

SASKEN
ANNUAL REPORT

2017-
2018



The very purpose of an enterprise is to help the coming together of customers with products and services. In other words, commerce is the life-blood of the modern social fabric. In a hyper-competitive world that works in warp time, it is not possible to do it alone. Service organizations play a crucial role by providing a repertoire of complementary skills adding velocity to an enterprise and abetting it to stay ahead. The onslaught of change requires that organizations remain agile and adopt a modularised approach to development. An enterprise, therefore, to ensure its success must truly believe the whole is greater than the sum of the parts. Organisations must have a strong emotional quotient and never deviate from the time-tested practice of being human-centric. An organization must stay ever committed to upholding values and acting in the best interest of its stakeholders. Your Company prides in bringing these much-needed values to its customers.

Contents

03

Board of Directors

05

Letter to Shareholders

07

The Sasken Brand Story

11

Technology & Market

14

Sasken CSR Initiatives

18

Sasken People

21

Board's Report

26

Annexure to
Board's Report

FINANCIAL STATEMENTS

53

The Year at a Glance -
Consolidated (Non GAAP)

54

Financial Performance -
a 7 Year Snapshot

56

Auditors' Report on
Standalone Financial Statements

62

Standalone
Balance Sheet

63

Standalone Statement
of Profit & Loss

65

Standalone Cash Flow Statement

66

Notes to Standalone
Financial Statements

105

Auditors' Report on
Consolidated Financial
Statements

108

Consolidated
Balance Sheet

109

Consolidated Statement
of Profit & Loss

111

Consolidated Cash
Flow Statement

112

Notes to Consolidated
Financial Statements

154

Statement pursuant to
Section 129(3) of the
Companies Act, 2013

155

Management Discussion &
Analysis Report

TASTE

To savour the bounty of nature is a gift. Good taste is often seen as a trait of the developed mind.

In a world fraught with counterfeits, Sasken strives to bring peace of mind by putting its technology to establish authenticity.



Board of Directors

Mr. Rajiv C. Mody	Chairman, Managing Director & CEO
Ms. Neeta S. Revankar	Whole Time Director & CFO
Mr. Bansi S. Mehta	Director
Mr. Bharat V. Patel	Director
Mr. Jyotindra B. Mody	Director
Mr. Pranabh D. Mody	Director
Prof. J. Ramachandran	Director
Mr. Sanjay M. Shah	Director
Mr. Sunirmal Talukdar	Director
Dr. G. Venkatesh	Director

Company Secretary

Mr. S. Prasad

Statutory Auditors

M/s. B S R & Associates LLP

Chartered Accountants

Committees of the Board

Audit Committee

Corporate Social Responsibility Committee

Nomination and Remuneration Committee

Stakeholders Relationship Committee

Strategy, Business and Marketing Review Committee

Bankers

Citibank NA

Union Bank of India

Axis Bank Limited

Registered and Corporate Office

No. 139/25, Ring Road, Domlur

Bengaluru 560 071, India

CIN: L72100KA1989PLC014226



Rajiv C. Mody (R)
Chairman, Managing Director & CEO

Neeta S. Revankar (L)
Whole Time Director & CFO

Dear Shareholder,

I am pleased to inform you that this marks the thirtieth year since we began our journey as a humble yet bold startup in 1989. I firmly believe that we are on a trajectory that will see us grow faster and emerge stronger as we are on course to achieve our bold 5x5 vision.

Embracing change has been the credo with which we have operated. Our new brand identity encapsulates our vision, renewed energy, and purpose. Our new identity is backed by our brand promise which includes the commitment to uphold 'Intellectual Integrity' by being 'Tech-first' and 'World-Class' in all our endeavors.

As I reflect on this journey, our key learnings have been to improve assessment of opportunities, mitigate associated risks and translate technical knowledge to serve customer needs. We are well placed to leverage our core competence to address the needs of multiple industry verticals. The ability to make our expertise fungible, build an agile organization, be prepared to respond to the demands of business in the digital era is our key differentiator. Our leadership team has pro-actively worked to position your Company as a service provider with a full complement of 'Chip to Cognition' solutions in line with our stated vision.

The confidence to be a strategic partner to our customers stems from our long-standing expertise in silicon platforms, embedded software, communication technologies, standards and more recently digital technologies. The growth that we have posted through the fiscal year 2018 further reiterates the achievability of the goals laid out in our 5x5 vision.

