public Shareholding *					
	Number of shares	19,967,528	19,525,027	19,967,528	19,525,027	19,525,027
	Percentage of shareholding	72.44%	72.02%	72.44%	72.02%	72.02%
22	Promoters and promoter group shareholdings					
	a) Pledged/Encumbered					
	- Number of shares	-	5,000	-	5,000	5,000
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	-	0.07%	-	0.07%	0.07%
	- Percentage of shares (as a % of the total share capital of the company)	-	0.02%	-	0.02%	0.02%
	b) Non-encumbered					
	- Number of shares	7,594,949	7,581,024	7,594,949	7,581,024	7,581,024
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	100.00%	99.93%	100.00%	99.93%	99.93%
	- Percentage of shares (as a % of the total share capital of the company)	27.56%	27.96%	27.56%	27.96%	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

Other Information :

Rs in Lakhs

	For the Quarter ended December 31, 2010	For the Quarter ended December 31, 2009	For the Nine Months ended December 31, 2010	For the Nine Months ended December 31, 2009	For the Year ended March 31, 2010
Staff Cost	8,279.07	8,580.62	25,126.57	25,509.17	34,824.95
Items exceeding 10% of aggregate expenditure	-	-	-	-	-
Details of Other Income:					
Miscellaneous income	10.21	9.83	51.18	16.45	61.07
Dividend received on current investments (non trade)	176.50	115.88	507.36	252.66	392.51
Net gain on sale of current investments (non trade)	1.40	-	3.17	0.04	0.98
Interest income on bank deposits (gross)	16.16	8.16	33.36	133.19	143.27
Interest income on Income tax Refund	-	-	-	-	78.68
Write back of unclaimed balances/ provisions	-	-	27.37	-	45.70
Write back of advance from customer	-	13.63	-	14.16	-
Profit on sale of Fixed Assets	-	-	3.39	0.78	1.80
Other interest income	-	0.04	-	0.07	0.07
Asset recovery charges	-	10.67	32.06	32.87	43.29
Total	204.27	158.21	657.89	450.22	767.37

SASKEN COMMUNICATION TECHNOLOGIES LIMITED
139/25, RING ROAD, DOMLUR, BANGALORE 560 071
AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2010

(Rs. in Lakhs)

Sl. No.	Description	For the Quarter ended December 31, 2010	For the Quarter ended December 31, 2009	For the Nine Months ended December 31, 2010	For the Nine Months ended December 31, 2009	For the Year ended March 31, 2010
1	Segment Revenue					
a.	Software Services	10,638.17	12,659.60	33,838.97	37,487.91	50,760.01
b.	Software Products	2,162.29	757.07	4,732.80	1,558.96	2,560.71
c.	Automotive, Utilities and Industrial	75.88	41.69	110.04	52.19	81.58
d.	Network Engineering Services	1,156.32	1,059.97	3,310.49	2,942.34	4,017.01
	Total	14,032.66	14,518.33	41,992.30	42,041.40	57,419.31
	Less: Inter segment revenue	200.96	-	200.96	-	-
	Net Sales/Income from Operations	13,831.70	14,518.33	41,791.34	42,041.40	57,419.31
2	Segment Results (Profit+)/Loss(-) before tax and interest from each segment)					
a.	Software Services	2,002.27	3,099.15	7,699.86	8,957.36	12,330.45
b.	Software Products	1,655.56	264.10	2,869.01	718.44	840.99
c.	Automotive, Utilities and Industrial	(76.81)	(25.31)	(259.38)	(110.40)	(151.09)
d.	Network Engineering Services	282.18	445.57	1,009.57	943.86	1,479.82
	Total	3,863.20	3,783.51	11,319.06	10,509.26	14,500.17
	Less: i) Interest	25.24	54.92	94.72	214.83	261.35
	ii) Other un-allocable expenditure net off un-allocable Income	1,800.39	1,886.60	5,407.55	4,915.53	6,711.15
	iii) Exchange (gain) / loss	(37.20)	(235.94)	(775.57)	(1,275.10)	(1,679.21)
	iv) Investment write off and Provision for / (reversal of) diminution in value of investments	(45.30)	(44.05)	(45.30)	(85.35)	(85.35)
	Total Profit before tax	2,120.07	2,121.98	6,637.66	6,739.35	9,292.23
3	Capital Employed - (Segment Assets - Segment Liabilities)					
a.	Software Services	13,565.23	28,139.51	13,565.23	28,139.51	28,333.28
b.	Software Products	669.01	1,122.15	669.01	1,122.15	905.27
c.	Automotive, Utilities and Industrial	(30.72)	2,040.57	(30.72)	2,040.57	82.94
d.	Network Engineering Services	1,774.35	187.02	1,774.35	187.02	1,864.96
	Sub total	15,977.87	31,489.25	15,977.87	31,489.25	31,186.45
e.	Unallocable Corporate Assets	32,543.55	26,132.70	32,543.55	26,132.70	29,927.87
	Less: Corporate Liabilities	(4,759.20)	(4,616.56)	(4,759.20)	(4,616.56)	(8,756.20)
	Total Capital Employed	43,762.22	53,005.39	43,762.22	53,005.39	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 January 20, 2011.

