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sasken

Bombay Stock Exchange Ltd.
Dept of Corporate Services - CRD
PJ Towers, Dalal Street
Mumbai 400 001

January 20, 2011

Fax: 022 2272 2037/39/41/61

National Stock Exchange of India Ltd.
Exchange Plaza,
Bandra - Kurla Complex,
Bandra (E),
Mumbai - 400 051

Fax: 022 2659 8237/38

Dear Sirs,

Ref: Scrip Code 532663 / SASKEN

Audited Financial Results

We are sending herewith the audited financial results of the Company for the quarter ended 31st December 2010 as taken on record at our Board Meeting held today. Please also find enclosed a copy each of the following:

- Auditors' Report on (a) stand alone and (b) consolidated financial results as per Clause 41 of the Listing Agreement
- Press Release which is being issued.

As provided under Clause 41 of the Listing Agreement, we will be publishing the consolidated financial results in the newspapers. However, the stand alone financial results will be posted on the Company's website www.sasken.com.

Thanking you,

Yours faithfully
For Sasken Communication Technologies Ltd.

R. Vittal
Vice President - Company Secretary & Compliance Officer

Encl.

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(Rs. in Lakhs except share data)

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 & Other Services	9,838.20	10,028.87	30,005.92	29,301.25	40,150.89
2	Cost of Revenue	5,670.89	6,617.38	18,569.34	19,833.19	27,177.03
3	Gross Profit	4,167.31	3,411.49	11,436.58	9,468.06	12,973.86
4	Selling and Marketing Expenses	275.43	181.29	861.58	501.54	653.87
5	Administrative and General Expenses	933.04	987.10	3,874.99	2,660.78	3,572.44
6	Profit from operations before Depreciation and Amortisation	2,958.84	2,243.10	7,700.01	6,305.74	8,747.55
7	Amortisation	-	-	-	34.71	34.71
8	Depreciation	416.67	481.87	1,254.23	1,624.13	2,094.08
9	Other Income	201.92	121.20	618.03	361.31	634.45
10	Exchange gain/(loss), Net **	46.23	310.13	831.11	1,309.33	1,749.69
11	Investment write off / Provision for / (reversal of) diminution in value of investments	(45.30)	(44.05)	(33.84)	(42.63)	(42.63)
12	Profit Before Tax	2,835.62	2,236.61	7,928.76	6,360.17	9,045.53
13	Provision for Income Tax (Current & Deferred)	500.43	320.04	1,253.43	1,141.02	1,442.96
14	Minimum Alternate Tax Credit	(176.96)	-	(445.73)	-	-
15	Profit after Taxes	2,512.15	1,916.57	7,121.06	5,219.15	7,602.57
16	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
17	Reserves excluding revaluation reserves	39,246.86	44,180.27	39,246.86	44,180.27	45,426.84
18	Basic and diluted EPS for the quarter, nine months and previous year, (not annualised) (par value of Rs. 10 per share)					
	Basic EPS	9.11	7.07	25.92	19.25	28.04
	Diluted EPS	8.77	6.78	24.97	18.48	26.80
19	Proposed/ Interim Dividend	-	-	700.16	542.22	1,626.66
20	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%
21	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 Note 5 in the notes appended



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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	5,003.06	4,826.88	15,889.54	15,854.18	21,591.78
Items exceeding 10% of aggregate expenditure	-	-	-	-	-
Details of Other Income :					
Miscellaneous Income	10.21	1.35	22.72	5.37	36.45
Dividend received on current investments (non trade)	175.50	115.89	507.36	250.41	390.25
Net gain on sale of current investments (non trade)	0.03	-	0.03	-	0.93
Interest Income on bank deposits (gross)	6.41	3.96	22.11	104.25	112.83
Write back of unclaimed balances	-	-	26.67	-	25.19
Profit on Sale of Fixed Assets	-	-	3.37	-	-
Other Interest Income (Interest on Income tax refund)	-	-	-	-	46.99
Interest on loan to subsidiary companies	8.77	-	35.77	1.28	21.81
Total	201.92	121.20	618.03	361.31	634.45



