



SOFFIA SOFTWARE LIMITED
9th Annual Report 2002 - 2003

for SOFFIA SOFTWARE LTD.

Report

Company Secretary

reportjunction.com

quintegra
solutions

Subsequent to the decision taken by the Board of Directors at their meeting held on 30.10.2003, the name of the company is changed to Quintegra Solutions Limited. The name change is subject to approval from the Shareholders.



SOFFIA SOFTWARE LIMITED

168, 'Soffia Towers', Eldams Road, Teynampet, Chennai 600018.

Tel: 91-44-4328395 Fax: 91-44-4328399

NOTICE

2002 - 2003

Notice is hereby given that the Ninth Annual General Meeting of the Shareholders of the Company will be held at 11.00 a.m. on Tuesday, the 9th day of December 2003 at the Russian Culture Centre Hall, Old No.27, New No.74, Kasthurl Ranga Road, Chennai -0600 018, to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 30th June 2003, together with the Profit and Loss Account for the year ended as on that date, the schedules, notes, the Directors' Report and Auditor's Report thereon
2. To appoint a Director in place of Mr. G.R.Lakshmanan who retires by rotation and being eligible offers himself for re-appointment
3. To appoint the Auditors of the Company for the ensuing year and to fix their remuneration

Special Business

4. To consider and if thought fit to pass with or without modification, the following resolution as ordinary resolution:
"RESOLVED THAT Mr. Babu Thiagarajan, who was appointed as additional director on 09.06.2003 and holds such office upto the date of this Annual General Meeting and in respect of whom the company has received notice in writing, pursuant to Section 257 of the Companies Act, 1956, proposing his candidature to the office of Director be and is hereby appointed as Director of the Company."
5. To consider and if thought fit to pass with or without modification, the following resolution as ordinary resolution:
"RESOLVED THAT Mr. Venkat Krishnaswamy, who was appointed as additional director on 09.06.2003 and holds such office upto the date of this Annual General meeting and in respect of whom the company has received notice in writing, pursuant to Section 257 of the Companies Act, 1956, proposing his candidature to the office of Director be and is hereby appointed as Director of the Company."
6. To consider and if thought fit to pass with or without modification, the following resolution as ordinary resolution:
"RESOLVED THAT Mr. V.Sriraman, who was appointed as additional director on 30.08.2003 and holds such office upto the date of this Annual General meeting and in respect of whom the company has received notice in writing, pursuant to Section 257 of the Companies Act, 1956, proposing his candidature to the office of Director be and is hereby appointed as Director of the Company."
7. To Consider and if though fit, pass, with or without modifications, the following resolution as special resolution.
"Resolved that subject to the approval of the Central Government under Section 21 of the Companies Act 1956, the name of the Company be changed to QUINTEGRA SOLUTIONS LIMITED from Soffia Software Limited and accordingly the name Soffia Software Limited wherever appears in the Memorandum & Articles of Association of the Company be substituted with QUINTEGRA SOLUTIONS LIMITED"
8. To Consider and if though fit, pass, with or without modifications, the following resolution as ordinary resolution.
"RESOLVED THAT pursuant to the provisions of Sections 198,269,309,310 and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modifications or enactments thereof, for the time being in force, Mr. Babu Thiagarajan be and is hereby appointed as the Managing Director of the Company for a period of 5 years with effect from 30th October, 2003 on the terms and conditions specified in the explanatory statement to this resolution be and is hereby approved."

"RESOLVED FURTHER THAT during any year of loss or inadequacy of profits, salary and allowances fixed by the Directors together with other perquisites shall be paid as minimum remuneration and that the Board of Directors be and are hereby authorised to make an application to the Central Government as may be necessary if such minimum remuneration exceeds the ceiling prescribed under Schedule XIII to the Companies Act, 1956, or any statutory modifications thereof."

"FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorised to revise the remuneration and benefits of Mr. Babu Thiagarajan from time to time within the ceiling prescribed under Schedule XIII to the Companies Act, 1956, as may be in force from time to time."

