



Saksoft Limited



Saksoft Limited

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Waterside Court,
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Flat/RM 701, 7/F
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Saksoft Inc.

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BOARD OF DIRECTORS	
Chairman (Non–Executive)	Mr. Autar Krishna
Managing Director	Mr. Aditya Krishna
Executive Director (Operations & Technology)	Mr. N.K. Subramaniam
Non–Executive Director	Mr. S C Agarwal
Independent Non–Executive Director	Mr. R.Rajagopalan
Independent Non–Executive Director	Mr. Amitava Mukherjee
Independent Non–Executive Director	Mr. Suresh Subramanian
Independent Non–Executive Director	Mr. Ajit Thomas
CHIEF FINANCIAL OFFICER	Mr. Niraj Kumar Ganeriwal
COMPANY SECRETARY & COMPLIANCE OFFICER	Mr. S Narayan
AUDITORS	M/s B S R & Co., Chartered Accountants No. 10, Mahatma Gandhi Road Nungambakkam Chennai – 600 034.
BANKERS	Citibank N.A., Chennai Deutsche Bank., Chennai ICICI Bank., Chennai HDFC Bank., Chennai IndusInd Bank., Chennai
REGISTERED AND CORPORATE OFFICE	“SP Infocity” Module1, 2nd Floor #40, Dr. MGR Salai, Kadanchavadi, Perungudi, Chennai – 600 096. Ph: 91–44– 24543500 Fax: 91–44– 24543510
EMAIL	info@saksoft.com
WEB–SITE	www.saksoft.com
NOIDA DEVELOPMENT CENTRE	B–35–36, Sector 80, Phase – II, Noida – 201 305, Uttar Pradesh
SUBSIDIARIES	Saksoft Inc., USA Saksoft Pte Limited., Singapore Saksoft Investments Pvt Limited, UK Saksoft GmbH., Germany Saksoft HK Ltd, Hong Kong
REGISTRAR AND SHARE TRANSFER AGENT	Cameo Corporate Services Limited Subramanian Building No.1, Club House Road, Chennai – 600 002 Tel:+91–44–28460390, Fax: +91 – 44 – 28460129

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Eleventh Annual General Meeting of the members of the Company will be held on Friday, the 6th day of August 2010 at 10.00 AM at Naradha Gana Sabha Mini Hall, 314, T.T.K Road, Alwarpet, Chennai – 600 018 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2010 and the Profit and loss Account of the Company for the year ended 31st March 2010 together with the Report of the Directors and the Auditors thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in the place of Mr. Suresh Subramanian, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Mr. Amitava Mukherjee, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To re-appoint M/s. BSR & Co as auditors to hold the office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to pass the following resolution thereof:

“**RESOLVED** that M/s. B S R & Co, Chartered Accountants be and are hereby appointed as auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company.”

“**RESOLVED FURTHER** that the Board of Directors or Committee thereof be and are hereby authorized to determine the remuneration of the auditors and the manner of its payment.”

Special Business:

6. **Appointment of Mr. Ajit Thomas as Director:**
To consider and if thought fit to pass with or without modifications the following resolution as an **ORDINARY RESOLUTION**.
“**RESOLVED THAT** Mr. Ajit Thomas who was

appointed as an Additional Director of the Company and who holds office until the date of this Annual General Meeting, pursuant to Section 260 of the Companies Act, 1956 and Article 89 of the Articles of Association of the Company and in respect of whom the Company has received a notice from a member under Section 257 of the Companies Act, 1956, proposing his candidature, be and is hereby appointed as a Director of the Company liable to retire by rotation”.

7. **Approval for excess remuneration paid to Mr. Aditya Krishna, Managing Director:**

To consider and if thought fit to pass with or without modification the following resolution as a **SPECIAL RESOLUTION**.

“**RESOLVED THAT** consent/approval of the members of the Company be and is hereby accorded for the excess remuneration paid to Mr. Aditya Krishna, Managing Director amounting to Rs.31,20,000/- computed pursuant to Schedule XIII to the Companies Act, 1956 for the year 2009–10 owing to inadequacy of profits for the said year.”

8. **Approval for excess remuneration paid to Mr. N.K. Subramaniam, Executive Director (Operations & Technology):**

To consider and if thought fit to pass with or without modification the following resolution as a **SPECIAL RESOLUTION**.

