



Seeing the unseen

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In the technology universe, 'innovation' is a largely ambiguous term. It is often interpreted to be the result of a bolt of inspiration that strikes when one is idly staring into the blue. Or a product of genius that is the sanctified domain of the few.

What is more truer, is that it is the consequence of curiosity, stubborn commitment and a sharp insight into the subject under study.

It is the ability to see the simple in the complex. To distinguish forms in the abstract. To make connections between seemingly random objects and create something new. This is the true nature of innovation. And in the increasingly complex world of communications technology, it is this skill that results in tangible solutions that customers can use and benefit from.

At Sasken we pride ourselves on our ability to see links between relatively different spaces and consistently deliver solutions that are at the forefront of technology, that change the market dynamic, and in doing so, shape the very future of communication.

It's about finding a way where
there doesn't appear to be any



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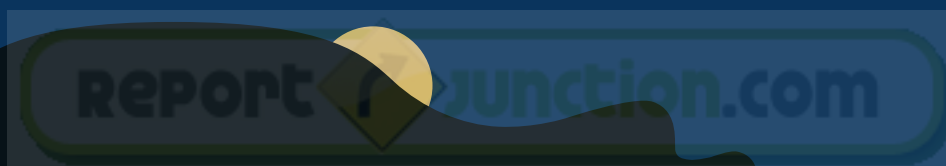
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It's recognising boundaries and then ensuring there aren't any

The only boundaries that exist are the ones we recognise and accept. They are both a point of arrival and departure. Where old ideas come to a stop and new ones take off, eventually setting standards that turn into the next boundary to be crossed. At Sasken, it is the ability to do precisely this that we revel and take great satisfaction from.



Sasken is helping its customers build next generation handsets which will enable people to reach anyone, anywhere, anytime, anyhow.

Sasken is designing and bringing into pre-production the complete phone, which would include the hardware component comprising design, development & testing of antenna, RF and its mechanical elements along with the software component comprising protocol stacks, application framework and test lab offerings.

We are the first Indian company to be involved from the design phase up to producing pre-production units.

Satellite communication is an extension of the communication space and Sasken's pure play telecommunication strategy makes it a leading player delivering next generation solutions in this area. The new phone will offer voice services to remote parts of the world and the target customer segment will include field and aid operations, and other private and government agencies, in effect giving them reach and capability throughout the world.

Board of Directors

Mr. Rajiv C. Mody	Chairman and Managing Director
Dr. G. Venkatesh	Whole Time Director
Mr. Krishna J. Jhaveri	Whole Time Director
Dr. Ashok Jhunjhunwala	Director
Mr. Bansi S. Mehta	Director
Mr. Bharat V. Patel	Director
Mr. J. B. Mody	Director
Prof. J. Ramachandran	Director
Mr. Pranabh D. Mody	Director
Mr. Sanjay M. Shah	Director
Mr. Bharat P. Mehta	Alternate Director to Mr. J. B. Mody

Committees of the Board

Audit Committee

Mr. Bansi S. Mehta	Chairman
Prof. J. Ramachandran	Member
Dr. Ashok Jhunjhunwala	Member
Mr. Pranabh D. Mody	Member

Compensation Committee

Prof. J. Ramachandran	Chairman
Dr. Ashok Jhunjhunwala	Member
Mr. Pranabh D. Mody	Member

Share Transfer and Investor Grievance Committee

Prof. J. Ramachandran	Chairman
Mr. Rajiv C. Mody	Member
Dr. G. Venkatesh	Member

Enterprise Management and Governance Leadership Team

Mr. Rajiv C. Mody	Chairman and Chief Executive Officer
Dr. G. Venkatesh	CTO, Head World-wide Delivery and Capability
Ms. Neeta S. Revankar	CFO and Global Head - HR, IT and Admin.

CFO and Global Head - HR, IT and Administration

Ms. Neeta S. Revankar

Company Secretary & Compliance Officer

Mr. R. Vittal

Statutory Auditors

S.R. Batliboi & Co.
Chartered Accountants

Bankers

Citibank N.A.
HDFC
Union Bank of India

Registered and Corporate Office

No.139/25, Ring Road, Domlur,
Bangalore 560 071.

Letter to Shareholders



Rajiv C. Mody
Chairman & Managing Director

Dear Shareholder,

The past financial year posed the most significant challenge for us that most of us have seen in our lifetimes. All our key customers were significantly impacted by the economic downturn and this resulted in them tightening their R&D budgets which we depend on for our growth. While we reset our growth expectations, we would like to emphasize that your company has a strong DNA of being a pure play solutions provider in the communications sector. Our strong management and operational team will enable us to rebound quickly as we have done in the past by leveraging our long standing strategic relationships with our marquee customers.

