Financial Results for the Half Year ended September 30, 2013

Letter to the Shareholder

Dear Shareholder,

I am pleased to present to you the performance of your Company for the first half of FY 2014.

The consolidated revenues for the Sasken group for the first half of the current financial year was Rs. 22,856.45 lakhs, down by 6.6% over the corresponding first half of the previous financial year. Earnings before Interest, Taxes, Depreciation and Amortization for the first half of FY 2014 were Rs.2,804.38 lakhs up by 70.6% from the first half of previous year. The consolidated PAT for the first half of the year was Rs.3,127.64 lakhs up by 116.9% over the first half of the previous financial year. There has been an increase in legal expenses on account of an ongoing litigation.

Profit after Tax margin for the half year was 13.7%. Consolidated EBIDTA margins for the half year were 12.3%. Services business EBIDTA margins for the half year were 13.3% while the products EBIDTA margins for the half year were -4.3%. The consolidated EPS for the half year were Rs.14.88, Cash and cash equivalents (including investments) were approximately Rs.18,816.22 lakhs as of September 30, 2013.

I would like to announce that the Board of your Company at its meeting held on October 28, 2013 declared an interim dividend of 25% at the rate of Rs.2.50 per equity share. The Board also declared a special dividend of 25% at the rate of Rs.2.50 per equity share of Rs.10 each in celebration of its 25th year since incorporation. I am sure you would recall that your Company has a good track record of paying dividends since listing in 2005.

Now I come to some key business trends that we have seen in the financial year so far.

Zinnov, a reputed independent consultant, has in its Global Service Provider Rating – 2013 named Sasken as an 'established and niche provider of specialized R&D services with specialization, practice maturity, innovation, IP and ecosystem linkages'. In the semiconductor and telecommunications space, Sasken is rated in the leadership zone. In the consumer electronics space which includes smart devices and tablets and in automotive electronics, Sasken is rated to be in the execution zone. This is testimony to Sasken's unique capabilities of being a leading provider of global engineering and R&D services.

Capitalizing on our strengths in multiple operating systems in the smart device space, we continue to make significant progress in helping OEMs launch new devices as well as migrating legacy devices to newer operating systems. We have successfully expanded the footprint of devices we provide services to include rugged devices. We have made rapid progress in this area and currently serve two of the three largest manufacturers.

We have strengthened our leadership position in providing a vast array of services for OEMs manufacturing smart devices based on the Android operating system. We continue to be a strategic partner to three of the five leading manufacturers of Android devices and have engaged in several projects based on the latest release of Android known as KitKat. Our range of services include providing updates as well as helping OEMs launch new models.

Our Testing practice cuts across several business lines which validate our ability to connect the dots across the communications value chain. We have expanded our field trial and testing services footprint by winning a large project for a Tier 1 handset OEM to test their latest devices in the Europe region. Further, we have been able to scale our engagements with one of our Tier 1 Test & Measurement customer by enabling them to offer world-class Professional Services to their customers.

Sasken has been a pioneer in Network Engineering Services. We have used this expertise as a base to diversify into cloud based services. Sasken has partnered with Tier 1 Korean infra-structure vendor to help develop and deploy base stations worldwide. Further, Sasken is working with a leading provider of cloud-based video conferencing solutions by enabling them to launch their offerings into a vast set of portable devices. We are engaged with a leading Consumer Audio brand where we are entrusted with taking their music services to the cloud.

Sasken takes up responsibility for complete end to end software development for a leading North American Audio brand. During H1 we saw rapid expansion of the team. Sasken team is responsible for Systems design for short range communication technologies such as Blue Tooth and NFC.

Sasken expands its engagement with a leading European TV brand that caters to the hospitality market. Our engagement spans Application development and Multimedia middleware development. Based on the value we have been able to add and the increased customer confidence, our projects have now moved into ownership mode.

The semiconductors have been an area of strength for Sasken. We recently won a multimillion dollar, multi-year deal with a Tier 1 semiconductor company to provide maintenance services for their legacy communication standards processors. Based on our entrenched relationship with this customer, the project has been awarded to us in the ownership mode. This deal is significant for our customer since they have adopted a unique efficiency based pricing model for their end customers. We have expanded our offshore development center to service deals like these. We have established a new off shore development centre to service a Tier 1 North American semiconductor manufacturer and offer maintenance services on several silicon platforms.

