sasken

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

January 22, 2018

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

By Web upload

Dear Sirs,

Sub: Outcome of the Board Meeting held today from 12.00 noon to 6.00 p.m.
Ref: Scrip Code 532663 / SASKEN

Please find below the outcome of the Board Meeting held today from 12.00 noon to 6.00 p.m.

1. Financials

We are sending herewith the audited financial results (both consolidated and standalone) of the Company for the quarter and nine months ended December 31, 2017 as taken on record.

Please also find enclosed a copy each of the following:

- Auditors' Report on (a) stand alone and (b) consolidated financial results as per Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').
- Media Release being issued on this occasion.
- Communication to Analysts on Sasken's Business Performance.

As provided under Regulation 47(1)(b) of SEBI Listing Regulations, we will be publishing the extract of the audited consolidated financial results in the newspapers. The full format of the Quarterly Financial Results will be made available on the Company's website at www.sasken.com. We will be uploading the Financial Results on the Stock Exchanges websites: BSE Limited (www.bseindia.com) and National Stock Exchange of India Limited (www.nseindia.com).

**Sasken Technologies Limited**
(Formerly known as Sasken Communication Technologies Limited)
139/25, Ring Road, Domlur, Bengaluru - 560 071, India.
CIN - L72100KA1989PLC014226, E-mail - info@sasken.com
T-91 80 6694 3000, F -91 80 2535 1133
www.sasken.com

sasken

2. 2nd Interim Dividend

The Board declared 2nd interim dividend of Rs.3 per equity share of Rs.10 each (30%).

As intimated vide our letter of January 10, 2018, January 31, 2018 is fixed as the Record Date to ascertain the list of shareholders eligible for the aforesaid 2nd interim dividend to be paid on or before February 16, 2018.

We request you to take the above on records and disseminate this information to the public.

Thanking you,

Yours faithfully
For Sasken Technologies Limited

S. Prasad
Associate Vice President & Company Secretary

Encl. as above

Sasken Technologies Limited
(Formerly known as Sasken Communication Technologies Limited)
CIN: L72100KA1989PLC014226
139/25, Ring Road, Domlur, Bengaluru - 560 071

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2017

Amount in Rs. lakhs

| Sl. No. | Particulars | Quarter ended | | | Nine Months Ended | | Year ended |
|---|---|---|---|---|---|---|---|
| | | December 31, 2017 | September 30, 2017 | December 31, 2016 | December 31, 2017 | December 31, 2016 | March 31, 2017 |
| I | Revenue from operations | 13,186.96 | 12,483.85 | 11,071.41 | 37,428.79 | 34,961.68 | 46,727.51 |
| II | Other income | 926.22 | 795.53 | 632.28 | 2,664.76 | 2,316.79 | 3,277.25 |
| III | Total income (I+II) | 14,113.18 | 13,279.38 | 11,703.69 | 40,093.55 | 37,278.47 | 50,004.76 |
| IV | **EXPENSES** | | | | | | |
| | Employee benefits expense | 9,273.52 | 8,750.79 | 8,328.53 | 26,426.78 | 24,890.06 | 33,209.30 |
| | Depreciation and amortization expense | 158.10 | 160.45 | 157.47 | 469.08 | 506.77 | 661.29 |
| | Other expenses | 2,274.48 | 1,860.41 | 2,203.32 | 6,208.53 | 6,581.95 | 8,521.63 |
| | Total expenses (IV) | 11,706.10 | 10,771.65 | 10,689.32 | 33,104.39 | 31,978.78 | 42,392.22 |
| V | Profit before exceptional items and tax (III- IV) | 2,407.08 | 2,507.73 | 1,014.37 | 6,989.16 | 5,299.69 | 7,612.54 |
| VI | Exceptional items | - | - | - | - | - | 2,025.00 |
| VII | Profit before tax (V+VI) | 2,407.08 | 2,507.73 | 1,014.37 | 6,989.16 | 5,299.69 | 9,637.54 |
| VIII | Tax expense: | 370.04 | 630.64 | 110.24 | 1,345.17 | 1,163.10 | 1,168.93 |
| | (1) Current tax | 537.36 | 482.24 | (116.14) | 1,432.24 | 809.85 | 616.12 |
| | (2) Deferred tax | (167.32) | 148.40 | 226.38 | (87.07) | 353.25 | 552.81 |
| IX | Profit after tax (VII-VIII) | 2,037.04 | 1,877.09 | 904.13 | 5,643.99 | 4,136.59 | 8,468.61 |
| X | Other comprehensive income | (133.06) | (239.92) | (217.37) | (559.23) | (200.11) | (233.97) |
| | A (i) Items that will not be reclassified to profit or loss-remeasurement gain/(loss) on defined benefit plans | 54.42 | (103.45) | (95.13) | (23.68) | (309.19) | (640.36) |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | (18.83) | 35.80 | 32.92 | 8.20 | 107.01 | 221.62 |
| | B (i) Items that will be reclassified to profit or loss-net change in fair value of forward contracts designated to cash flows hedges | (187.87) | (434.16) | (173.55) | (1,053.68) | 138.10 | 635.57 |
| | Exchange differences in translating financial statements of foreign operations | (33.21) | 110.19 | (41.67) | 159.26 | (88.23) | (230.84) |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | 52.43 | 151.70 | 60.06 | 350.67 | (47.80) | (219.96) |
| XI | Total comprehensive income for the period (IX+X)(Comprising Profit and Other Comprehensive Income for the period) | 1,903.98 | 1,637.17 | 686.76 | 5,084.76 | 3,936.48 | 8,234.64 |
| XII | Paid up equity share capital (face valaue : Rs 10 per share) | 1,711.01 | 1,711.01 | 1,771.98 | 1,711.01 | 1,771.98 | 1,711.01 |
| XIII | Other equity | | | | | | 54,441.62 |
| XIV | Earnings per equity share | | | | | | |
| | (1) Basic | 11.91 | 10.97 | 5.10 | 32.99 | 23.34 | 48.18 |
| | (2) Diluted | 11.91 | 10.97 | 5.10 | 32.99 | 23.34 | 48.18 |

B S R & Associates LLP
BANGALORE 560 071
CHARTERED ACCOUNTANTS

SASKEN TECHNOLOGIES LTD.
sasken

Sasken Technologies Limited
(Formerly known as Sasken Communication Technologies Limited)
CIN: L72100KA1989PLC014226
139/25, Ring Road, Domlur, Bengaluru - 560 071

Extracts of audited consolidated financial results of Sasken and its subsidiaries for the quarter ended December 31, 2017, December 31, 2016 and nine months ended December 31, 2017