9. To Consider and if though fit, pass, with or without modifications, the following resolution as special resolution.

“RESOLVED THAT subject to the compliance with the applicable statutes and regulations, including the SEBI (Delisting of Securities) Guidelines 2003, the consent of the company be and is hereby accorded for delisting of the equity shares from the Madras Stock Exchange, Ahmedabad Stock Exchange, Cochin Stock Exchange and Coimbatore Stock Exchange, and the Board of Directors of the Company be and is hereby authorised to do all such acts deeds and things as may be necessary expedient or proper to give effect to this proposal.”

10. To consider and if deemed fit, to pass with or without modification, the following resolution as a Special Resolution.

“RESOLVED THAT pursuant to Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approvals, consents, permissions and / or sanctions as may be necessary of the Government of India (GOI), Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), the Listing Agreement entered by the Company with the Stock Exchanges and any other appropriate authorities, institutions or bodies and subject to such conditions as may be prescribed by any of them in granting any such approval, consent, permission or sanction, the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include any committee of the Board exercising the powers conferred by the Board) be and is hereby authorised on behalf of the Company to issue/offer and allot Equity Shares / Preference shares / Convertible notes/ Securities with or without detachable warrants/ Fully Convertible Debentures (FCDs) / Partly Convertible Debentures (PCDs) or any Securities convertible into Equity shares whether optionally or otherwise/Euro convertible Bonds (ECB's) / foreign Currency Convertible Bonds (FCCB's) / Global Depository Receipts (GDR's) / American Depository Receipts (ADR's) / Secured Premium Notes (SPN), (hereinafter referred to as “Securities”) for an aggregate amount not exceeding USD 100 Million (with permissible green shoe option) or equivalent in Indian and / or in any other currency(ies) (inclusive of such premium, as may be fixed on such Equity Shares) or upto such Limit as may be permitted by the Ministry of Finance or such other Authorities whichever is higher, directly to Indian or Foreign Investors (whether institutions, incorporated bodies, mutual funds and/ or individuals or otherwise and whether or not such investors are members, promoters, directors or their associates of the Company) through public issue(s), rights issue(s), Private placement(s), Preferential allotment for cash or stock swap or acquisition of business / companies or a combination thereof at such time or times and in such tranche or tranches, at such price or prices, at a discount or premium to market price or prices in such manner and on such terms and conditions including security, rate of interest etc. as may be decided and deemed appropriate by the Board at the time of such issue of allotment considering the prevailing market conditions and other relevant factors wherever necessary in consultation with the lead managers and Underwriters or through the subsidiaries, so as to also enable the Company to get listed at Indian Stock exchanges and overseas stock exchanges such as Singapore, Luxembourg, London, Nasdaq and / or New York Stock Exchange and / or any of the other overseas Stock Exchanges.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to accept any modifications in the proposal as may be required by the authorities involved in such issues but subject to such conditions as the SEBI/GOI/RBI or such other appropriate authorities may impose at the time of their approval and as agreed to by the Board.”

“RESOLVED FURTHER THAT without prejudice to the generality of the above, issue of securities in international offering may have all or any term or combination of terms in accordance with the international practice including but not limited to conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payment whatsoever and all such terms as are provided in international offering of this nature including terms for issue of additional Equity Shares of variation of the conversion price of the Securities during the duration of the securities.”

“RESOLVED FURTHER THAT the Board is also entitled to enter into and execute all such arrangement/ agreement with any Lead Managers / Underwriters / Guarantors / Depositors / Custodians and all such agents as may be involved or concerned in such offering of securities and to remunerate all such agents including by way of payment or commission, brokerage, fees, expenses incurred in relation to the issue of securities and other expenses, if any or the like.”

“RESOLVED FURTHER THAT the Board be and is hereby also authorised subject to approval of the Reserve Bank of India and the concerned authorities to secure the entire or any part of the issue by creation of the mortgage/charge on the company's immovable and movable properties, present and future, such charge to rank either pari passu with or second, subsequent, subservient and subordinate to all the mortgages/charges created/to be created by the Company for all existing and future borrowings and facilities whatsoever.”

“RESOLVED FURTHER THAT the company and/or any agency or body authorised by the Company may issue Global Depository Receipts and/or other form of securities mentioned herein above representing the underlying Equity Shares issued by the Company in registered or bearer form with such features and attributes as are prevalent in capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the prevailing practices and regulations in the Capital markets.”

