

The \$asken Story

The path less travelled



A journey is not always about reaching the destination.

For me, it was about choosing a path to excellence. I picked the path less travelled. I was told it would be strewn with rubble and thorns. But I chose it nonetheless.

My journey has put my grit to test. But I walk on, filled with pride. Proud of the fact that I was born out of a garage and have since, conquered continents. There have been times plagued by bad weather; but I weathered the storm, emerging victorious.

Skim the pages of this Annual Report, for it will tell you the story of my journey, since 1989; the tale of my inception.

I do hope my story will tell you from whence I came. And to where forth I sail.

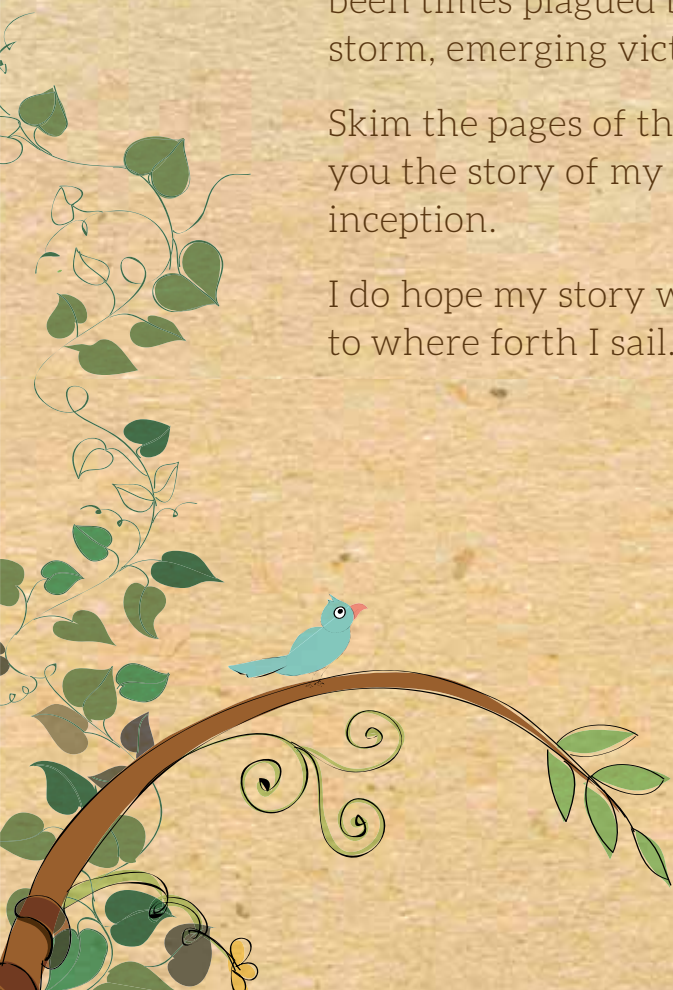


Table of Contents

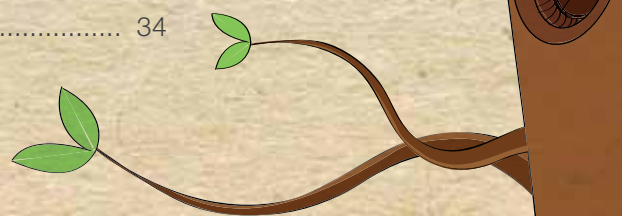
Board of Directors	04
Letter to Shareholder	06
Technology and Markets	10
Sasken People	18
Notice	22
Directors' Report	26
Annexure to the Directors' Report	31
Corporate Governance	34


Financial Statements

The Year at a Glance - Consolidated (Non GAAP).....	44
Financial Performance - A Seven Year Snapshot.....	45
Auditors' Report on Standalone Financial Statements.....	47
Annexure to the Auditors' Report	47
Auditors' Report on Abridged Financial Statements	49
Abridged Balance Sheet	50
Abridged Statement of Profit and Loss	51
Abridged Cash Flow Statement	52
Notes to Abridged Financial Statements	53
Auditors' Report on Consolidated Financial Statements	61
Consolidated Balance Sheet	62
Consolidated Statement of Profit and Loss	63
Consolidated Cash Flow Statement	64
Notes to Consolidated Accounts	66
Statement pursuant to Section 212 of the Companies Act, 1956.....	96
Management Discussion and Analysis Report.....	98