Amount in Rs. lakhs

| Sl.No. | Particulars | Quarter ended December 31, 2017 | Nine months ended December 31, 2017 | Quarter ended December 31, 2016 |
|---|---|---|---|---|
| 1 | Total income from operations | 14,113.18 | 40,093.55 | 11,703.69 |
| 2 | Net profit for the period (before tax, exceptional and extraordinary items) | 2,407.08 | 6,989.16 | 1,014.37 |
| 3 | Net profit for the period after tax (after exceptional and extraordinary items) | 2,037.04 | 5,643.99 | 904.13 |
| 4 | Total comprehensive income for the period [comprising profit for the period (after tax) and other comprehensive income (after tax)] | 1,903.98 | 5,084.76 | 686.76 |
| 5 | Paid up equity share capital | 1,711.01 | 1,711.01 | 1,771.98 |
| 6 | Reserves (excluding revaluation reserve) as shown in the audited balance sheet | 58,229.21 | 58,229.21 | 52,583.49 |
| 7 | Earnings Per Share (of Rs. 10/- each) (for continuing and discontinued operations)<br>Basic and diluted EPS | 11.91 | 32.99 | 5.10 |
| 8 | Total Income* | 12,376.56 | 35,532.34 | 9,650.16 |
| 9 | Profit before tax* | 2,518.71 | 7,058.53 | 555.91 |
| 10 | Profit after tax* | 2,242.39 | 5,904.31 | 520.80 |

* Standalone Information pertains to Sasken Technologies Limited

Note:

a The above is an extract of the detailed format of quarterly financial results filed with the stock exchanges under Regulation 33 of the SEBI (listing and other disclosure requirements) regulations, 2015. The full format of the quarterly financial results are available on the websites of the stock exchange(s) and the company.

B S R & Associates LLP
BANGALORE 560 071
CHARTERED ACCOUNTANTS

SASKEN TECHNOLOGIES LTD.
sasken

**NOTES:**

1) The audited consolidated financial results, prepared in accordance with Indian Accounting Standards ('Ind AS') for the quarter ended December 31, 2017 and the period from April 1, 2017 to December 31, 2017 have been approved by the Board of Directors of the Company at its meeting held on January 22, 2018. The statutory auditors have expressed an unqualified opinion on these consolidated financial results.

2) Amalgamation

   *Background*

   Sasken Network Engineering Limited ('SNEL'), was a wholly owned subsidiary of Sasken Technologies Limited ('STL') and was engaged in the business of developing embedded communication software for companies across the communication value chain.

   The business activities of SNEL and STL complimented each other. Therefore, in order to achieve economies of scale, efficiencies and to simplify contracting and vendor management, the Board of Directors of each of these companies approved the Scheme of Amalgamation ("the Scheme") for the transfer of the business and undertaking of SNEL to STL.

   The Scheme was approved by the National Company Law Tribunal, Bengaluru bench ('NCLT') vide its order dated August 31, 2017, the appointed date of the Scheme being April 1, 2015.

   The amalgamation qualifies as a 'common control transaction' as per Appendix 'C' of Ind AS 103, Business Combinations. The accounting for the amalgamation did not have any impact on the consolidated financial results of the company.

3) These are the Company's third consolidated financial results prepared in accordance with Ind AS. For the year ended March 31, 2017, the Company had prepared consolidated financial results in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP' / 'IGAAP'). These consolidated financial results, including the comparative information for the quarter and year to date period ended December 31, 2016 and for the year ended March 31, 2017 have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. In presenting the comparative information, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its consolidated financial results / statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's consolidated financial position and consolidated financial performance.

B S R & Associates LLP Chartered Accountants Bangalore 560 071

Sasken Technologies Ltd

First time adoption of Ind AS

In preparing these consolidated financial results, the Company has applied the following significant optional exemptions, in addition to those which are mandatory:

Optional exemptions availed -

- **Business combinations** - Ind AS 101, provides the option to apply Ind AS 103, Business Combinations ("Ind AS 103") prospectively from the transition date or from a specific date prior to the transition date. The Company has elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to transition date have not been restated. The Company has availed the same exemption for investments in joint ventures.

- **Property plant and equipment and intangible assets** - As per Ind AS 101 an entity may elect to:

  (i) Measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date;

  (ii) Use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to fair value or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index;

  The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, intangible assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).

  (iii) Use carrying values of property, plant and equipment, intangible assets and investment properties as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

  The Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets also. Appropriate adjustments related to decommissioning liabilities have been made.

- **Foreign currency translation reserve** - In accordance with Ind AS 101, the Group has elected to deem foreign currency translation differences that arose prior to the date of transition to Ind AS, i.e. 1 April 2016, in respect of all foreign operations to be "Nil" at the date of transition. From 1 April 2016 onwards, such exchange differences are recognised in other comprehensive income and accumulated in equity (as exchange difference on translating the financial statements of foreign operations).

B S R & Associates LLP Chartered Accountants BANGALORE 560 071

SASKEN TECHNOLOGIES LTD. sasken

## Reconciliation between Previous GAAP and Ind AS

(i) Effect of Ind AS adoption on equity as at March 31, 2017, December 31, 2016 and April 1, 2016:

Amount in Rs. Lakhs

| Particulars | Note | As at March 31, 2017 | As at December 31, 2016 | As at April 1, 2016 |
|---|---|---|---|---|
| **Equity under Previous GAAP** | | 54,731.59 | 53,319.05 | 49,901.03 |
| Depreciation on leasehold improvements | A | (71.04) | (68.10) | (59.26) |
| Fair valuation of investments in mutual funds | B | 2,102.01 | 1,445.64 | 1,265.78 |
| Accounting for investment in tax free bonds using effective interest rate method | C | (7.91) | (5.96) | (0.05) |
| Deconsolidation of Connect M | D | - | - | 49.81 |
| Dividend on preference shares | C | - | 31.38 | - |
| Tax effect on the above | E | (602.02) | (366.54) | (295.33) |
| **Equity under Ind AS** | | 56,152.63 | 54,355.47 | 50,861.98 |

(ii) Effect of Ind AS adoption on consolidated total comprehensive income for the quarter and nine months ended December 31, 2016 and year ended March 31, 2017:

Amount in Rs. Lakhs

| Particulars | Note | Quarter ended December 31, 2016 | Nine months ended December 31, 2016 | Year ended March 31, 2017 |
|---|---|---|---|---|
| **Net income under Previous GAAP** | | 1,292.83 | 3,809.55 | 7,368.60 |
| Depreciation on leasehold improvements | A | (2.95) | (8.84) | (11.79) |
| Fair value gain/(loss) on investments in mutual funds | B | (340.62) | 179.86 | 836.23 |
| Interest income on tax free bonds | C | (1.97) | (5.91) | (7.86) |
| Employee benefits | F | 95.13 | 309.19 | 640.36 |
| Deconsolidation of Connect M (including gain on deconsolidation) | D | (86.84) | (48.21) | (48.20) |
| Dividend on preference shares | C | 10.50 | 31.38 | - |
| Tax effect on the above | E | (61.95) | (130.43) | (308.73) |
| **Profit for the period / year** | | 904.13 | 4,136.59 | 8,468.61 |
| **Ind AS adjustments in other comprehensive income, net of tax :** | | | | |
| Items that will not be reclassified subsequently to the statement of profit or loss: | | | | |
| - Defined benefit plan actuarial gains/(losses) | F | (95.13) | (309.19) | (640.36) |
| Income tax relating to items that will not be reclassified to the statement of profit and loss | E | 32.92 | 107.01 | 221.62 |
| Items that will be reclassified subsequently to the statement of profit or loss: | | | | |
| - Net change in fair value of forward contracts designated as cash flow hedges | G | (173.55) | 138.10 | 635.57 |
| - Exchange differences in translating financial statements of foreign operations | H | (41.67) | (88.23) | (230.84) |
| Income tax relating to items that will be reclassified to profit and loss | E | 60.06 | (47.80) | (219.96) |
| **Total other comprehensive income for the period / year, net of taxes** | | (217.37) | (200.11) | (233.97) |
| **Total comprehensive income for the period / year** | | 686.76 | 3,936.48 | 8,234.64 |

S R & Associates LLP Chartered Accountants Bangalore 560 071

Sasken Technologies Ltd

**Notes to the reconciliations**

A. Decommissioning liability: Under the Previous GAAP, decommissioning liability was not capitalized as part of the cost of the asset, under Ind AS the same is capitalized as part of the cost and a corresponding liability has been recorded. The asset is being depreciated over the useful life. The decrease in net income is due to the depreciation of the decommissioning cost capitalized in leasehold improvements.

B. Fair valuation of investments: Under the Previous GAAP, investments in mutual funds were measured at lower of cost or fair value. Under Ind AS, such investments are required to be measured at fair value and the mark-to-market gains/ losses are recognized in profit or loss (FVTPL). Effect of Ind AS adoption on the statement of profit and loss represents the mark-to-market gains (net) on such investments.

C. Effective interest rate method: Under Ind AS, interest income is calculated using the effective interest method, which would lead to amortizing the premium paid at the time of purchase of the tax free bonds over the period of the underlying instrument. The decrease in income is due to the amortization of premium recorded as investment under Previous GAAP. Preference dividend is also accrued using the effective interest rate method every quarter.

D. Connect M: Under the Previous GAAP, the Company had followed the proportionate consolidation method whereas it is required to follow the equity pick-up method of accounting under Ind AS. Accordingly, amounts included in the previous GAAP, to the extent that they pertain to Connect M, have been de-consolidated for the purposes of these financial results.

E. Tax impact (net): Tax adjustments include deferred tax impact on account of differences between Previous GAAP and Ind AS.

F. Employee benefits: Under the Previous GAAP, actuarial gains and losses on defined benefit obligations were recognized in the statement of profit and loss. Under Ind AS, these are recognized in other comprehensive income.

G. Change in fair value of forward contracts designated as cash flow hedges: Under Ind AS, changes in the fair value of derivative hedging instruments designated and effective as a cash flow hedge are recognized through other comprehensive income. These were recorded in hedging reserve under Previous GAAP.

H. Exchange differences on translation of foreign operations: Under the Previous GAAP, exchange differences arising on translation of foreign operations were classified as part of retained earnings. On transition to Ind AS, the same has been re-classed to 'Foreign currency translation reserve', a component of other comprehensive income.

4) Segment Reporting

The Chairman and Managing Director of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, "Operating Segments". The Company operates in one segment only i.e. "Software Services". The CODM evaluates performance of the Company based on revenue and operating income from "Software Services". Accordingly, segment information has not been separately disclosed.

B S R & Associates LLP Chartered Accountants Bangalore 560 071

Sasken Technologies Ltd. sasken

5) Figures for the corresponding quarter and nine months ended December 31, 2016 and for the year ended March 31, 2017 are based on the quarterly and nine months consolidated financial results and annual consolidated financial statements respectively, that were previously audited by the predecessor auditor, as adjusted for differences in the accounting principles adopted by the Company on transition to Indian Accounting Standards ('Ind AS'), which have been audited by the current statutory auditors. These adjustments, read with note 2, reconcile the net profit for the corresponding periods under the Previous GAAP with the total comprehensive income as reported in these quarterly consolidated financial results.

6) The Board of Directors have declared second interim dividend of Rs. 3.00 per equity share at the board meeting held on January 22, 2018.

For Sasken Technologies Ltd.
(formerly Sasken Communication Technologies Limited)

Rajiv C Mody
Chairman and Managing Director
DIN: 00092037

Place: Bengaluru
Date: January 22, 2018

BSR & Associates LLP
Chartered Accountants
Bangalore 560 071

Sasken Technologies Ltd.
sasken

# B S R & Associates LLP

Chartered Accountants

Maruthi Info-Tech Centre
11-12/1 Inner Ring Road
Koramangala
Bangalore 560 071 India

Telephone +91 80 7134 7000
Fax +91 80 7134 7999

**Auditor's Report on Quarterly Consolidated Financial Results and Year to Date Consolidated Financial Results of Sasken Technologies Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To

The Board of Directors of Sasken Technologies Limited

We have audited the quarterly consolidated financial results of Sasken Technologies Limited ('the Company') for the quarter ended 31 December 2017 and year to date consolidated financial results for the period from 1 April 2017 to 31 December 2017, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Attention is drawn to the fact that the figures for the corresponding quarter and nine months ended 31 December 2016 and for the year ended 31 March 2017, are based on the quarterly and year to date consolidated financial results and the annual consolidated financial statements that were previously audited by the predecessor auditor whose report for the corresponding quarter and nine months ended 31 December 2016 and for the year ended 31 March 2017 dated 18 January 2017 and 19 April 2017 respectively expressed an unmodified opinion on those quarterly and year to date consolidated financial results and the annual consolidated financial statements, as adjusted for differences in the accounting principles adopted by the Company on transition to Indian Accounting Standards ('Ind AS'), which have been audited by us. These adjustments reconcile the net profit for the corresponding periods under the previously applicable Generally Accepted Accounting Principles with the total comprehensive income reported in these quarterly and year to date consolidated financial results under Ind AS.