"RESOLVED FURTHER THAT the Securities issued in international offering shall be deemed to have been made abroad in the markets and/ or at the place of issue of the Securities in international markets and shall be governed by English or American law, as the case may be."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities referred to in paragraph(s) above as may be necessary in accordance with the terms of the offering and all such shares to rank pari passu with the existing Equity Shares of the Company in all respects, excepting such right as to dividend and voting as may be provided under the Terms of the issue and in the Offer Document."

"RESOLVED FURTHER THAT for the purpose of giving effect to any issue of allotment of Equity Shares or Securities representing the same, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable and to settle any questions, difficulty or doubt that may arise in regard to the offering, issue, allotment and utilisation of the issue proceeds, as it may in its absolute discretion, deem fit and proper."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any committee of Directors or Senior Executive(s) / Officer(s) of the Company to give effect to the resolution".

11. To consider and if deemed fit, to pass, with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 81(1A) and other applicable provisions if any of Companies Act, 1956 and subject to the approvals, consents, permissions and/or sanctions as may be necessary of the Government of India (GOI), Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), the Listing Agreement entered by the Company with the Stock Exchanges and any other appropriate authorities, institutions or bodies and subject to such conditions as may be prescribed by any of them in granting any such approval, consent, permission or sanction, the Board of directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any committee of the Board exercising the powers conferred by the Board) be and is hereby authorised on behalf of the Company to issue/offer and allot Equity Shares / Preference shares / Convertible notes/ Securities with or without detachable warrants/Fully Convertible Debentures (FCDs) / Partly Convertible Debentures (PCDs) or any Securities convertible into Equity Shares whether optionally or otherwise/Secured Premium Notes (SPN), (hereinafter referred to as "Securities") upto a quantity not exceeding 1,00,00,000 equity shares of Rs.10/- each at a price not lower than that determined as per SEBI guidelines to the persons / entities mentioned in the explanatory statement annexed hereto on private placement and / or preferential basis from time to time in one or more tranches, for cash or stock swap or acquisition of distribution rights/ source codes / digital contents / business / companies or a combination thereof as may be decided by the Board including the form and terms of issue, and to accept any modification in the proposal as may be required by the authorities involved in such issues, but subject to such conditions as GOI/SEBI/RBI or such other authorities may impose at the time of their approvals and as agreed by the Board."

"RESOLVED FURTHER that for purpose of giving effect to any issue/ allotment of Equity Shares or Securities as aforesaid, the Board be and is hereby authorised to do all such acts, deeds, matters and things and to settle any questions, difficulty or doubt that may arise in regard to the offer, issue, allotment and utilisation of the issue proceeds, as it may, in its absolute discretion, deem necessary, fit and proper."

12. To consider and if deemed fit, to pass with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT in accordance with the provisions contained in the Articles of Association and Section 79A, Section 81 and all other applicable provisions of the Companies Act, 1956 ("the Act") and the provisions contained in the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the guidelines") (including any statutory modification(s) or re-enactment of the Act or the guidelines, for the time being in force) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee including Employee Stock Options Scheme / Employee stock Purchase Scheme, Compensation Committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution), consent of the Company be and is accorded to the Board to create, offer, issue and allot at any time to or for the benefit of such person(s) who are in employment of the Company whether permanent or temporary or contractual, including directors of the Company, whether working in India or abroad, employees / Directors of group / associate Companies working in India / abroad under a Scheme titled "Employee Stock Option Scheme / Employee stock Purchase Scheme" (hereinafter referred to as the "ESOS" or "ESPS" or "Scheme" or "Plan")) such number of equity shares and / or equity linked instruments (including Options) ,

equity shares issued through American Depository Receipt ("ADRs") and / or Global Depository Receipt ("GDRs") and / or any other instruments or securities (hereinafter collectively referred to as "securities") of the Company which could give rise to the issue of equity shares upto a maximum of 10% of the issued Equity Share Capital, at such price, in one or more tranches and on such terms and conditions as may be fixed or determined by the Board in accordance with the Guidelines or other provisions of the law as may be prevailing at that time;"

"RESOLVED FURTHER THAT the said securities may be allotted directly to such employees / directors or in accordance with a scheme framed in that behalf through a trust which may be setup in any permissible manner and that the scheme may also envisage for providing any financial assistance to the trust to enable the employee / trust to acquire, purchase or subscribe to the securities of the Company;"

"RESOLVED FURTHER THAT the new equity shares to be issued and allotted by the Company in the manner aforesaid shall rank pari passu in all respects with the then existing equity shares of the Company.