Our strength lies in the ability to keep abreast of the latest developments in technology and help customers commercialize them. Our expertise serves to help our customers achieve several advantages including shortened development life cycles, incorporate latest technologies, gain significant market share among others. We take pride in the fact that we have powered the global launch of over 100+ unique products with collective shipments exceeding a billion units.

In their 2017 ranking of product engineering service companies, Zinnov – a renowned independent consulting firm, validated our claim of being a leader in product engineering services. Your Company finds a place in the leadership zone in semi-conductors and telecommunications and among the leading players in automotive, consumer electronics, and industrial automation.

I am delighted to share the highlights of how your Company has helped customers deliver world-class products. In the satellite segment, we have bagged the most significant deal in the history of the Company. We have been entrusted to build several variants of satellite terminals that are slated to launch in 2020. In the automotive segment, we continue to help tier-1 OEMs and semiconductor companies, build integrated communication systems. Our new services include solutions for enhanced driver assistance and safety. World leaders in the semiconductor segment actively partner with us to enhance their product lines and support customers worldwide. Our industrial customers see us as their software arm bringing novel solutions in manufacturing and heavy engineering sectors.

As a progressive company, we invest in technologies that define the future by creating what experts call an Integrated Digital Mesh. Our ability to combine strengths in embedded and digital services will catapult us to a position of leadership to build unique solutions for the physical and digital worlds.

DIVIDEND DATA

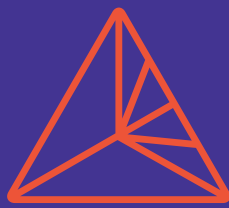
During the year, your Company paid two interim dividends of (a) Rs. 2.50 per equity share in Oct, 2017; and (b) Rs. 3.00 per equity share in Feb, 2018. Your Directors have recommended a final dividend of Rs. 4.50 per equity share for the approval of shareholders at the Annual General Meeting. The total dividend for the year ended Mar 31, 2018 would be Rs. 10 per equity share of Rs.10 each. I trust that you would be happy to note that your Company has maintained its track record of paying dividends since its listing in 2005.

On behalf of my managing team and I, I thank you for staying invested in Sasken and promise to do our best to uphold the interests of all our stakeholders.

Thanking you,

Rajiv C. Mody

(Chairman, Managing Director, and CEO)



SASKEN

01

The Sasken Brand Story

SASKEN'S BRAND STORY: PURSUIT OF EXCELLENCE

Your Company has always shown a penchant for discovering new horizons, embracing change and going where few have dared. Being satisfied is something we do not believe in. We charted out a bold yet highly achievable goal outlined in what we call our 5x5 vision. To provide the impetus for this journey and beyond we have created a contemporary and energetic visual identity.

At Sasken, we revel in the spirit of innovation and discovery – of seeking the unexplored. We leverage our strengths to build capabilities that present an advantage to our business and customers. We seek to abandon limited perspectives and set business goals that facilitate growth and learning. But not before we have defined the path that takes us there. A path carved by honoring our commitment to delivering the best technology to our customers, and investing in innovation as well as continuous learning.

To us, this is the pursuit of excellence.

SASKEN'S BRAND IDENTITY

Our new identity provides us the positivity, motivation, and inspiration to achieve our goals. Our new logo draws inspiration from the symbol for Air, which is represented by a triangle and the energy we possess as an organization. Air symbolizes communication and the geometry of the triangle cue the three distinct values that define Sasken – World-Class, Intellectual Integrity, and Tech-First. A single beam within the triangle breaks into a burst of energy, signifying the diversification and the march forward towards our 5x5 vision. The form of the logo and choice of colors have been carefully chosen to reflect our heritage and dependability that spans almost three decades.

Purple in our logo symbolizes understated leadership which reflects our humility and willingness to serve despite being recognized a leader in Product Engineering and Digital Transformation Services. The orange echoes the energy and vibrancy of the company and its commitment to nourish and nurture the best talent in the industry.



VISION

Vision is a potent asset. The ability to perceive and discern is an indicator of our evolution. As they say, an eye for detail is vital for success.

Sasken engineers work on a number of technologies that reduce human error and enhance driver assistance and safety.

New Cameras