These quarterly consolidated financial results have been prepared on the basis of the condensed consolidated interim financial statements, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these quarterly consolidated financial results based on our audit of such condensed consolidated interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) for Interim Financial Reporting (Ind AS 34), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder; as applicable and other accounting principles generally accepted in India.

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.

Based on our audit conducted as above, in our opinion and to the best of our information and according to the explanations given to us, these quarterly and year to date consolidated financial results:

(i) include the quarterly and year to date financial results of the following entities;
(a) Sasken Technologies Limited ('The Company');
(b) Sasken Communication Technologies (Shanghai) Co. Ltd. ('Sasken China');
(c) Sasken Communication Technologies Mexico S.A. de C.V ('Sasken Mexico');
(d) Sasken Finland Oy. ('Sasken Finland');
(e) Sasken Inc. ('Sasken USA'); and
(f) Sasken Foundation.

(ii) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular dated 5 July 2016 in this regard; and

(iii) give a true and fair view of the consolidated net profit and total comprehensive income and other financial information for the quarter ended 31 December 2017 as well as the year to date results for the period from 1 April 2017 to 31 December 2017.

*for* **B S R & Associates LLP**
*Chartered Accountants*
Firm's Registration Number: 116231W/W-100024

**Rushank Muthreja**
*Partner*
Membership No. 211386

Bengaluru
22 January 2018

Sasken Technologies Limited
(Formerly known as Sasken Communication Technologies Limited)
CIN: L72100KA1989PLC014226
139/25, Ring Road, Domlur, Bengaluru - 560 071

AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2017

Amount in Rs lakhs

| Sl. No. | Particulars | Quarter ended | | | Nine Months Ended | | Year ended |
|---|---|---|---|---|---|---|---|
| | | December 31, 2017 | September 30, 2017 | December 31, 2016 | December 31, 2017 | December 31, 2016 | March 31, 2017 |
| I | Revenue from operations | 10,839.38 | 10,897.12 | 9,044.88 | 31,660.25 | 29,133.03 | 39,045.58 |
| II | Other income | 1,537.18 | 1,086.44 | 605.28 | 3,872.09 | 2,817.94 | 3,793.14 |
| III | Total income (I+II) | 12,376.56 | 11,983.56 | 9,650.16 | 35,532.34 | 31,950.97 | 42,838.72 |
| IV | **EXPENSES** | | | | | | |
| | Employee benefits expense | 7,865.04 | 7,627.57 | 6,995.09 | 22,763.73 | 21,100.68 | 28,188.46 |
| | Depreciation and amortization expense | 141.14 | 147.90 | 145.52 | 427.90 | 468.73 | 608.68 |
| | Other expenses | 1,851.67 | 1,605.75 | 1,953.64 | 5,282.18 | 5,459.01 | 7,354.43 |
| | Total expenses (IV) | 9,857.85 | 9,381.22 | 9,094.25 | 28,473.81 | 27,028.42 | 36,151.57 |
| V | Profit before exceptional items and tax (III- IV) | 2,518.71 | 2,602.34 | 555.91 | 7,058.53 | 4,922.55 | 6,687.15 |
| VI | Exceptional items | | | | | | 2,025.00 |
| VII | Profit before tax (V+VI) | 2,518.71 | 2,602.34 | 555.91 | 7,058.53 | 4,922.55 | 8,712.15 |
| VIII | Tax expense: | 276.32 | 606.47 | 35.11 | 1,154.22 | 1,032.29 | 935.82 |
| | (1) Current tax | 443.64 | 458.07 | (191.16) | 1,241.29 | 679.17 | 383.14 |
| | (2) Deferred tax | (167.32) | 148.40 | 226.27 | (87.07) | 353.12 | 552.68 |
| IX | Profit after tax (VII-VIII) | 2,242.39 | 1,995.87 | 520.80 | 5,904.31 | 3,890.26 | 7,776.33 |
| X | Other comprehensive income | (99.85) | (350.11) | (175.70) | (718.49) | (111.89) | (3.13) |
| | A (i) Items that will not be reclassified to profit or loss - remeasurement gain/(loss) on defined benefit plans | 54.42 | (103.45) | (95.14) | (23.68) | (309.20) | (640.36) |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | (18.83) | 35.80 | 32.93 | 8.20 | 107.01 | 221.62 |
| | B (i) Items that will be reclassified to profit or loss - net change in fair value of forward contracts designated to cash flow hedges | (187.87) | (434.16) | (173.55) | (1,053.68) | 138.10 | 635.57 |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | 52.43 | 151.70 | 60.06 | 350.67 | (47.80) | (219.96) |
| XI | Total comprehensive income for the period (IX+X)(comprising profit and other comprehensive income for the period) | 2,142.54 | 1,645.76 | 345.10 | 5,185.82 | 3,778.37 | 7,773.20 |
| XII | Paid up equity share capital (face value: Rs 10 per share) | 1,711.01 | 1,711.01 | 1,771.98 | 1,711.01 | 1,771.98 | 1,711.01 |
| XIII | Other equity | | | | | | 54,359.64 |
| XIV | Earnings per equity share | | | | | | |
| | (1) Basic | 13.11 | 11.66 | 2.94 | 34.51 | 21.95 | 44.24 |
| | (2) Diluted | 13.11 | 11.66 | 2.94 | 34.51 | 21.95 | 44.24 |

B S R & Associates LLP
CHARTERED ACCOUNTANTS
BANGALORE 560 071

SASKEN TECHNOLOGIES LTD.
sasken

**NOTES:**

1) The audited financial results, prepared in accordance with Indian Accounting Standards ('Ind AS') for the quarter ended December 31, 2017 and the period from April 1, 2017 to December 31, 2017 have been approved by the Board of Directors of the Company at its meeting held on January 22, 2018. The statutory auditors have expressed an unqualified opinion on these financial results.

2) Amalgamation

*Background*

Sasken Network Engineering Limited ('SNEL'), was a wholly owned subsidiary of Sasken Technologies Limited ('STL') and was engaged in the business of developing embedded communication software for companies across the communication value chain.

The business activities of SNEL and STL complimented each other. Therefore, in order to achieve economies of scale, efficiencies and to simplify contracting and vendor management, the Board of Directors of each of these companies approved the Scheme of Amalgamation ("the Scheme") for the transfer of the business and undertaking of SNEL to STL.

The Scheme was approved by the National Company Law Tribunal, Bengaluru bench ('NCLT') vide its order dated August 31, 2017, the appointed date of the Scheme being April 1, 2015.