“**RESOLVED THAT** consent/approval of the members of the Company be and is hereby accorded for the excess remuneration paid to Mr. N.K.Subramaniam, Executive Director (Operations & Technology) amounting to Rs.21,79,992/-computed pursuant to Schedule XIII to the Companies Act, 1956 for the year 2009–10 owing to inadequacy of profits for the said year.”

9. **Revision in the terms of remuneration of Mr. Aditya Krishna, Managing Director:**

To consider and if thought fit to pass with or without modification the following resolution as a **SPECIAL RESOLUTION**.

“RESOLVED THAT, in accordance with the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 (“the Act”), read with Schedule XIII, including any statutory modifications or re-enactments thereof for time being in force and in partial modification of the resolution No.6 passed at the Annual General Meeting of the Company held on 25th September 2008, the consent of the members be and is hereby granted for the revision in the remuneration of Mr. Aditya Krishna, Managing Director of the Company with effect from 1st April 2010 for remaining tenure up to 31st March 2011 with liberty to the Board of Directors to alter and vary the terms and conditions of remuneration, at their discretion from time to time.”

RESOLVED FURTHER THAT in the event of possible absence or inadequacy of profits in any financial year, Mr. Aditya Krishna, Managing Director shall be paid the same remuneration as stated hereinabove, as minimum remuneration subject to statutory approvals as may be required from time to time.”

10. Approval for the payment of remuneration as minimum remuneration to Mr. N.K. Subramaniam, Executive Director (Operations & Technology):

“RESOLVED THAT pursuant to Sections 198, 269, 309, 310 and other applicable provisions,

if any, of the Companies Act, 1956 (including any statutory modification or reenactment thereof, for the time being in force) and further to the approval given by the members at the Annual General Meeting held on 31st July 2009, consent, and approval of the members is now being accorded for treatment of the existing remuneration, as set out in the explanatory statement annexed hereto, being paid to Mr. N.K. Subramaniam Executive Director (Operations & Technology), as his minimum remuneration, during his remaining period of his tenure commencing from 1st April 2010 to 24th September 2013, in the event of a possible absence or inadequacy of profits in any financial year subject to statutory approvals as may be required from time to time.

RESOLVED FURTHER THAT subject to the recommendation of the Remuneration Committee, the Board of Directors of the Company be and are hereby authorized to make such modifications, alterations, variations in the terms and conditions relating to the remuneration of Mr. N.K. Subramaniam, at their discretion from time to time.”

By Order of The Board of Directors
For **Saksoft Limited**

Chennai
28 May 2010

S Narayan
Company Secretary

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER. THE FORM OF PROXY IS ENCLOSED. THE INSTRUMENT APPOINTING PROXY SHOULD BE DEPOSITED AT THE OFFICE OF THE REGISTRAR AND SHARE TRANSFER AGENT OF THE COMPANY VIZ. CAMEO CORPORATE SERVICES LIMITED, "SUBRAMANIAN BUILDING" NO.1, CLUB HOUSE ROAD, CHENNAI 600 002 AT LEAST 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.**
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 30th July 2010 to 6th August 2010 (both days inclusive).
3. The dividend as recommended by the Board, if approved at the meeting, will be payable to those members whose names appear in the Register of Members as on 6th August 2010. The dividend in respect of shares held in the electronic form will be payable to the beneficial owners of the shares as on 30th July 2010 as per details furnished by the Depositories for this purpose.
4. Members holding shares in physical form are requested to immediately notify change in their address to the Company's Share Transfer Agent M/s. Cameo Corporate Services Limited, "Subramanian Building" No.1, Club House Road, Chennai 600 002 and those who wish to receive dividend in electronic mode are requested to forward a specimen cheque leaf duly marked as such to Registrar at the above address.
5. Members holding shares in electronic form may please note that, as per the applicable regulations of the depositories, the bank details as furnished by the respective depositories to the company will be printed on the dividend warrants issued from time to time. The Company / the Registrar will not entertain any direct request from members for deletion of or change in such bank details. It may please be noted that, dividend instructions, if any, already given by members in respect of shares in physical form will not be automatically applicable to the dividend payable on shares in electronic form. **Members may, therefore, give instructions directly to their Depository Participants regarding bank accounts for crediting the dividend.**
6. Members/proxies are requested to bring their attendance slips duly filled in and their copy of the Annual Report for the Meeting.
7. Members who hold shares in the dematerialized form are requested to bring their Client_ID and DP_ID to the meeting for easier identification.
8. Corporate members intending to depute their authorized representatives to attend the meeting are requested to send a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the meeting.
9. Relevant documents referred to in the accompanying notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays and Sundays between 11.00 AM and 01.00 PM upto the date of the meeting.
10. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Company's Registrar and Transfer Agent, M/s Cameo Corporate Services Limited for consolidation into a single folio.
11. In terms of clause 49 of the Listing Agreement with Stock Exchanges, a brief resume of the Directors who are proposed to be appointed / re-appointed at this meeting is given below.
 - a) **Mr. Suresh Subramanian**
DIN No: 02070440Mr. Suresh Subramanian is a Fellow Chartered Accountant (FCA) of the Institute of Chartered Accountants of India by qualification and in his career spanning over 25 years, has extensive experience in accounting and auditing. He was leading the global operations of Quattro's Finance & Accounting vertical.