We continue to win deals in the application processor, multimedia and connectivity space with a number of semiconductor companies. We are now engaged with a Tier 1 North American semiconductor vendor to support middleware development on their security chipsets.

We have seen some churn in the market in the IC Design space which has softened demand. This is due to a change in strategy from some of our key customers who are refocusing on the segments they address. We are confident that we will be able to re-vector ourselves and offer our services to them focussing on their new segmental approach.

In the Enterprise segment, we have delivered a mobile solution for a leading provider of Inventory Management and Supply Chain solutions for the Retail industry. These applications enable store associates to use their iOS or Android smartphones to perform tasks of ord fulfilment and inventory management. Sasken has delivered enterprise grade applications that have state-of-the-art user-centric lesign and delivers excellent user experience.

We have forayed into solutions that address the growing market for Indoor Navigation. We are engaged with a leading provider of indoor location based solutions. We have been entrusted with developing applications on Android phones for consumers and employees of enterprises, as well as web-based applications that would allow an enterprise to track movement of personnel and assets.

Talent retention has always been a key priority in Sasken. We are happy to state that our Annualized Attrition has significantly reduced. We believe that this is a result of our working toward improving key drivers of employee engagement and satisfaction. While this does not constitute a trend, we believe that we will be able to improve retention due to our concerted efforts in nurturing and developing our talent. We invest considerably in developing the skills and competencies of our employees through our in-house learning and development engine which provides both technical and managerial training to all employees. I would also like to add that better growth in our business will help bring down our attrition significantly.

Sasken continues to be a leader in providing engineering and R&D services to an enviable set of customers. Our long standing relationships with several of these customers, many of which range between five years to a decade is a testimony of the confidence they have reposed in us. We continue to make appropriate investments to take more offerings to our existing customers as well as build new offerings to address adjacent markets and white spaces. Our talent pool continues to be our strength and a key source of differentiation.

It gives me great pleasure to inform you that Anjan Lahiri has joined us as a Whole-time Director and Chief Executive Officer from 19th August 2013. Anjan is a highly acclaimed global Information technology professional with a successful track record of nurturing and building businesses that have significantly scaled. He will provide the customer centric operational and transformational leadership to achieve our "rightful position" as a company that is admired for its technology prowess, ethical conduct and delivering outstanding business results. The induction of new CEO will provide the right impetus and momentum for us to return to growth in the coming quarters.

Sasken participated in LACP's (League of American Communications Professionals) 2013 Spotlight Awards Global Communications Competition and bagged the Platinum award. This is Sasken's seventh consecutive win at this forum and its second Platinum. LACP was established in 2001 in order to create a forum within the public relations industry that facilitates discussion of best-in-class practices within the profession, while also recognizing those who demonstrate exemplary communication capabilities. Of more than 1,500 entries were received for the 2013 Spotlight Awards, comprising submissions from more than a dozen countries, your Company's Annual Report was accorded the 2nd rank.

To conclude, we thank you for your continued support and strongly believe that our endeavor to create new areas of growth will fructify in the coming quarters.

Thank ng you,

Rajiv C Mody
Chairman and Managing Director

Bangalore
November 5, 2013.

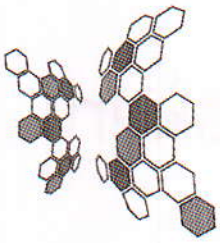
Green Initiative

As part of the Go Green Initiative in Corporate Governance, the Ministry of Corporate Affairs ("MCA"), Government of India has, through its Circulars bearing No. 17/2011 and 18/2011, dated 21st and 29th April, 2011 respectively, permitted companies in India to send official documents to their shareholders electronically. Clause 32 of the Listing Agreement with the Stock Exchanges inter alia permits companies to provide soft copy of full Annual Report, notices etc.("Official documents") to all those shareholder(s) who have registered their email address for the purpose.

Ac rdingly, we are sending all Official documents to shareholders to the email addresses shared with their depositories. This em il will have a link to our website (www.sasken.com) where the Official documents are hosted. We request the shareholders t pdate their email address by sending us an email at **memberemail@sasken.com quoting their DP ID and Client ID** or to their d ository participant directly so that the Official documents can be sent to them electronically.