*Accounting*

The amalgamation qualifies as a 'common control transaction' as per Appendix 'C' of Ind AS 103, Business Combinations. Consequently, the amalgamation has been accounted for using the pooling of interest method and the financial information in respect of prior periods has been restated as if the amalgamation had occurred from the beginning of the preceding period, i.e. April 1, 2016. This accounting treatment is also in compliance with the Scheme approved by the NCLT.

The following table represents the particulars of assets and liabilities (after elimination of inter-company balances), transferred by SNEL to STL as a consequence of the amalgamation:

Amount in Rs. Lakhs

| Particulars | Amount |
|---|---|
| Property, plant and equipment | 7.91 |
| Non-current assets | 547.68 |
| Current assets | 200.52 |
| Other equity | (453.79) |
| Current liabilities | 2.68 |
| Net assets transferred | 305.00 |
| Purchase consideration (value of investment in SNEL) | 305.00 |

B S R & Associates LLP * Chartered Accountants * Bangalore 560 071

Sasken Technologies Ltd. sasken

Notes (continued)

Amalgamation (continued)

The statement of profit and loss for the three months ended December 31, 2016, nine months ended December 31, 2016 and year ended March 31, 2017 as reported and as adjusted to give effect to the amalgamation are as follows:

**Amount in Rs. Lakhs**

| Particulars | For three months ended December 31, 2016 | | | For nine months ended December 31, 2016 | | |
|---|---|---|---|---|---|---|
| | As reported previously | Amalgamation adjustments | Post amalgamation | As reported previously | Amalgamation adjustments | Post amalgamation |
| Other income | 935.79 | 1.91 | 937.70 | 2,607.83 | 5.60 | 2,613.43 |
| Employee benefits expense | 7,011.11 | - | 7,011.11 | 21,365.57 | 0.01 | 21,365.58 |
| Depreciation and amortisation expense | 144.96 | 0.61 | 145.57 | 454.05 | 5.83 | 459.88 |
| Other expenses | 1,874.23 | 4.39 | 1,878.62 | 5,409.81 | 7.93 | 5,417.74 |
| **Profit/(loss) before income tax** | **799.01** | **(3.09)** | **795.92** | **4,425.01** | **(8.16)** | **4,416.85** |
| **Tax expenses:** | | | | | | |
| Deferred taxes | 164.43 | - | 164.43 | 222.69 | - | 222.69 |
| **Profit/(loss) for the period** | **825.74** | **(3.09)** | **822.65** | **3,523.15** | **(8.16)** | **3,514.99** |
| **Number of shares** | **17,719,813** | | **17,719,813** | **17,719,813** | | **17,719,813** |
| **Basic EPS** | **4.66** | | **4.64** | **19.88** | | **19.84** |
| **Diluted EPS** | **4.66** | | **4.64** | **19.88** | | **19.84** |

**Amount in Rs. Lakhs**

| Particulars | For the year ended March 31, 2017 | | |
|---|---|---|---|
| | As reported previously | Amalgamation adjustments | Post amalgamation |
| Other income | 2,956.07 | 7.77 | 2,963.84 |
| Employee benefits expense | 28,716.65 | 0.01 | 28,716.66 |
| Depreciation and amortisation expense | 590.74 | 6.12 | 596.86 |
| Other expenses | 7,242.91 | 3.55 | 7,246.46 |
| **Profit/(loss) before income tax** | **7,257.51** | **(1.91)** | **7,255.60** |
| **Tax expenses:** | | | |
| Deferred taxes | 273.93 | (29.48) | 244.45 |
| **Profit/(loss) for the period** | **6,600.44** | **27.57** | **6,628.01** |
| **Number of shares** | **17,577,828** | | **17,577,828** |
| **Basic EPS** | **37.55** | | **37.71** |
| **Diluted EPS** | **37.55** | | **37.71** |

3) These are the Company's third financial results prepared in accordance with Ind AS. For the year ended March 31, 2017, the Company had prepared financial results in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP' / 'IGAAP'). These financial results, including the comparative information for the quarter and year to date period ended December 31, 2016, and for the year ended March 31, 2017 have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. In presenting the comparative information, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial results / statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position and financial performance.

B S R & Associates LLP Chartered Accountants Bangalore 560 071

Sasken Technologies Ltd. sasken

First time adoption of Ind AS

In preparing these financial results, the Company has applied the following significant optional exemptions, in addition to those which are mandatory:

Optional exemptions availed -

- **Business combinations** - Ind AS 101, provides the option to apply Ind AS 103, Business Combinations ("Ind AS 103") prospectively from the transition date or from a specific date prior to the transition date. The Company has elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to transition date have not been restated. The Company has availed the same exemption for investments in joint ventures.

- **Investments in subsidiaries and associates** - If a first-time adopter measures an investment in subsidiary or an associate at cost in accordance with Ind AS 27, it shall measure that investment at one of the following amounts in its separate opening Ind AS balance sheet at (a) cost determined in accordance with Ind AS 27; or (b) deemed cost.

  The deemed cost of such an investment shall be its:

  (i) Fair value at the entity's date of transition to Ind AS in its separate financial statements; or

  (ii) Previous GAAP carrying amount at that date.

  A first-time adopter may choose either (i) or (ii) above to measure its investment in each subsidiary, joint venture or associate that it elects to measure using a deemed cost. The Company has elected to carry its investment in subsidiaries and associates at deemed cost which is its previous GAAP carrying amount at the date of transition to Ind AS.

- **Property plant and equipment and intangible assets** - As per Ind AS 101 an entity may elect to:

  (i) Measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date;

  (ii) Use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to fair value or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index;

  The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, intangible assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).

  (iii) Use carrying values of property, plant and equipment, intangible assets and investment properties as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

  The Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets also. Appropriate adjustments related to decommissioning liabilities have been made.

BANGALORE 560 071

SASKEN TECHNOLOGIES LTD. sasken

- **Joint ventures - transition from proportionate consolidation to the equity method** - As per Ind AS 101, when changing from proportionate consolidation method to equity method, an entity may measure its investment in a joint venture at date of transition as the aggregate of the carrying amounts of the assets and liabilities that the entity had previously proportionately consolidated, including any goodwill arising from acquisition.The resulted amount is regarded as the deemed cost of the investment in the joint venture at initial recognition. The Company has opted to avail this exemption.