"RESOLVED FURTHER THAT the Board is authorised to withdraw, recall, accept, surrender or cancel options already issued/to be issued pursuant to this resolution or any other resolutions passed by the Members, and to re-issue the options / warrants withdrawn, re-called, surrendered or cancelled, to issue fresh options in lieu thereof and the Board has thereby authorised to cancel the existing Employee Stock Options Scheme and to adopt a new Employee Stock Options Scheme / Employee Stock Purchase Scheme to benefit the employees at such price, in such manner, during such period, in one or more tranches and on such other terms and conditions as the Board may deem fit in the best interest of the Company and its employees."

"RESOLVED FURTHER THAT for the purpose of giving effect to any offer or grant of options, issue or allotment of equity shares pursuant to the options granted, or securities or instruments representing the same, as described above, under any Employee Stock Options Scheme / Employee Stock Purchase Scheme the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in this regard to such issue(s) or allotment(s) (including power to amend, vary, or modify any of the terms and conditions of the scheme, the grant of options, issue or allotment of equity shares pursuant to the options granted), without being required to seek any further consent or approval of the members, in its sole discretion as it may deem fit."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any powers herein conferred to any Committee of Directors including the Compensation Committee."

NOTES :

1. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his behalf and a proxy need not be a member. The instrument appointing a proxy should be deposited at the Registered Office of the Company, not later than 48 hours before the meeting.
3. The Register of Members and share transfer books will remain closed from Monday, the 1st day of December 2003 to Tuesday, the 09th day of December 2003 (both days inclusive).
4. Members are requested to bring their copies of the Report and Accounts to the meeting. Please bring the attendance slip with you duly filled in and hand over the same at the entrance of the Meeting Hall.
5. Members are requested to notify any change in their addresses immediately.
6. Members desirous of getting any information about the accounts and operations of the company are requested to address their queries to the Company Secretary at least seven days in advance of the meeting so that the information required can be made available at the meeting.
7. In case of joint holders attending the meeting, only such joint holder who is higher in the order of the names will be entitled to vote.
8. Corporate members intending to send their authorised representative are requested to send a duly certified copy of the Board resolution authorising their representative to attend and vote at the Annual General meeting.

By Order of the Board

Place : Chennai.
Date : 30th October 2003

for SOFFIA SOFTWARE LIMITED

R.Venkata Subramani
Chairman

EXPLANATORY STATEMENT UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956.

ITEM No.2

- **Reappointment of G.R.Lakshmanan**

Mr. G.R. Lakshmanan brings with him wide experience in the legal field. He is also on the Board of the Company since 21st August 2000.

Mr. G.R. Lakshmanan may be deemed to be interested in this resolution

ITEM No.4 & 8 Combine

- Mr. Babu Thiagarajan, was appointed as Additional Director at the Board Meeting of the Company on 09.06.2003. Pursuant to Sec 260 of the Companies Act 1956, Mr Babu Thiagarajan holds office upto the date of the forth coming Annual general meeting and is eligible for appointment. Notice under Section 257 of the Companies Act 1956 has been received from a member signifying his intention to propose the appointment of Mr Babu Thiagarajan as a Director of the Company. He is eligible for appointment as Director of the company. Mr Babu Thiagarajan has 20 years of experience in the Information Technology field. A Chartered Accountant by qualification, Mr Babu Thiagarajan moved to the US in the early 80's and spent 13 years consulting for big firms like IBM, Nabisco, Beneficial Corporation and Coopers & Lybrand (PWC) before promoting Transys Technologies Pvt. Ltd. He is not holding directorship in any other Company.