Over the past year, network equipment manufacturers have continued to struggle in the wake of pressures on reduced share of network equipment spend by operators. As you are perhaps aware, Nortel, one of our top 5 customers has filed for creditor protection in US, Europe and Canada. In the near term, we have not been impacted by this due to the criticality of the services that we provide them. The short term challenges on the Networks business, notwithstanding, evolution of wireless networks to 3G/4G and LTE / WiMax etc. continue to be attractive for potential business opportunities in the near to medium term and we are making investments in these technologies to grow our Network offerings. Sasken is working on solutions that enable networking vendors to reduce capex and opex for their customers by deploying efficient technology solutions.

On the handset and semiconductor side, there are early signs of the market stabilizing and some opportunities are opening up. We have added customers with projects in new technology areas including Bluetooth, Mobile internet & Web runtime, antenna design and the Android platform, while continuing to strengthen our position in satellite communications segment given our IP and expertise in the mobile handset space.

The past year was a mixed bag for us on the handset side. While on the positive side we posted a 30% growth over FY 08, one of our key tier 1 customers made decisions on their product line that impacted us significantly. Motorola decided to exit the Symbian platform and this had significant volume impact for us. We expanded our set of offerings with a leading handset vendor by offering field testing solutions. The past year has seen a dramatic improvement in mobile browsers, and the range of content available for mobile devices. But the ability to quickly and easily search, discover, organize and navigate all of this content will be an exciting area over the next couple of years. With a view to exploit this trend, we are making some investments in this area which should yield results in the coming quarters.

On the semiconductor business front, we have acquired two key Tier 1 customers for our ICDS and software services offering and migrated one of our existing relationship to a full fledged offshore development centre. We expanded on our IC Design offering for a key semiconductor tier 1 vendor and are now offering software services for this vendor.

Sasken has been granted accreditation by the National Accreditation Board for Testing and Calibration laboratories (NABL) for the Electronics Testing Laboratory in accordance with ISO/IEC standards.

Letter to Shareholders (Contd.)

On the products side of the business, we continue to build on our successes in the Japanese market and our models are the latest in the lineup of rich media phones which have been well received by the discerning and demanding Japanese consumer.

In the last quarter, Sasken closed a deal with a leading mobile satellite communications provider to develop the next generation global dual-mode satellite phone. This engagement will be one of the largest projects that we have executed till date and will position us to deliver the complete phone design that would include hardware and antenna design, development and testing, software development comprising protocol stacks, application framework and test lab offerings. The new phone will offer voice and data services to remote parts of the world. The phone will evince interest from operators, private and government agencies who need global reach. This engagement also marks a first for an Indian company to be completely responsible for production ready design of complex terminals involving extensive hardware and software capabilities.

We completed the acquisition and integration of a 35 member R&D team of Nokia based in Bochum, Germany. This team has added certain key competencies for us on the handset side that positions us favourably with our leading customers. To increase traction with a key handset vendor, we have created a proximity centre in Beijing and we are continuing to align with their global delivery model. We continue to see the benefits of our proximity centers in Mexico, Finland and Germany. There are however challenges that we continue to work on pertaining to hardware business. We are making all efforts through our multi site strategy, focusing on creating and delivering cost optimal solutions.

Sasken has believed in striking the right balance to the commitments made to all stakeholders, viz, customers, employees and investors. Given the volatile and challenging environment, we wanted to ensure that as an organization we fortify ourselves suitably to overcome the challenges that we are beginning to face in our business. Over the last six months, we have taken several steps to control costs and make the organization agile.

We have restructured the organization to enhance the efficiencies and utilization of organization resources in line with the tough market conditions prevailing. We believe this will enable us to continue to focus on our ability to connect the dots in the communication value chain and provide robust end to end customer solutions aligned with our customer's strategic imperative to realize more value out of their investments.

Due to a slowdown in the automotive segment and keeping the current environment in mind both Sasken and TACO have decided to discontinue further investments and close down the joint venture TACO-Sasken.

We are glad to announce that CRISIL has assigned a rating of 'P1+' to the short-term bank facilities of Sasken. The rating reflects our comfortable financial risk profile marked by a low gearing, healthy debt protection measures and strong financial flexibility; and its established position in the telecom software services and products market.

In conclusion, I wish to state that we stay committed to the communication space and will go deeper penetrating more customers and I am confident that our pure play telecommunication strategy will place us ahead of our competitors and help us grow under stiff market conditions. I thank you all for your support and confidence in the Sasken management team.

Thanking you,

Rajiv C. Mody

Chairman & Managing Director