Prior to Quattro, Mr. Suresh Subramanian was a partner of the KPMG India member firm and head of the audit practice. The audit practice had more than 700 professionals with about 20 partners / directors and Suresh held overall responsibility for its growth, strategy and direction including monitoring of technical and quality standards. He also led audit and advisory engagements on several national / multinational companies including one of India's leading software and business process outsourcing companies.

Prior to joining KPMG, Mr. Suresh Subramanian was a Partner of the Ernst & Young India member firm. At Ernst & Young, Mr. Suresh Subramanian was a member of the National Audit Executive Team involved in determining future strategy and direction of the audit practice and also led their South India operations covering audit and advisory engagements of several national / multinational companies including key aspects of monitoring technical and quality standards.

Mr. Suresh Subramanian was also associated with leading organizations such as Arthur Andersen where he was the head of the South India assurance practice and leader of the National US GAAP practice and AF Ferguson & Co where he was the head of the Pune operations and led audit and advisory engagements of several leading national / multinational companies.

Mr. Suresh Subramanian has also contributed articles and made several presentations on accounting, audit and regulatory requirements at seminars organized by professional and business associations.

Mr. Suresh Subramanian is an Independent Director of our Company and also a member of Audit Committee and Shareholder's Grievance Committee. He does not hold any shares in Company and is not related to any Director of the Company.

(b) Mr. Amitava Mukherjee

DIN No: 00003285

Mr. Amitava Mukherjee has been a Director of our Company since 2003. He is an Independent

Director of our company and also a member of Audit Committee and Remuneration Committee.

He holds a Masters Degree in Management from Asian Institute of Management, Manila, a Masters Degree in Business Economics from Delhi School of Economics, New Delhi. He has over 20 years of Investment Banking experience having served as Managing Director and Board member both at Lazard India and Ambit Corporate Finance. Currently he spends a major part of his time with organizations in the social sector"

Mr. Amitava Mukherjee does not hold any shares in the Company and is not related to any Director of the Company.

(c) Mr. Ajit Thomas

DIN No: 00018691

Mr. Ajit Thomas is a renowned Industrialist and is a promoter and chairman of AVT Natural Products Limited. He is associated with AVT Group of Companies for about three decades and has extensive experience and expertise in business and management. He holds a Bachelor's degree in Statistics.

Mr. Ajit Thomas is also on the Board of A.V. Thomas & Company Limited, The Nelliampathy Tea & Produce Company Limited, Neelamalai Agro Industries Ltd, The Midland Rubber & Produce Company Limited, AVT McCormick Ingredients Pvt Ltd, AVT Natural Products Limited, Teleflex Medical Pvt Ltd, A.V. Thomas Leather & Allied Products Pvt Ltd, AVT Infotech Pvt Ltd, Midland Latex Products Ltd, Ajit Thomas Holdings Pvt Ltd, Midland Corporate Advisory Services Pvt Ltd, A.V.Thomas Investments Co. Ltd, A.V. Thomas Exports Ltd, L.J. International Ltd, AVT Gavia Foods Pvt Ltd and L&T Mutual Fund Trustee Ltd.