Other Information

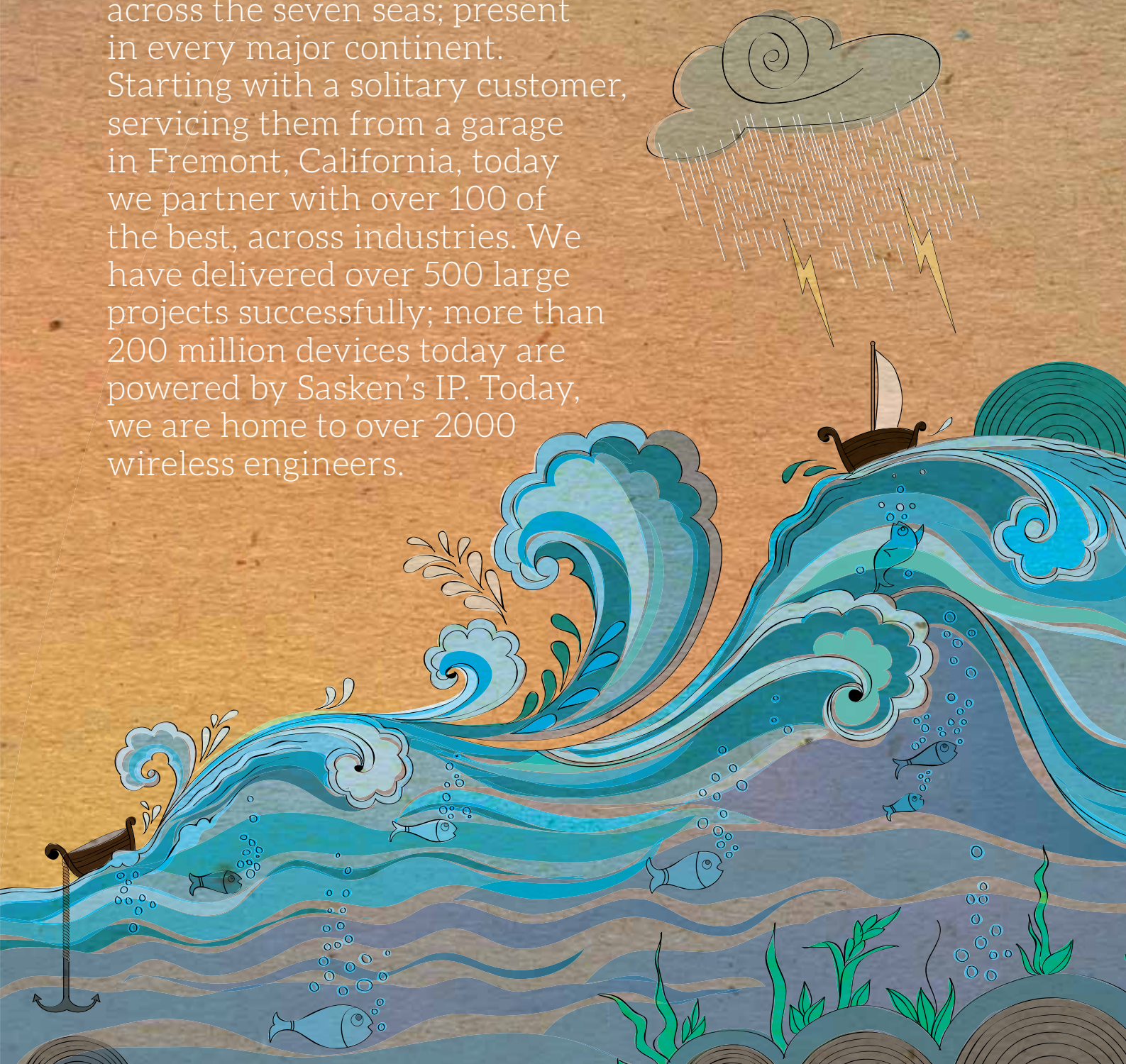
Route Map to Sasken Registered Office	110
Attendance Slip and Proxy Form	111





The sea lends opportunities; to learn, to achieve.
The fierce tide teaches; the calm sea soothes,
lending opportunity to sail on. Our journey, like
the sea, never ends, our sail never permanently
down, for it isn't a port we are sailing to. We sail
with the wind, only to discover more.