It our endeavor to save the precious natural resources and achieve 100% **environment friendly initiative** taken by the MCA to s trees and preserve environment. Many of the shareholders have supported us in this initiative and we look forward to the co inued support and co-operation of all the shareholders in dematerializing their holding as well as updating their email ad ess with the respective depositories / Company.

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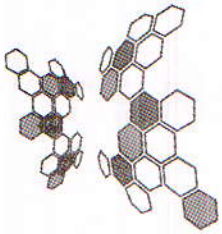
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Select Financial Data - as per Indian GAAP

Consolidated Balance Sheet

₹ In Lakhs

	As At September 30, 2013	As At March 31, 2013
EQUITY AND LIABILITIES		
Shareholders' Funds:		
Share Capital	2,118.15	2,095.99
Reserves and Surplus	42,475.83	39,830.73
	44,593.98	41,926.72
Share Application Money pending allotment	13.47	30.16
Non current liabilities		
Long term borrowings	46.29	92.58
Long term provisions	867.69	706.26
	913.98	798.84
Current liabilities :		
Trade payables	3,960.38	2,792.48
Other current liabilities	1,468.35	1,409.87
Short term provisions	4,733.52	3,491.02
	10,162.25	7,693.37
Total	**55,683.68**	**50,449.09**
ASSETS		
Non current assets :		
Fixed Assets (net)	13,339.05	12,290.65
Non current investments	2,973.50	2,307.75
Deferred tax assets (net)	1,247.05	1,088.91
Long term loans and advances	5,756.91	5,789.69
Other non current assets	147.67	166.16
	23,464.18	21,643.16
Current assets :		
Current investments	14,572.39	11,606.50
Inventories	331.66	345.42
Trade receivables	9,319.57	9,023.67
Cash and bank balances	4,243.83	3,291.73
Short term loans and advances	1,267.58	1,874.20
Other current assets	2,484.47	2,664.41
	32,219.50	28,805.93
Total	**55,683.68**	**50,449.09**



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Select Financial Data - as per Indian GAAP

Consolidated Profit and Loss Account

₹ In Lakhs

	For the Quarter ended September 30, 2013	For the Quarter ended September 30, 2012	For the Half Year ended September 30, 2013	For the Half Year ended September 30, 2012
Revenues	11,314.45	11,203.50	22,856.45	24,474.94
Expenditure :				
Decrease/(Increase) in stock in trade and work in progress	(57.67)	(45.10)	13.48	32.82
Consumption of raw materials	42.93	19.11	45.42	52.44
Purchase of traded goods	67.22	–	67.51	–
Employees cost	7,753.64	8,162.51	15,094.18	17,044.68
Depreciation & Amortization	304.82	384.97	700.94	794.69
Other expenditure	2,547.60	2,823.71	4,831.50	5,700.78
Total	10,658.54	11,345.20	20,753.03	23,625.41
Profit from Operations before Other Income, Interest and Exceptional Items	655.91	(141.70)	2,103.42	849.53
Other Income	1,324.10	214.17	2,221.35	1,127.60
Profit before Interest and Exceptional Items	1,980.01	72.47	4,324.77	1,977.13
Interest Expense	5.79	11.03	13.06	23.15
Profit Before Taxes	1,974.22	61.44	4,311.71	1,953.98
Tax expense	598.23	37.15	1,184.07	511.85
Profit After Tax	1,375.99	24.29	3,127.64	1,442.13
Earnings Per Share (Equity Share par value of Rs.10 each)				
Basic	6.51	0.10	14.88	5.64
Diluted	6.50	0.10	14.86	5.57
Weighted average number of Equity Shares used in computation of				
Basic EPS	2,11,26,762	2,51,20,646	2,10,19,864	2,55,48,838
Diluted EPS	2,11,56,518	2,54,84,979	2,10,48,262	2,59,12,257

Additional Information:

Additional Information for the half year ended September 30, 2013 is available in the investors section of the website www.sasken.com

Disclaimer:

Certain statements made in this release concerning our future growth prospects may be interpreted as forward looking statements, which involve a number of risks and uncertainties that could cause the actual results to differ materially from those in such forward looking statements. Investors are requested to use their discretion in relying on them. We do not undertake to update any forward looking statements that may be made from time to time.

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