Mr. Ajit Thomas is an Independent Director of our Company and also a member of Audit Committee.

Mr. Ajit Thomas does not hold any shares in the Company and is not related to any Director of the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 6

Appointment of Mr. Ajit Thomas as Director:

The Board of Directors of the Company appointed Mr. Ajit Thomas as an Additional Director of the Company with effect from 31st July 2009. In terms of Section 260 of the Companies Act, 1956, Mr. Ajit Thomas holds office up to the date of this Annual General Meeting. The Company has received a notice in writing from a member along with a deposit of Rs.500/- proposing the candidature of Mr. Ajit Thomas for the office of Director of the Company under Section 257 of the Companies Act, 1956.

Mr. Ajit Thomas is not disqualified from being appointed as Director under Section 274(1)(g) of the Companies Act, 1956 and has complied with the requirements of Section 266A of the Companies Act, 1956 in obtaining Director Identification Number. The Company has received form DD-A from Mr. Ajit Thomas in terms of Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules 2003 containing his eligibility for such appointment.

None of the Directors of the Company, other than Mr. Ajit Thomas is concerned or interested in the said resolution and the Board recommends the resolution set forth in the Item no.6 for the approval of the members.

ITEM NO.7

Approval for excess remuneration paid to Mr. Aditya Krishna, Managing Director

Mr. Aditya Krishna is the founder promoter of Saksoft Ltd and at present it's Managing Director. He did his M.A. (Economics) from St. Stephens College, New Delhi and MBA (Finance & Marketing) from Northeastern University, Boston, USA. He worked with Chase Manhattan Bank N.A, New York, USA from 1985 to 1987 responsible for cash management products including pricing decisions, institutional sales and sales to large corporate customers. He was with Citibank N.A, New York, USA from 1987 to 1990 as a member of the business analysis department of the Credit Card Business and specifically handled the Insurance

Products area. From 1990 to 1995 he was the Vice President – Credit Director & Financial Controller, Citibank N.A, India responsible for managing Citibank India's credit card portfolio. He was the founder promoter of Nation Wide Finance Ltd (now known as Citi Financial Consumer Finance India Limited) and was the Managing Director of the Company.

For the year 2009–2010, Mr. Aditya Krishna, Managing Director drew remuneration as approved by the Shareholders in their Ninth Annual General Meeting of the Company on 25th September 2008. At the end of the financial year 2009–2010 the Company faced with the situation of inadequacy of profits and consequently the remuneration that was paid to Mr. Aditya Krishna exceeded the limits specified in Schedule XIII of the Companies Act, 1956. The Board considering the contributions made by Mr. Aditya Krishna through his expertise in the field of business and the benefits derived out of his rich experience has approved the payment of the excess remuneration amounting to Rs. 31,20,000/- for the year 2009–10 with the recommendation of the Remuneration Committee. The Board also considers it desirable to approach the Central Government for waiver of the excess payment made during the financial year 2009–2010 and hence the Board recommends the resolution set forth in the Item no.7 for the approval of the members.

Statement pursuant to Schedule XIII of the Companies Act, 1956

1) GENERAL INFORMATION:

1) Nature of Industry:

The Company falls under the Information Technology Industry.

2) Date of commencement of commercial production:

Not Applicable

3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable

4) Financial performance based on given indicators:

Total Revenue	: Rs.4267 Lakhs
Operating Expenses	: Rs.998 Lakhs.
Net Profit after Tax	: Rs.166 Lakhs.

5) Export performance and net foreign exchange collaborations:

Foreign Exchange Earning	: Rs.3290 Lakhs
Foreign Exchange Outgo	: Rs.263 Lakhs

6) Foreign Investments or collaborators, if any:

The Company has made investments in its foreign subsidiaries viz

1. Saksoft Inc (United States of America)
2. Saksoft Pte Limited. (Singapore)
3. Saksoft Investments Private Limited (UK)
4. Saksoft GmbH (Germany)

II) INFORMATION ABOUT THE APPOINTEE:

1) Background Details:

Mr. Aditya Krishna is the founder promoter and the Managing Director of Saksoft Limited. He spearheads Saksoft's growth across domains & geographies since inception and he is instrumental in driving the business development efforts of the Group. He brings with him over 27 years of experience in the banking and financial services industry.