These 25 years have taken us
across the seven seas; present
in every major continent.
Starting with a solitary customer,
servicing them from a garage
in Fremont, California, today
we partner with over 100 of
the best, across industries. We
have delivered over 500 large
projects successfully; more than
200 million devices today are
powered by Sasken's IP. Today,
we are home to over 2000
wireless engineers.





Board of Directors

Mr. Rajiv C. Mody	Chairman and Managing 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. Kiran S. Karnik	Director
Mr. Pranabh D. Mody	Director
Mr. Sanjay M. Shah	Director
Dr. G. Venkatesh	Whole Time Director
Mr. Krishna J. Jhaveri	Whole Time Director
Ms. Neeta S. Revankar	Whole Time Director & Chief Financial Officer
Mr. Bharat P. Mehta	Alternate Director to Mr. J. B. Mody

Committees of the Board

Audit Committee
Compensation Committee
Share Transfer and Investor Grievance Committee
Governance and Nomination Committee
Strategy, Business and Marketing Review Committee
Technology, Capabilities and HR Committee

CFO and Global Head - HR, IT and Administration

Ms. Neeta S. Revankar

Company Secretary and Compliance Officer

Mr. S. Prasad

Registered and Corporate Office

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

Statutory Auditors

S.R. Batliboi & Co. LLP
Chartered Accountants

Bankers

Citibank N.A.
Deutsche Bank AG
HDFC
Union Bank of India



Leadership Team

(from right to left)

Mr. Rajiv C. Mody
Chairman and Chief Executive Officer

Dr. G. Venkatesh
Chief Technology and Strategy Officer

Ms. Neeta S. Revankar
CFO and Global Head – HR, IT and Administration



Letter to Shareholder

Dear Shareholder,

I am very happy to present to you the performance of your Company for FY 2013.

The economic uncertainty of the preceding years coupled with tremendous changes in the communications industry continue to pose challenges to us in the fiscal year. Our resilience has been tested to the fullest extent, as we had to rebuild revenues lost on account of ramp downs that we witnessed in some of our major customer engagements. While we won business that helped compensate for the decline in revenue, we are yet to post year - on - year growth.

The churn in technology impacted all constituents of the communications value chain. The insatiable appetite for smart devices that support numerous data hungry applications created a surge in the processing power that needs to be packed in semiconductors. Smart device manufacturers jockeyed for supremacy and continue to churn out several innovative products. Wireless carriers have begun the deployment of broadband wireless networks built around Long Term Evolution (LTE) and have started addressing vertical markets such as home automation, machine-to-machine communication, etc. The prevailing hypercompetitive environment has increased pressures on seeking greater returns on their R&D investments.

We have established our leadership in Android by providing a vast array of services including bring up, base port, connectivity solutions, upgrades, enhancements and testing. Our familiarity with Android started with CupCake and includes all variants up to the latest version, Jelly Bean. Our engagements have been on all leading silicon platforms on which Android devices are built and have been provided to four out of the five top device OEMs. In addition, we have worked on various device form factors like smartphones, tablets and set - top boxes.

Building on our expertise in the smart devices space, we have successfully made forays to serving the needs of ruggedized device manufacturers. Our customer portfolio includes two of the largest players in this arena whose combined market share exceeds 50%. The primary reason we have been seen as partner of choice by these manufacturers is our unmatched leadership position in the area of providing product development support for devices based on Android platform. These devices are migrating from legacy operating systems to Android and Windows, which we enable. In addition, we also help these devices support newer connectivity standards.

On the Networks front, we are building on our well established presence in radio access networks. We have been providing design services for the small cell market especially in geographies like Korea who are pioneers in adoption of small cells. Our good track record in these markets and the increased carrier adoption of pico base stations globally, is likely to result in greater business opportunities for us.

We are looking to engage with a large network OEM to provide backward compatibility of their wireless networks to address the tail market for multi-generation networks. In the networks space, a majority of our services are in the area of providing sustenance support for second generation offerings. The third generation technologies are also expected to soon come into sustenance mode. However, we are seeing demand for development and enhancement services on the back of increased demand for commercial LTE networks. We are providing support for enabling network monitoring by law enforcement agencies using Deep Packet Inspection (DPI) technologies. Service providers are exploring DPI based solutions in the area of billing and revenue assurance to support tiered billing and reduce unauthorized use of network resources. We are banking on our competencies in DPI to explore business opportunities in these areas.

In the ICDS (Integrated Chip Design Services) space, we have been entrusted with full chip design services for a System-on-Chip design activity. Such projects, awarded to us in an ownership mode bear testimony to our long standing experience in silicon design.