## Reconciliation between Previous GAAP and Ind AS

(i) Effect of Ind AS adoption on equity as at March 31, 2017, December 31, 2016 and April 1, 2016:

Amount in Rs. lakhs

| Particulars | Note | As at March 31, 2017 | As at December 31, 2016 | As at April 1, 2016 |
|---|---|---|---|---|
| **Equity under previous GAAP** | | 54,168.51 | 53,093.52 | 49,875.27 |
| Effect of amalgamation | | 481.35 | 445.63 | 453.79 |
| **Resultant Equity under previous GAAP** | | **54,649.86** | **53,539.15** | **50,329.06** |
| Depreciation on leasehold improvements | A | (71.04) | (68.10) | (59.26) |
| Fair valuation of investments in mutual funds | B | 2,101.64 | 1,445.64 | 1,265.78 |
| Accounting for investments in tax free bonds using effective interest rate method | C | (7.91) | (5.96) | (0.05) |
| Dividend on preference shares | C | - | 31.38 | - |
| Tax effect on the above | D | (601.90) | (366.54) | (295.33) |
| **Equity as per Ind AS** | | 56,070.65 | 54,575.57 | 51,240.20 |

(ii) Effect of Ind AS adoption on total comprehensive income for the quarter and nine months ended December 31, 2016 and year ended March 31, 2017:

Amount in Rs. lakhs

| Particulars | Note | Three months ended December 31, 2016 | Nine months ended December 31, 2016 | Year ended March 31, 2017 |
|---|---|---|---|---|
| **Net income under previous GAAP** | | 825.74 | 3,523.15 | 6,600.44 |
| Effect of amalgamation (refer note 2) | | (3.09) | (8.16) | 27.57 |
| **Resultant net income under previous GAAP** | | **822.65** | **3,514.99** | **6,628.01** |
| Depreciation on leasehold improvements | A | (2.95) | (8.84) | (11.78) |
| Fair value gain/(loss) on investments in mutual funds | B | (340.62) | 179.86 | 835.86 |
| Interest income on tax free bonds | C | (1.97) | (5.91) | (7.86) |
| Employee benefits | E | 95.14 | 309.20 | 640.36 |
| Dividend on preference shares | C | 10.50 | 31.38 | - |
| Tax effect on the above | D | (61.95) | (130.42) | (308.26) |
| **Profit for the period / year** | | 520.80 | 3,890.26 | 7,776.33 |
| **Ind AS adjustments in other comprehensive income, net of tax :** | | | | |
| Items that will not be reclassified subsequently to the statement of profit or loss: | | | | |
| - Defined benefit plan actuarial gains/(losses) | E | (95.14) | (309.20) | (640.36) |
| Income tax relating to items that will not be reclassified to the statement of profit and loss | D | 32.93 | 107.01 | 221.62 |
| Items that will be reclassified subsequently to the statement of profit or loss: | | | | |
| - Net change in fair value of forward contracts designated as cash flow hedges | F | (173.55) | 138.10 | 635.57 |
| - Income tax relating to items that will be reclassified to profit and loss | D | 60.06 | (47.80) | (219.96) |
| **Total other comprehensive income for the period / year, net of taxes** | | (175.70) | (111.89) | (3.13) |
| **Total comprehensive income for the period / year** | | 345.10 | 3,778.37 | 7,773.20 |

S R & Associates LLP Chartered Accountants Bangalore 560 071

Sasken Technologies Ltd. sasken

**Notes to the reconciliations**

A. Decommissioning liability: Under the Previous GAAP, decommissioning liability was not capitalized as part of the cost of the asset, under Ind AS the same is capitalized as part of the cost and a corresponding liability has been recorded. The asset is being depreciated over the useful life. The decrease in net income is due to the depreciation of the decommissioning cost capitalized in leasehold improvements.

B. Fair valuation of investments: Under the Previous GAAP, investments in mutual funds were measured at lower of cost or fair value. Under Ind AS, such investments are required to be measured at fair value and the mark-to-market gains/ losses are recognized in profit or loss (FVTPL). Effect of Ind AS adoption on the statement of profit and loss represents the mark-to-market gains (net) on such investments.

C. Effective interest rate method: Under Ind AS, interest income is calculated using the effective interest method, which would lead to amortizing the premium paid at the time of purchase of the tax free bonds over the period of the underlying instrument. The decrease in income is due to the amortization of premium recorded as investment under Previous GAAP. Preference dividend is also accrued using the effective interest rate method every quarter.

D. Tax impact (net): Tax adjustments include deferred tax impact on account of differences between Previous GAAP and Ind AS.

E. Employee benefits: Under the Previous GAAP, actuarial gains and losses on defined benefit obligations were recognized in the statement of profit and loss. Under Ind AS, these are recognized in other comprehensive income.

F. Change in fair value of forward contracts designated as cash flow hedges: Under Ind AS, changes in the fair value of derivative hedging instruments designated and effective as a cash flow hedge are recognized through other comprehensive income. These were recorded in hedging reserve under Previous GAAP.

4) Segment Reporting

The Chairman and Managing Director of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, "Operating Segment'. The Company operates in one segment only i.e. "Software Services". The CODM evaluates performance of the Company based on revenue and operating income from "Software Services". Accordingly, segment information has not been separately disclosed.

5) Figures for the corresponding quarter and nine months ended December 31, 2016 and for the year ended March 31, 2017 are based on the quarterly and nine months standalone financial results and annual standalone financial statements respectively, that were previously audited by the predecessor auditor, as adjusted for differences in the accounting principles adopted by the Company on transition to Indian Accounting Standards ('Ind AS'), which have been audited by the current statutory auditors. These adjustments, read with note 2, reconcile the net profit for the corresponding periods under the Previous GAAP with the total comprehensive income as reported in these quarterly standalone financial results.

S R & Associates LLP Chartered Accountants BANGALORE 560 071

SASKEN TECHNOLOGIES LTD. sasken

6) The Board of Directors have declared second interim dividend of Rs. 3.00 per equity share at the board meeting held on January 22, 2018.

For Sasken Technologies Ltd.
(formerly Sasken Communication Technologies Limited)

Rajiv C Mody
Chairman and Managing Director
DIN: 00092037

Place: Bengaluru
Date: January 22, 2018

B S R & Associates LLP
Chartered Accountants

Maruthi Info-Tech Centre
11-12/1 Inner Ring Road
Koramangala
Bangalore 560 071 India

Telephone +91 80 7134 7000
Fax +91 80 7134 7999

**Auditor's Report on Quarterly Standalone Financial Results and Year to Date Standalone Financial Results of Sasken Technologies Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To

The Board of Directors of Sasken Technologies Limited

We have audited the quarterly standalone financial results of Sasken Technologies Limited ('the Company') for the quarter ended 31 December 2017 and year to date standalone financial results for the period from 1 April 2017 to 31 December 2017, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Attention is drawn to the fact that the figures for the corresponding quarter and nine months ended 31 December 2016 and for the year ended 31 March 2017, are based on the quarterly and year to date standalone financial results and the annual standalone financial statements that were previously audited by the predecessor auditor whose report for the corresponding quarter and nine months ended 31 December 2016 and for the year ended 31 March 2017 dated 18 January 2017 and 19 April 2017 respectively expressed an unmodified opinion on those quarterly and year to date standalone financial results and the annual standalone financial statements, as adjusted for differences in the accounting principles adopted by the Company on transition to Indian Accounting Standards ('Ind AS'), which have been audited by us. These adjustments reconcile the net profit for the corresponding periods under the previously applicable Generally Accepted Accounting Principles with the total comprehensive income reported in these quarterly and year to date standalone financial results under Ind AS.