AUDITED 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	8,142.80	9,233.64	26,762.42	27,449.42	37,736.22
b.	Software Products	1,695.40	689.48	3,231.63	1,491.37	2,041.90
c.	Other Services		105.75	11.87	360.46	372.77
	Total	9,838.20	10,028.87	30,005.92	29,301.25	40,150.89
	Less Inter segment revenue					
	Net Sales/Income from Operations	9,838.20	10,028.87	30,005.92	29,301.25	40,150.89
2	Segment Results (Profit+/-)/Loss(-) before tax and interest from each segment)					
a.	Software Services	2,306.90	2,435.51	7,705.64	6,832.96	9,511.47
b.	Software Products	1,494.11	524.11	2,625.25	979.01	1,373.65
c.	Other Services		9.27	1.75	88.66	93.19
	Total	3,801.01	2,968.89	10,332.64	7,900.63	10,978.31
	Less: i) Interest					
	ii) Other un-allocable expenditure net off un-allocable Income	1,056.92	1,086.46	3,268.83	2,892.42	3,725.10
	iii) Exchange gain/(loss)	46.23	310.13	831.11	1,309.33	1,749.69
	iv) Investment Write off and Provision for / (reversal of) diminution in value of investments	(45.30)	(44.05)	(33.84)	(42.63)	(42.63)
	Total Profit before tax	2,835.62	2,236.61	7,928.76	6,360.17	9,045.53
3	Capital Employed (Segment Assets - Segment Liabilities)					
a.	Software Services	6,499.69	6,688.30	6,499.69	6,688.30	6,048.38
b.	Software Products	24.99	106.12	24.99	106.12	(42.34)
c.	Other Services	5.24	78.89	5.24	78.89	(30.64)
	Sub total	6,529.92	6,873.31	6,529.92	6,873.31	5,975.40
d.	Unallocated Corporate Assets	38,963.30	45,458.68	38,963.30	45,458.68	48,454.46
	Less : Corporate Liabilities	(3,357.89)	(5,440.61)	(3,357.89)	(5,440.61)	(6,159.91)
	Total Capital Employed	42,135.33	46,891.38	42,135.33	46,891.38	48,269.95



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(Rs. in Lakhs except share data)

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



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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	32.67	43.29
Total	204.27	158.21	657.89	450.22	767.37



(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	10,638.17	12,659.60	33,838.97	37,487.91	50,760.01
a.	Software Services	2,162.29	757.07	4,732.80	1,558.96	2,560.71
b.	Software Products	75.88	41.69	110.04	52.19	81.58
c.	Automotive, Utilities and Industrial	1,156.32	1,059.97	3,310.49	2,942.34	4,017.01
d.	Network Engineering Services	14,032.66	14,518.33	41,992.30	42,041.40	57,419.31
	Total	200.96		200.96		
	Less: Inter segment revenue					
	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

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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.

Rajiv C. Mody
Chairman & Managing Director

Place: Bangalore
Date: January 20, 2011



Auditor's Report on Quarterly Financial Results and Year to Date Financial Results of Sasken Communication Technologies Limited pursuant to Clause 41 of the Listing Agreement

To

Board of Directors of Sasken Communication Technologies Limited

1. We have audited the quarterly financial results of Sasken Communication Technologies Limited ("the Company") for the quarter ended December 31, 2010 and the year to date results for the period from April 1, 2010 to December 31, 2010 attached herewith, being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the Company's management and have been approved by the Board of Directors. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended) as per the Section 211 (3C) of the Companies Act, 1956 and other accounting principles generally accepted in India.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. Without qualifying our report, attention is drawn to Note no.6 of the quarterly financial results regarding write down of the value of investments amounting to Rs 13,058 lakhs and adjustment thereof against Business Restructuring Reserve created out of Securities Premium Account in accordance with the Scheme of Arrangement approved by the High Court of Karnataka vide its order dated March 31, 2010, instead of charging off the same to the statement of profit and loss.
4. In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date financial results:
 - (i) are presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
 - (ii) give a true and fair view of the net profit and other financial information for the quarter ended December 31, 2010 as well as the year to date results for the period from April 1, 2010 to December 31, 2010.



5. Further, read with paragraph 1 above, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.

S.R. Batliboi & Co.
For S.R. Batliboi & Co.

Firm Registration number: 301003E

Chartered Accountants

Navin Agrawal

per Navin Agrawal

Partner

Membership No: 56102



Bangalore

January 20, 2011

**Auditor's Report on Consolidated Quarterly Financial Results and Consolidated Year to Date Results of
Sasken Communication Technologies Limited pursuant to Clause 41 of the Listing Agreement**

To
The Board of Directors of Sasken Communication Technologies Limited

1. We have audited the quarterly consolidated financial results of Sasken Communication Technologies Limited ("the Company") for the quarter ended December 31, 2010 and the consolidated year to date financial results for the period from April 1, 2010 to December 31, 2010, attached herewith, being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. These consolidated quarterly financial results as well as consolidated year to date financial results have been prepared from consolidated interim financial statements, which are the responsibility of the Company's management and have been approved by the Board of Directors. Our responsibility is to express an opinion on these consolidated financial results based on our audit of such consolidated interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended) as per the Section 211 (3C) of the Companies Act, 1956 and other accounting principles generally accepted in India.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. (a) We did not audit the financial statements of two subsidiaries and one joint venture included in the consolidated quarterly financial results and consolidated year to date results, whose consolidated interim financial statements reflect total assets of Rs 564,871,125 as at December 31, 2010; as well as total revenues (including other income) of Rs 555,480,961 for the nine months ended December 31, 2010 and Rs 180,355,410 for the quarter ended December 31, 2010.