Analog semiconductors is an area of high growth, in particular, those addressing high performance. We have provided Analog design, Layout and verification services to three large semiconductor companies. Reflecting our domain competency in the area of IC Design, we are now executing a string of projects in the area of System-on-Chip design in the ownership mode.

We are seeing an increased traction for large scale field testing services from leading semiconductor vendors to provide testing services in several countries. Our engineering teams are currently providing field testing services in over 30 countries in North America, Europe and Asia. The services include carrying designated drive tests, collecting logs which our India based ODC would analyze and provide solutions for. There is an increased growth being experienced in the onsite business in the area of Android porting, testing and connectivity solutions. We are providing services to add multimedia and connectivity solutions for a core communication processor that supports LTE and is targeted towards manufacturers of smartphones and tablets.



Zinnov, a reputed independent consultant, has in its Global Service Provider Rating – 2012 placed Sasken in the leadership zone in the Telecommunications vertical.

Increased traction is seen in providing on-site testing services for chipsets that support LTE, services for porting and supporting Windows on semiconductor platforms. Our customers have successfully bagged a number of design wins from OEMs. This portends that we will be seeing a robust demand for our services to support these design wins in the future.

Our concerted efforts to broad base our revenues by tapping into adjacencies and white spaces are progressing well. We have won a prestigious assignment from a global leader in the automotive segment to examine the feasibility of building LTE capability to enhance in-car connectivity. Owing to an increase in the market acceptance of our rear seat entertainment solutions, one of our customers has been able to win new deals from some of the largest auto manufacturers from Europe and US.

Additionally, we have won business from a leading Chinese automobile manufacturer to whom we have licensed our multimedia IP, which will be incorporated in their in-vehicle infotainment systems. Also as an extension to our current engagements, we have signed a deal with a tier-1 Japanese customer for next generation infotainment systems. We are also pursuing large deals in the automotive space in telematics and infotainment segments.

We have made some small but significant progress in our endeavour to service the growing market for enterprise mobility. We have successfully delivered a digital consumer engagement application for one of the largest FMCG companies. Our mobile application is intended to help them market one of their popular grooming products which, for the first time, will be promoted solely on the mobile platform. This application combines SoLoMo (social, location and mobile) technologies to provide a compelling engagement with the brand and leverages the social capital of the user to promote the brand. We have also provided an in-store application for a ruggedized device manufacturer that will be used by retail stores to enable their business associates to have more meaningful interactions with their customers.

Zinnov, a reputed independent consultant, has in its Global Service Provider Rating 2012 placed Sasken in the leadership zone in the Telecommunications vertical. On an overall basis, Sasken has been rated as being an established service provider of niche services and is also acknowledged to be well positioned in other verticals like Consumer Electronics and Semiconductors.

We continue to pursue supporting the multimodal mobile commerce platform VyapaarSEWA as a part of our CSR initiative. Sasken is committed to develop technologies, especially in wireless communications, to improve the social, economic and personal well-being of the society. The initial demonstration of the same was much appreciated by the Department of Telecommunications, NABARD, and Cherie Blair Foundation for Women amongst others. We have signed an MoU with Evangelical Social Action Forum (ESAF) Self Help Groups (SHG) Federation for pilot testing the use of this platform. About 100 beneficiaries in the areas of Chennai and Coimbatore in Tamil Nadu and Thrissur in Kerala will be involved in the Proof of Concept phase during this year.

Sasken participated in LACP's (League of American Communications Professionals) 2012 Spotlight Awards, a Global Communications Competition and bagged the Gold award, yet again! This is Sasken's fifth consecutive win, in LACP's annual competition.

Sasken has carved a unique position by leveraging its understanding of all components of the communications eco-systems spanning semiconductors, mobile devices, network elements and service providers. The value proposition that Sasken brings is that of accelerating the 'development cycle' for OEM to speed up their product launch. In addition Sasken can help customers keep pace with rapid changes due to evolution of technology and the resultant fragmentation by helping customers deliver products that are compatible and conform to current releases of both hardware and software. A robust recruitment and training engine will ensure that Sasken is well placed to deliver to the needs of customers in the communication market and other adjacencies.

My management team and I pledge to do all we can in our control to ensure your Company remains successful. We are thankful for your support and look forward to the same in the years to come.

Thanking you,

Rajiv C. Mody
Chairman and Managing Director