These quarterly standalone financial results have been prepared on the basis of the condensed standalone interim financial statements, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these quarterly standalone financial results based on our audit of such condensed standalone interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) for Interim Financial Reporting (Ind AS 34), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder; as applicable and other accounting principles generally accepted in India.

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.

Based on our audit conducted as above, in our opinion and to the best of our information and according to the explanations given to us, these quarterly and year to date standalone financial results:

(i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular dated 5 July 2016 in this regard; and

(ii) give a true and fair view of the standalone net profit and total comprehensive income and other financial information for the quarter ended 31 December 2017 as well as the year to date results for the period from 1 April 2017 to 31 December 2017.

*for* **B S R & Associates LLP**
*Chartered Accountants*
Firm's Registration Number: 116231W/W-100024

**Rushank Muthreja**
*Partner*
Membership No. 211386

Bengaluru
22 January 2018

**Sasken Technologies Ltd. ( Formerly known as Sasken Communication Technologies Limited )**
**Consolidated Key Metrics**

sasken

| | Q3 FY 18 | Q2 FY 18 | Q1 FY 18 | Q4 FY 17 | Q3 FY 17 | Q2 FY 17 | Q1 FY 17 | Q4 FY 16 | Q3 FY 16 | Q2 FY 16 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Employee Metrics** | | | | | | | | | | |
| Employees, period end | | | | | | | | | | |
| Total Employees (Consolidated) | **1,913** | **2,018** | **1,959** | **1,963** | **1,976** | **1,983** | **2,057** | **2,118** | **2,084** | **1,968** |
| Engineering | 1,685 | 1,785 | 1,729 | 1,728 | 1,737 | 1,743 | 1,821 | 1,887 | 1,833 | 1,714 |
| Corporate | 228 | 233 | 230 | 235 | 239 | 240 | 236 | 231 | 251 | 254 |
| **Hiring Metrics** | | | | | | | | | | |
| Gross Adds | 130 | 170 | 154 | 131 | 118 | 107 | 124 | 192 | 259 | 199 |
| Net Adds | (105) | 59 | (4) | (13) | (7) | (74) | (61) | 34 | 116 | 43 |
| **Attrition % Annualized (Based on Voluntary attrition only)** | 21.6% | 15.7% | 21.3% | 17.7% | 19.2% | 24.0% | 21.3% | 20.6% | 20.9% | 25.1% |
| **Attrition % LTM (Based on Voluntary attrition only)** | 19.5% | 18.7% | 21.2% | 21.0% | 22.0% | 22.9% | 22.2% | 20.3% | 22.9% | 24.4% |
| **Revenue by geography - Consolidated (In %)** | | | | | | | | | | |
| North America | 40% | 38% | 37% | 32% | 30% | 36% | 33% | 32% | 32% | 28% |
| EMEA | 23% | 25% | 28% | 34% | 35% | 30% | 31% | 30% | 28% | 33% |
| India | 30% | 30% | 28% | 26% | 27% | 25% | 27% | 28% | 24% | 24% |
| APAC | 7% | 7% | 7% | 8% | 8% | 9% | 9% | 10% | 16% | 15% |
| **Client Concentration (In %)** | | | | | | | | | | |
| Top 5 client contribution to revenues | 43.3% | 42.7% | 43.5% | 44.1% | 45.6% | 44.7% | 46.2% | 47.3% | 45.7% | 49.0% |
| Top 10 client contribution to revenues | 64.0% | 64.5% | 64.4% | 63.1% | 65.7% | 65.5% | 67.0% | 66.2% | 63.7% | 69.0% |
| **Relationships with Customers ( TTM )** | | | | | | | | | | |
| 1 < >3 Million dollar customers | 12 | 10 | 11 | 7 | 6 | 10 | 11 | 12 | 11 | 11 |
| 3 < >10 Million dollar customers | 6 | 6 | 6 | 6 | 6 | 6 | 5 | 5 | 6 | 6 |
| 10 < >20 Million dollar customers | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| **Utilization, including trainees (in %)*** | 80.0% | 77.2% | 79.6% | 78.6% | 78.7% | 79.6% | 79.7% | 79.2% | 83.2% | 82.0% |
| **Revenue Split ( In ₹ Million)** | | | | | | | | | | |
| Onsite | 467 | 403 | 411 | 401 | 433 | 439 | 492 | 467 | 477 | 478 |
| Offshore | 852 | 845 | 765 | 776 | 674 | 738 | 720 | 723 | 778 | 793 |
| **Revenue by Project Type ( In ₹ Million)** | | | | | | | | | | |
| Time and Material (including compensation) | 880 | 874 | 844 | 826 | 809 | 814 | 890 | 969 | 995 | 989 |
| Fixed Price | 439 | 374 | 332 | 351 | 298 | 363 | 322 | 221 | 260 | 282 |

SASKEN TECHNOLOGIES LTD.
sasken

sasken

**Media Release – FOR IMMEDIATE RELEASE**

**Bangalore, 22 January 2018:** Sasken Technologies Limited (formerly Sasken Communication Technologies Limited) (BSE: 532663, NSE: SASKEN) today announced its consolidated results as per Ind AS for the quarter and nine months ended December 31, 2017.

Speaking on the occasion, Rajiv C Mody, Chairman, Managing Director & CEO, Sasken Technologies Limited said: Our acknowledged leadership in providing the full complement of Product Engineering Services combined with our expertise in providing Digital Transformation Services is unique and unparalleled. We are endeavouring to maintain our growth trajectory and our bouquet of differentiated services, deep technical expertise and entrenched customer relationships will give the necessary impetus for our growth.