(b) We did not audit the consolidated financial statements of a subsidiary incorporated in Finland, included in the consolidated quarterly financial results whose consolidated interim financial statements prepared in accordance with accounting principles generally accepted in Finland ('Finnish GAAP'), reflect total assets of Rs 981,000,113 as at December 31, 2010 as well as total revenues (including other income) of Rs 663,499,925 for the nine months ended December 31, 2010 and Rs 227,894,876 for the quarter ended December 31, 2010. We have undertaken the audit of conversion of these financial statements from Finnish GAAP to accounting principles generally accepted in India.

These interim financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the quarterly financial results and the year to date results to the extent they have been derived from such interim financial statements is based solely on the report of such other auditors.
4. We report that the quarterly and year to date consolidated financial statements have been prepared by the Company's management in accordance with the requirements of the Accounting Standard (AS) 21, Consolidated Financial Statements and Accounting Standard (AS) 27, Financial Reporting of Interests in Joint Ventures issued pursuant to the Companies (Accounting Standard) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956.



5. Without qualifying our report, attention is drawn to Note no.6 of the quarterly financial results regarding write down of the value of goodwill amounting to Rs 13,058 lakhs and adjustment thereof against Business Restructuring Reserve created out of Securities Premium Account in accordance with the Scheme of Arrangement approved by the High Court of Karnataka vide its order dated March 31, 2010, instead of charging off the same to the statement of profit and loss.
6. In our opinion and to the best of our information and according to the explanation given to us, these consolidated quarterly financial results as well as the consolidated year to date financial results:
 - (i) include the quarterly financial results and year to date financial results of the following entities;
 - a) Sasken Communication Technologies Limited ("Sasken" or "the Company") ,
 - b) Sasken Network Engineering Limited ("SNEL"), and its subsidiary
 - c) Sasken Japan KK ("Sasken Japan"),
 - d) Sasken Communication Technologies (Shanghai) Co Ltd. ("Sasken China"),
 - e) Sasken Communication Technologies, S.A. DE C.V ("Sasken Mexico"),
 - f) Sasken Communication Technologies Oy ("Sasken Finland") and its subsidiary,
 - g) Sasken Inc. USA ("Sasken USA")
 - h) ConnectM Technology Solutions Pvt. Ltd ("Connect M")
 - (ii) have been presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
 - (iii) give a true and fair view of the consolidated net profit and other financial information for the quarter ended December 31, 2010 as well as the consolidated year to date results for the period from April 1, 2010 to December 31, 2010.
7. Further, read with paragraph 1 above, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the consolidated number of shares as well as percentage of shareholdings in respect of aggregate amount of consolidated public shareholdings, as furnished by the Company in terms of clause 35 of the Listing Agreement and found the same to be correct.

S.R. Batliboi & Co.
For S.R. Batliboi & Co.

Firm Registration number: 301003E
Chartered Accountants

Na A
per Navin Agrawal
Partner
Membership No: 56102



Bangalore
January 20, 2011

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Sasken Communication Technologies Ltd.