The Board commends the resolution for acceptance by the Members.

Mr. Babu Thiagarajan may be deemed to be interested in this resolution

ITEM No.5

- Mr. Venkat Krishnaswamy, the other promoter of erstwhile TranSys Technologies P Ltd was appointed as Additional Director at the Board Meeting of the Company on 09.06.2003. Mr. Venkat Krishnaswamy has over 18 years of working experience in the IT Industry. He has worked with Data general, HMT Limited, Tata Borroughny and Hexaware Technologies in various capacities before joining hands with Babu to set up TranSys. In his last assignment, Swamy was President of Hexaware Technologies, a start-up IT consulting and software development firm that he grew to a multi-million dollar operation over five years. He is not holding directorship in any other Company.

Mr. Venkat Krishnaswamy may be deemed to be interested in this resolution.

ITEM No.6

- Mr.V.Sriraman, was appointed as Additional Director at the Board meeting of the Company held on 30.08.2003. Pursuant to Sec 260 of the Companies Act 1956, Mr.V.Sriraman holds office upto the date of the forth coming Annual general meeting and is eligible for appointment. Notice under Section 257 of the Companies Act 1956 has been received from a member signifying his intention to propose the appointment of Mr.V.Sriraman as a Director of the Company. He is eligible for appointment as Director of the company. Mr.V.Sriraman has wide exposure to handling marketing activities and was instrumental in getting very big orders from many companies. His appointment on the Board will give an added impetus to the marketing activities. He is not holding directorship in any other director.

The Board commends the resolution for acceptance by the Members

Mr. V. Sriraman may be deemed to be interested in this resolution

ITEM No.7

- It is proposed to change the name of the Company to QUINTEGRA SOLUTIONS LIMITED, so as to reflect the business of the Company, after merger of Transys Technologies P Ltd. The Company has already obtained the availability of the name from the Registrar of Companies, Tamilnadu.

The directors recommend this resolution to be passed.

None of the directors are interested in this resolution

ITEM No.8

- Appointment of Mr. Babu Thiagarajan as Managing Director**

The Board of Directors of the Company at their Meeting held on 30.10.2003 appointed Mr Babu Thiagarajan as the Managing Director of the Company for a period of 5 years with effect from 1.11.2003. The remuneration Committee has fixed the terms and conditions of his appointment as below:

- A. Gross Salary and other allowances. Rs 3,50,000 per month
- B. Housing: HRA at 60% of the salary
- C. Medical: One month's salary in a year or 3 months salary over a period of 3 Years for self, wife, children and dependents.
- D. Leave Travel Assistance: For self, family to and from Airfare and other related expenses to any place in India or abroad once in a year
- E. Club Fees: Fees for 2 clubs not including admission and life membership fees.
- G. Other Benefits:
 - 1. Leave and encashment: As per rules of the Company
 - 2. Car: Free use of company maintained car with a driver
 - 3. Telephone: Telephone at residence and personal long distance calls to be recovered at actuals.
 - 4. Commission: As may be decided at the Board meeting, upon clearance by the Remuneration Committee

The above remuneration is to be paid in case of inadequacy of profits also. However, if this minimum remuneration exceeds the ceiling prescribed under Schedule XIII of the Companies Act, 1956, the Company should get approval from central Government or such other authority as may be prescribed at that point in time.

This appointment requires the approval of the shareholders in the general Meeting of the Company. Hence the resolution is placed before the Meeting.

Mr. Babu Thiagarajan, may be considered to be interested in this resolution.

ITEM No.9

- Delisting of shares from Stock Exchanges:**

The Company's shares are presently listed in 6 Stock Exchanges, viz, Bombay, National, Ahmedabad, Cochin, Coimbatore, Madras. These shares are very frequently traded only in Bombay and National Stock Exchanges. In all the other Exchanges, there are no transactions during the last few years. According to SEBI (Delisting of Securities) Guidelines 2003, the company has got an option to delist the equity shares, from one or more of the Stock Exchanges, other than the one which has nation wide terminals. There need not be any compulsion for the company to list the shares in an Exchange even if it is a Regional Stock Exchange. Considering the cost involved in keeping the listing with the these 4 exchanges, it was decided to delist the equity shares of the company from Madras, Ahmedabad, Cochin and Coimbatore Stock Exchanges. Members will not be put to inconvenience as the Company's shares will continue to be listed in Mumbai and National Stock Exchanges which has got nation wide terminals.

