



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



20<sup>th</sup> January, 2016

National Stock Exchange of India Ltd.  
'Exchange Plaza', C-1, Block - G,  
Bandra - Kurla Complex,  
Bandra (E),  
Mumbai 400 051

Dear Sirs,

Sub: Communication to Analysts on Sasken's Business Performance for the quarter ended 31 December, 2015.  
Ref: Scrip Code 532663 / SASKEN

Please find enclosed a copy of the communication being sent to Analysts on Sasken's Business Performance for the quarter ended 31<sup>st</sup> December, 2015.

Thanking you,

Yours faithfully  
For Sasken Communication Technologies Ltd.

S. Prasad  
Associate Vice President and Company Secretary

Encl.

Dear Analyst,

It is my pleasure to highlight the business performance of the Sasken Group for the third quarter ended 31<sup>st</sup> December 2015.

We must point out that certain statements made here or those we make subsequently in response to your queries concerning our future growth prospects are forward-looking statements. Please read the Safe Harbor clause in the second slide of **our presentation** for full details.

Let me begin by presenting our financials for the Third Quarter Fiscal 2016, during which our consolidated revenue for the Sasken Group stood at Rs. 126.25 crores, a decrease of 1.2% over the previous quarter. Consolidated Earnings before Interest, Depreciation, Taxes, and Amortization cost (EBITDA) for the third quarter fiscal '16 is Rs. 14.99 crores, an increase of 21.1 % sequentially. Overall EBITDA in percentage terms for the quarter is 11.9%. Consolidated PAT for Q3 fiscal '16 rose to Rs. 11.25 crores, an increase of 6.7% over the last quarter. PAT margins for the quarter registered 8.9%. Consolidated earnings per share (EPS) for the quarter registered Rs. 6.35.

Cash and cash equivalents, including treasury investments, stands at Rs. 184.87 crores as of December 31, 2015.

Software Services revenue for the quarter stood at Rs. 120.22 crores, an increase/decrease of 2.6% over the earlier quarter. Services EBITDA margin for the quarter was at 14.3%.

## Operations

As signaled in our previous quarter, our focus remains on certain key levers that will improve our margins. We are happy to inform you that our actions have resulted in a positive change in our operational efficiencies. We will relentlessly pursue actions that will help improve our margins going forward.

As informed earlier, we are in the middle of a litigation relating to one of our non-Indian licensees of our IP for breach of contractual obligations. Consequently, we expect the litigation expenses to remain on the higher side. We anticipate the matter to conclude in the next two to three quarters.

On the people front, the headcount for the Sasken Group stood at 2,084 as of December 31, 2015. We continue to attract and retain talent comprising both freshmen and laterals. Our effort in increasing employee engagement is expected to stem attrition, which currently stands at 22.9 % for



trailing twelve months. We will continue to invest in our people and maintain their technology edge to ensure our talent is the best in the market.

Utilization for the quarter averaged 83.2% and is expected to hover around the same percentage in the coming quarters.

We have successfully added 11 new customers during the quarter taking the total number of active customers to 126.

### **I will now provide key highlights related to our services business.**

We continue to entrench ourselves as a partner of choice offering a range of services to support the adoption and evolution of the Android Operating System for the semiconductor industry, as well as their smart device customers. Sasken's wide experience and ability to offer engineering services and solutions helps semiconductor vendors mature chipsets and build devices. We have completed several upgrades to Marshmallow, the latest Android release for both these segments. More specifically, the rugged device segment has seen a major shift to Android from legacy systems. Sasken has partnered with the leaders in this space to enable their smooth and timely transition to the Android ecosystem.

We have leveraged our continued dominance in Android to win several projects from one of the developers of a famous variant of the Android OS. This variant and its popularity offer consumers a differentiated experience of Android.

In addition, the IoT space has its foundations in chipsets of varying capabilities. Sasken is working with a major semiconductor vendor to define and implement their solution for IoT Home gateways.

Our leadership position as a key player in the Automotive Infotainment space is further consolidated on the back of successful deliveries to a major American car OEM. We continue to leverage our expertise in connectivity to emerge as the partner-of-choice for several Automotive Tier-1 players. Simultaneously, we are also working on solutions for Telematics, and expect it to play a major role in the Connected Car experience.

We continue to build on our strength as a pioneer in designing and building handheld Satellite phones. We are actively engaged in identifying and defining the changes required for introducing



LTE in the satellite phone environment. Our experience across hardware, software and system engineering is yielding multifold benefit to our customers in the satellite segment.

In the networks segment, we offer a wide spectrum of services spanning the entire product development life-cycle. We are engaged with a Tier 1 European OEM and are charged with the responsibility to architect and develop carrier grade access and packet core network products.

Our testing services are winning wide acceptance in the market and span both our Embedded and IT service practices. Testing is an integral part of the development process and increasingly relies on Automation to bring about improved agility and reliability. As the standardization in the world of IoT evolves, testing is taking the center stage. Sasken has introduced a Test Automation Framework to simplify and rapidly test IoT solutions which can be customized to suit the need of verticals that are forerunners in this segment. We also continue to see sustained business for providing testing solutions for Devices, Enterprise Mobility, Device Compatibility, Radio Frequency, etc.

In the IT services arena, we have sharpened our positioning as a distinctive provider of Physical to Digital (P2D) services and help enterprises enable mapping of the (real) physical world into the digital realm. We enable a variety of applications that improves customer engagement through mobile apps by leveraging the insights from advanced big data analytics. We have engaged with a leading global manufacturer of smart tags and have emerged as the first Systems Integration Partner for their newly launched cloud-based IoT platform. In addition, we are providing a bouquet of services from Intelligent Transportation systems to Big Data consulting. As part of our Mobility initiative, we are forging partnerships with key players in the mobile application development platform (MADP) space. These partnerships will enable Sasken to accelerate development of mobile apps across all device platforms such as iOS, Android and Windows Mobile.

We thank you for your interest in Sasken and your continued support. My team and I are committed to always hold all our stakeholders in trust.

  
**Rajiv C Mody**

Chairman, Managing Director and CEO

Sasken Communication Technologies Limited