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 ("AS 21") and Accounting Standard (AS) 27 - Financial Reporting of Interests in Joint Ventures ("AS 27") 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. 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 (for the quarter, on a standalone basis):

Turnover: Rs. 9,838.20 lakhs
Profit before Tax: Rs. 2,835.62 lakhs
Profit after tax: Rs. 2,512.15 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; and ConnectM Technology Solutions Pvt. Ltd. - Joint Venture company.

b) The shareholders of TACO Sasken Automotive Electronics Limited (TSAE), a joint venture company, have resolved on September 30, 2010 that TSAE be wound up voluntarily. Requisite documents have been filed with the Registrar of Companies. As a result, the financial statements of TSAE have not been consolidated.

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	601.92

d) As at the end of the period, the following amounts are due from/ (payable to) Subsidiaries:

<i>Company</i>	<i>Loans (Rs.in lakhs)</i>	<i>Other Balances (Net) (Rs.in lakhs)</i>
Sasken Network Engineering Ltd.	-	(22.06)
Sasken Communication Technologies Mexico S.A. de C.V.	-	5.43
Sasken Finland Oy	-	373.44
Sasken Communication Technologies (Shanghai) Co. Ltd.	-	(21.49)
Sasken Inc	1,129.31	506.21
Sasken Network Solutions Inc	-	3.44
Sasken Japan KK	-	(6.65)

e) The Board of Directors of Sasken Mexico has, in its meeting held on January 19, 2011, decided to discontinue the current operations of the Company. Accordingly the financial statements have not been prepared under the going concern assumption and all assets have been stated at realizable values and all liabilities have been considered at their estimated payouts.

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 authoritative pronouncements. Based on the recognition and measurement principles of hedge accounting set out in AS 30, changes in the fair values of designated derivative financial instruments to the extent they are 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 of hedge accounting set out in AS 30, the changes in the fair value of derivative instruments amounting to Rs 238.94 lakhs for the nine months ended December 31, 2010 (net of reversals of Rs.250.20 lakhs during the current quarter) would not have been recognized as a gain in the profit and loss account and consequently the profits for the nine months ended December 31, 2010 would have been lower to that extent.

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 quarter ended June 30, 2010, 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 Sasken 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 during the quarter ended June 30, 2010.

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

(i) In the Consolidated Profit and Loss Account:

Item	For the nine months ended December 31, 2010 (Rs. lakhs)
Impairment Loss on goodwill	13,058.38
Profit / (Loss) after Tax	(7,608.25)

(ii) In the Consolidated Balance Sheet:

Item	Cumulative Impact As at December 31, 2010 (Rs. lakhs)
<u>Reserves & Surplus:</u>	
Securities Premium Account	29,490.73
Business Restructuring Reserve Account	-
Profit and Loss Account Balance	9,841.44

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 December 31, 2010, the Company has not issued options under Employee Stock Option Scheme 2006, to its employees. During the quarter 15,005 options were forfeited, 78,650 options were exercised, out of which 76,850 shares have been allotted and 2,069,814 options were outstanding as at December 31, 2010.

8) In terms of decision of the Board of Directors dated October 21, 2010 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, up to a maximum amount of Rs.3,454 lakhs at a maximum price of Rs.260/- per share from open market. The Company commenced the buy-back on December 02, 2010. As at December 31, 2010 the Company has bought back 63,160 equity shares at an average price of Rs.175.41 per share, utilizing a sum of Rs.110.79 lakhs (excluding brokerage and other applicable taxes). 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, as at December 31, 2010 the Company has extinguished 55,949 shares and the remaining 7,211 shares as on January 07 2011. On account of buy back of shares, the company has created Capital Redemption Reserve of Rs.6.32 lakhs towards the face value of 63,160 shares of Rs.10/- each by way of appropriation against General Reserve.

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 / Annual Report	Nil	19	19	Nil

For Sasken Communication Technologies Ltd.

Place: Bangalore
Date: January 20, 2011

Rajiv C. Mody
Chairman & Managing Director