ITEM No.10

The Special Resolution set out as Item 10 of this Notice concerns a proposal by the Company to further issue securities by way of equity / equity linked instruments like American Depository receipts (ADRs), Global Depository Receipts (GDRs) Convertible Debentures (whether fully convertible or no), Secured Premium Notes, and/or other type of securities for cash or stock swap or acquisition of business or combination thereof through public offer/private placement, as mentioned in the resolution for an amount not exceeding US Dollars 100 Million (with permissible green shoe option) or equivalent in Indian or any other currency(ies) or upto such limit as may be permitted by the Ministry of Finance or such other Authorities. The purpose of the offer is to exploit the emerging opportunities for growth through acquisitions or otherwise, joint ventures and strategic alliances, both abroad and in India.

The mode of financing plans and also the utilisation plans will be worked out in consultation with the Advisors, Lead Managers and/or other agencies wherever applicable subject to the approvals of Government of India, Reserve Bank of India, Securities and Exchange Board of India and other authorities concerned. Since the modalities and the terms of the issue will be decided by the board, the issue price of such securities will be determined by the Board at the time of issue(s) depending on the prevailing market conditions and may be listed on Stock Exchange(s), whether in India or abroad, as may be deemed fit by the Board and may be

represented by depositing receipts and/or such other securities. This resolution gives adequate flexibility in respect of working out the modalities of issue including size, timing and pricing and also issue such securities in such tranches, at such times and at such price and /or such other valuable consideration(s) as the Board may in its absolute discretion deem fit.

The Special Resolutions, if passed, will have the effect of allowing the Board to issue and allot shares to Investors as detailed above, who may or may not be the existing shareholders of the Company.

The Board recommends the resolution for approval of the members

None of the directors is concerned or interested in this resolution.

ITEM No.11

The Company proposes to expand its business in Globally and also plans to enter into different business verticals that purpose it is proposed to issue Equity Shares / Convertible note / fully Convertible Debentures (FCDs) / Partly Convertible Debentures (PCDs) or Securities with or without detachable warrants/ any Securities convertible into Equity shares whether optionally or otherwise /Secured Premium Notes (SPN), (hereinafter referred to as "Securities") upto a quantity not exceeding 10000000 of equity shares of Rs.10/- each at a price not lower than that determined as per SEBI guidelines, as may be decided by the Board including the form and terms of issue.

The Board will also decide the exact instrument and the issue terms regarding the Issue price, application money, allotment money, call money etc. including the amount payable on conversion of the said instrument into equity shares, according to prevailing SEBI Guidelines on Preferential Issue of Securities.

Apart from what is specifically required by law, the following information is also given

- a) The Board shall determine the Price at which the allotment shall be made but such price shall not be less than the minimum determined as per the guidelines of SEBI
- b) The purpose and reason of such proposed allotment is mainly for acquiring some business ventures in Europe and also for the Indian entity of

The allotment is proposed to be made before 3 months from the passing of this resolution and the securities will be under lock-in as per SEBI guidelines.

The Board recommends the resolution for approval of the members.

None of the directors is concerned or interested in this resolution.

ITEM No.12

- The company wishes to introduce the ESOS or ESPS for the benefit of the employees as per SEBI guidelines.

The issue of stock option under ESOS or ESPS scheme shall not exceed 10% of the subscribed and paid up capital of the company.

Details of the Scheme

- a) Total number of option to be granted. The total number of options to be granted pursuant to the ESOS/ ESPS 2003 shall not exceed 10% of the total shares that may be issued by the Company at any time.
- b) Identification of classes of employees entitled to participate in the ESOS / ESPS.

Options are offered to employees who are in the employment of the company whether permanent or temporary and / or contractual basis with the company and the Directors (including Whole – time Directors of the Company), but excluding Promoter Directors or directors holding in excess of 10% of the equity shares of the Company.