Consolidated Key Metrics

	FY 09	Q1 FY 10	Q2 FY 10	Q3 FY 10	Q4 FY 10	Q1 FY 11	Q2 FY 11	Q3 FY 11
Employee Metrics								
Employees, period end								
Total Employees (Consolidated)	3,277	3,191	3,081	3,051	3,153	3,284	3,471	3,477
Services S/W, Product S/W and technical professionals	3,099	3,010	2,892	2,862	2,951	3,074	3,230	3,235
Support Staff	178	181	189	189	202	210	241	242
Hiring Metrics								
Gross Adds	932	148	112	233	431	465	539	401
Net Adds	(355)	(86)	(113)	(30)	102	131	187	6
Attrition % Annualized (Based on Voluntary attrition only)	26.3%	26.0%	20.6%	23.2%	29.4%	35.4%	37.2%	34.8%
Attrition % LTM (Based on Voluntary attrition only)	26.3%	24.6%	22.6%	23.1%	24.4%	26.6%	30.6%	34.6%
Revenue by geography - Consolidated (in %)								
North America	20%	18%	21%	22%	18%	19%	18%	16%
EMEA	52%	53%	47%	46%	48%	45%	44%	41%
India	23%	27%	26%	28%	27%	28%	29%	28%
APAC	5%	2%	6%	4%	7%	8%	8%	15%
Client Concentration (In %)								
Top 5 client contribution to revenues	67%	70%	66%	64%	63%	61%	59%	59%
Top 10 client contribution to revenues	82%	85%	81%	81%	79%	78%	78%	78%
Relationships with Tier 1 Customers - Services+Products								
< 1 Million dollar customers - Trailing 12 months	14	14	16	15	17	13	13	15
1 < > 3 Million dollar customers - Trailing 12 months	4	5	1	4	5	5	5	7
3 < > 10 Million dollar customers - Trailing 12 months	5	5	6	5	4	6	6	4
10 < > 20 Million dollar customers - Trailing 12 months	2	1	2	2	2	1	1	1
> 20 Million dollar customers - Trailing 12 months	2	2	1	1	1	1	1	1
Utilization, including trainees (Services Only - In %)	74.1%	79.5%	78.4%	79.9%	82.4%	77.6%	65.3%	62.4%
Revenue Split (Products Only) (In Rs. Millions)								
License fees	130	0	13	24	20	40	39	90
Royalties	186	2	50	39	78	81	90	114
Customization	299		6	13	2	2	4	12
Revenue split (Services Only) (In Rs. Millions)								
Onsite	2,412	373	328	431	403	369	301	353
Offshore	3,939	1,010	959	941	1,033	965	900	806
Test Lab	6	-						
Revenue by Project Type (Services Only) (In Rs. Millions)								
Time and Material (including compensation)	5,934	1,181	1,105	1,122	1,111	1,064	981	982
Fixed Price	417	202	183	250	325	270	220	177
Test Lab	6							

Media Release - FOR IMMEDIATE RELEASE

Sasken Q3 Consolidated EBITDA up 11.3% QoQ, Revenues up 3.4% QoQ.

Bangalore, January 20, 2011: Sasken Communication Technologies Limited (BSE: 532663, NSE: SASKEN) today announced its consolidated results according to Indian GAAP for the third quarter ended December 31, 2010.

Performance Snapshot for the third quarter Q3 FY 2011

- Consolidated Revenues for Q3 at Rs 138.3 Crores
 - Up 3.4% QoQ from Q2 FY 11
 - Down 4.7 % YoY from Q3 FY 10
- Consolidated EBITDA for Q3 FY 11 at Rs 26.9 Crore
 - Up 11.3% QoQ from Q2 FY 11
 - Up 9.5 % YoY from Q3 FY 10
- Consolidated PAT for Q3 FY 11 at Rs 15.73 Crores
 - Marginally up 0.1% QoQ from Q2 FY 11
 - Down 8.2% YoY from Q3 FY 10
- Sasken consolidated EBITDA margins at 19.4 %

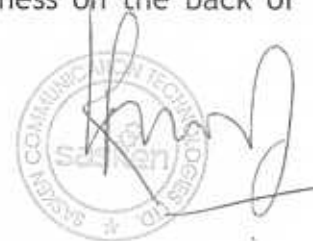
Key Financial Highlights for the quarter: Q3 FY 11

- Services revenues were Rs 116 Crores, down 3.5 % QoQ
- Products revenues was at Rs 21.6 Crores, up 61.4 % QoQ
- Services EBITDA margins for Q3 was at 10.8 %
- Products EBITDA margins for Q3 was at 71.6 %
- Sasken group delivered an EPS of Rs 5.7 for the Quarter.

Key Business Highlights for the quarter Q3 FY 11

- A Gross total of 401 employees were added in Q3 FY 11.
- Utilization on the services side stands at 62.4 % for the quarter
- 14 new customers added during the quarter taking the total of active customers to 127

Speaking on the results, Sasken CEO Mr. Rajiv Mody added, "Our growth momentum in our services business has been impacted due to softening of demand from certain key accounts. However, the positive upside has been the growth in our products business due to increase in adoption of TD SCDMA. We are optimistic of returning to growth in our services business on the back of



Indian GAAP Financial Release - Q3 FY 2011

robust demand for smart phones, rapid deployment of 3G networks and increased traction for our new offerings targeting adjacent market spaces.”

A fact sheet providing the operating metrics for the company and a presentation for analysts can be downloaded from the investor section of the corporate website www.sasken.com.

A handwritten signature in black ink is written over a circular stamp. The stamp contains the text "SASKEN TECHNOLOGIES LIMITED" around the top edge and "Sasken" in the center. There is also a small star symbol and the word "UNION" at the bottom of the stamp.