2) Past Remuneration:

A sum of Rs.67,20,000/- has been paid to Mr. Aditya Krishna as remuneration for the year ended 31st March, 2010.

3) Recognition or Awards:

He is renowned personality in the field of Information Technology and had immensely contributed to development of the Company to greater heights. Mr. Aditya Krishna holds M.A. (Economics) from St. Stephens College, New Delhi and MBA (Finance & Marketing) from Northeastern University, Boston, USA.

4) Job Profile and his Suitability:

Mr. Aditya Krishna is the founder promoter and the Managing Director of Saksoft Limited. He spearheads Saksoft's growth across domains & geographies since inception and he is instrumental in driving the business development efforts of the Group. He brings with him over 27 years of experience in the banking and financial services industry. The Board considers it desirable to continue to derive the benefits out of his experience having regard to his qualification and experience.

Under his ablest guidance and leadership Saksoft has grown into a multi faceted conglomerate and hence the Board considers it desirable to continue to derive the benefits out of his experience having regard to his contribution towards the Company's growth and therefore the excess remuneration would be considered as in the best interest of the Company and its stakeholder.

5) Proposed remuneration:

Not Applicable.

6) Comparative remuneration Profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):

The prevalent levels of remuneration paid to senior management personnel in software industries, in general are higher. Taking into account the turnover of the Company, Mr. Aditya Krishna's invaluable contribution to the Company, his role in placing the Company in eminent position in the Industry, his leadership role in turning around the Company from its difficult position, the remuneration paid to the appointee was found to be reasonable and in par with the remuneration levels in the Industry, across the country and befits his position.

7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Mr. Aditya Krishna holds 36,36,023 shares of Saksoft Limited and he is related to Mr. Autar Krishna, Chairman of the Company.

III) OTHER INFORMATION:

1) Reasons for Inadequate Profits:

The company has its wider concentration of its business in western regions whose economies are still reeling under the Global economic slowdown and are showing slower signs of recovery. Also the wider fluctuation in currencies particularly the dollar to rupee and pound to rupee during the financial year 2009–2010 has created a dent in the Company's profits margins resulting in lower realization of exports, which forms substantial part of the revenue of the Company.

2) Steps taken or proposed to be taken for improvement:

The Company is envisaging plans of expanding its business locally apart from the overseas markets in order to insulate itself from the wider fluctuation of foreign currencies and also taken proactive measures in conserving the cost to accommodate the effect of reduction on margins. The company has implemented cost control mechanisms aimed at exercising tighter controls on overhead expenses apart from addition of new client base to improve profitability. On the other hand to counter the foreign exchange exposures the company is also considering forward covers and hedging techniques to absorb a minimal impact on fluctuations in foreign exchange. With the results of the Company impacted by certain one off items, the business model continues to be strong and sustainable and will continue to drive profitability.

3) Expected increase in productivity and profit in measurable terms:

The Company will strive to widen its customer base, increase market share, develop new

products, enter new segments and step up market initiatives and look for overall growth. The aforesaid measures are expected to substantially increase the productivity and profits of the Company

IV) DISCLOSURES:

1) Remuneration package of Mr. Aditya Krishna:

Details of Remuneration:

The Basic salary of Rs.5,00,000/– per month.

Perquisites and allowances:

In addition to salary, the Managing Director shall be entitled to the following perquisites/benefits, which shall be evaluated as per the Income Tax Rules wherever applicable. In the absence of any such rule, perquisite shall be evaluated at actual cost.

- a) Rent free residential accommodation or HRA in lieu thereof.
- b) Actual medical expenses incurred for self and family towards domiciliary and hospitalization expenses.
- c) Contribution to PF as per the rules of the Company.
- d) Club–Fees for two–clubs excluding admission and life membership fees.
- e) Leave travel concession once in a year for self and family to any place in India by Air/ Rail/Road.
- f) Company maintained car with driver.
- g) Telephone facility at residence.

Minimum remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the Director's tenure, the company has no profits or the profits are inadequate, the company shall pay the aforesaid remuneration as minimum remuneration subject to all statutory approvals as may be required.