- c) Requirements of vesting and period of vesting

The continuation of the employee in the service of the Company shall be a primary requirement of the vesting. The Compensation Committee shall formulate the other requirements of vesting, which may inter alia include efficiency, or productivity criteria as approved by the Board.

- d) Maximum Period within which the options shall be vested

The Maximum period within which the options shall be vested is 1 to 3 years from the date of grant option.

- e) Exercise period or pricing formula

The options under the ESOS/ESPS 2003 would be issued at a price as determined by the Compensation Committee.

f) Exercise period and procedure for exercise

The exercise period shall commence from the date of vesting and expire not later than 3 months from the date of such vesting and can be further extended to a period of 12 months from the vesting date upon a specific request from the employee concerned. However the compensation committee only under special circumstances may grant such an extension. The Compensation Committee will frame the mode or process of exercise of the option.

g) The appraisal process for determining the eligibility of employees to the ESOS/ESPS

The eligibility criteria for the employees under ESOS/ESPS will be determined by the Compensation Committee based on past and present performance, technical knowledge, professionalism, period of service, designation, responsibility, other qualities and traits or such other basis as the Committee may deem fit.

h) Maximum number of options to be issued per employee and in aggregate

The maximum number of options granted to any one employee in a year would not exceed 1% of the issued equity share capital of the Company at the time of granting of option.

i) Power to amend, vary or modify the scheme

The Board shall have powers to amend, vary, or modify any of the terms and conditions of the ESOS/ESPS pertaining to the grant of options, pricing of options, issue or allotment of equity shares pursuant to the options, without being required to seek any further consent or approval of the Members. The powers granted by the Members pursuant to this resolution will include powers to withdraw, recall, accept, surrender or cancel options issued/ to be issued pursuant to this resolution or any other earlier approval accorded by the Members in this behalf, and to issue fresh options in lieu thereof at such price, in such manner, during such period, in one or more tranches and on such other terms and conditions as the Board may decide.

j) Accounting Policies

The Company shall comply with the disclosure and accounting policies prescribed by SEBI and any other appropriate authority in this regard.

It is further suggested, for better operational convenience and subject to Board's approval, the Compensation Committee be empowered with the powers to withdraw, recall, accept, surrender or cancel options already issued/ to be issued and to reissue the options / warrants withdrawn, recalled, surrendered or cancelled, to issue fresh options in lieu thereof at such price, in such manner, during such period, in one or more tranches and on such other terms and conditions as the Board may deem fit in the best interest of the Company and its employees.

The administration of the scheme will vest with the Compensation Committee, which will adopt a manual detailing the salient features of the Scheme.

Approval of the members is sought in terms of Section 81(1A) of the Companies Act, 1956, for the issue of Equity Shares of the Company to the persons mentioned above under ESOS/ESPS. The Board/Compensation Committee shall have the absolute authority to vary or modify the terms in accordance with any guidelines or regulations that may be issued by any appropriate authority to vary or modify the terms in accordance with any guidelines or regulations that may be issued by any appropriate authority unless such variation, modification or alteration is detrimental to the interests of the employees /directors (including whole -time Directors)

None of the directors is concerned or interested in the Resolution. In case the Stock Option is made available to the directors of the company (other than the Promoter Directors), then such directors shall be deemed to be interested in this item of business, to the extent of the option made available to them.

The Board recommends the resolution for approval of the members.

By Order of the Board .

Place : Chennai.
Date : 30th October 2003

for SOFFIA SOFTWARE LIMITED

R.Venkata Subramani
Chairman



SOFFIA SOFTWARE LIMITED

Board of Directors

R. Venkata Subramani	-	Chairman
Babu Thiagarajan	-	Managing Director
Venkat Krishnaswamy	-	Director
R. Rengharajan	-	Director
V. Sriraman	-	Director
G.R. Lakshmanan	-	Director

Techincal Advisors to the Board

Kannan Srinivasan

Ashish Pant

Anto Vincent

Auditors

M/s. Gopikumar Associates
Chartered Accountants, Chennai.

Legal Advisor

G.R. Lakshmanan

Bankers

Andhra Bank
Mowbrays Road Branch
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