**Performance Snapshot for the Quarter: Q3 FY 18**

- Consolidated Revenues for Q3 FY 18 at ₹ 131.87 Crore
  - Up 5.6 % sequentially over the previous quarter
  - Up 19.1 % YoY from Q3 FY 17
- Consolidated EBIDTA for Q3 FY 18 at ₹ 16.39 Crore
  - Down 12.5 % sequentially over the previous quarter
  - Up 203.7 % YoY from Q3 FY 17
- Consolidated PAT for Q3 FY 18 at ₹ 20.37 Crore
  - Up 8.5 % sequentially over the previous quarter
  - Up 125.3 % YoY from Q3 FY 17
  - PAT Margins for the quarter at 15.4 %

**Key Business metrics for the Quarter: Q3 FY 18**

- Software services revenues for Q3 FY 18 at ₹ 131.87 Crore
  - Up 5.6 % sequentially over the previous quarter
  - Up 19.1 % YoY from Q3 FY 17
- Consolidated EBIDTA margins were at 12.4 %.
- Revenue contribution from
  - The Top five customers stood at 43.3 % and
  - From Top 10 customers at 64.0 %

- Consolidated EPS was at ₹ 11.91 for the quarter
- Added 8 new customers during the quarter taking the total number of active customers to 123

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

**About Sasken:**

Sasken is a specialist in Product Engineering and Digital Transformation providing concept-to-market, chip-to-cognition R&D services to global leaders in Semiconductor, Automotive,

SASKEN TECHNOLOGIES LTD. sasken

Industrials, Smart Devices & Wearables, Enterprise Grade Devices, Satcom, and Retail industries. With over 27 years in Product Engineering and Digital Transformation and 70+ patents, Sasken has transformed the businesses of over a 100 Fortune 500 companies, powering over a billion devices through its services and IP. For more details, visit www.sasken.com

**Disclaimer on Forward Looking Statements:**

Certain statements in this release concerning our future growth prospects are forward-looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, our ability to successfully implement our strategy and our growth and expansion plans, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on our business activities or investments, changes in the laws and regulations that apply to the Indian IT services industry, including with respect to tax incentives and export benefits, adverse changes in foreign laws, including those relating to outsourcing and immigration, increasing competition in and the conditions of the Indian and global IT services industry, the prices we are able to obtain for our services, wage levels in India for IT professionals, the loss of significant customers the monetary and interest policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic and foreign laws, regulations and taxes and changes in competition in the information technology/ telecommunication industries. Additional risks that could affect our future operating results are more fully described in our Red herring filing. The company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the Company.

**Spokesperson:**
**Swami Krishnan**
VP Corporate Communication & EE
**E:** pr@sasken.com
**T:** +91 9743979264

**Dear Analyst,**

It is my pleasure to highlight the business performance of the Sasken Group for the third quarter ended 31st December 2017

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 walking you through our financials for the Third Quarter for Fiscal 2018. In the Third Quarter of Fiscal '18, the consolidated revenues for the Sasken Group increased 5.6% over the previous quarter to ₹ 131.87 crores. Consolidated Earnings before Interest, Depreciation, Taxes and Amortization cost for the third quarter fiscal '18 were ₹ 16.39 crores, an decrease of 12.5% sequentially. In percentage terms, the consolidated EBIDTA margin stood at 12.4%. Consolidated PAT for Q3 fiscal '18 was at ₹ 20.37 crores, up by 8.5% over the previous quarter. PAT margins for the quarter were 15.4%. Consolidated earnings per share for the 3rd quarter were ₹ 11.91. Cash and cash equivalents were ₹ 463.6 crores, as of 31st December 2017.

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

**Product Engineering Services**

Your company has initiated deliveries of the sizeable new project in the Satellite segment that we won last quarter. We are happy to report that the progress on this global development program is on track. Further, we are actively building a pipeline for more business wins in this segment. This market space continues to evolve and demand innovative solutions that we can fulfill which is a testimony to our acknowledged leadership in providing end-to-end product engineering services.

We are enabling the inflection of Android in the Automobile IVI world. Your company continues to invest and grow partnerships with leading Semiconductor vendors who are targeting the automotive arena. We continue to both broaden and deepen our relationship with a leading platform provider in the IVI space. We expect this engagement to scale over time. Our leadership in Android gives us a prime position in these projects.

Further, Sasken is working to secure a broader partnership with companies that build V2X solutions. These technologies will play a significant role to enable Autonomous Driving in cars of the future. V2X will allow the creation of novel future experiences for the Automotive market. Sasken's continued investment in 5G and 4G (C-V2X and NB-IoT) evolution technologies will lead Sasken to a leadership position in the cellular communication space. Sasken will enrich its points-of-view to help build solutions leveraging these new communication paradigms.

In the Automobile space, Sasken has secured a deal to enable rich media through its vast experience in design and implementing Codecs. These Codecs will power future IVI platform and help deliver a more luxurious audio/visual experience. A small but significant win in the ADAS space for a Proof of Concept to enable FCW (Forward Collision Warning). This will for the fountainhead for future ADAS based offerings from Sasken.

Finally, we continue to make investments in 5G, AI (Artificial Intelligence) and Machine Learning (ML) are hopeful to see new and exciting solutions emerge over the next year.

SASKEN TECHNOLOGIES LTD. sasken

**Digital Transformation Services**

We are making rapid progress in the Digital Transformation Services (DTS) Space. In our engagement with a leading provider of smart tag based solutions. Our engineers are working to improve the usability and performance of Digital Enablement Applications used by operators and factory managers in the factories of a global leader in sports goods.

We are happy to report an exciting and path-breaking win from a United Kingdom-based customer. We will enable our customer to deliver cloud-based analytics and simplify consumer access, by building a suite of intuitive mobile apps. The ability to combine Product Engineering and Digital Transformation expertise is unique and unparalleled in the industry. Our solution will enable the customer to offer aftermarket automotive products that are digitally smarter, cloud-based and highly differentiated.

We continue to make steady progress in our ongoing engagements and are hopeful to achieve scalable growth in the DTS space in the coming quarters.

**People**

On the people front, the headcount for the Sasken Group stood at 1,913 as of 31st December 2017. Attrition for Q3 stands at 21.57 % and has seen an increase in the quarter on account of us exiting a business which is non-strategic. We have completed an extensive exercise to map the competency area of all our engineering staff. This activity will yield multifold benefits such as enabling better alignment of compensation, focussed learning initiatives to upskill our already excellent talent pool and will ensure that our engineering team is the best in class in the industry. Utilization has risen from 77.20% to 80.00 %, and we expect to hold the same in this band in the coming quarters. Our HR team continues to be an able business partner and is well placed to provide the necessary impetus to grow our business.

**Customers**

We have successfully added 8 customers during the quarter taking the active number of customers to 123.

We thank you for your interest in Sasken and value your continued support. My team and I are committed to upholding the trust of all stakeholders in an equitable and fair manner.

**Rajiv C Mody**
Chairman, Managing Director, and CEO
Sasken Technologies Limited

SASKEN TECHNOLOGIES LTD.
sasken