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SAKSOFT

Saksoft Limited

Annual Report 2006 - 07

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SAKSOFT LIMITED

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BOARD OF DIRECTORS	Mr. AUTAR KRISHNA - Chairman Mr. ADITYA KRISHNA - Managing Director Mr. V. RAMANATHAN - Chief Executive Officer Mr. AMITAVA MUKHERJEE Mr. R. RAJAGOPALAN Mr. S.C. AGARWAL
COMPANY SECRETARY & COMPLIANCE OFFICER	Mr. S. RAMANAN
CHIEF FINANCIAL OFFICER	MR. S. ANANTH
AUDITORS	M/s SURI & CO. CHARTERED ACCOUNTANTS # 70, K H ROAD CHENNAI 600 034
BANKERS	CITI BANK N.A., CHENNAI DEUTSCHE BANK, CHENNAI ICICI BANK, CHENNAI HDFC BANK, CHENNAI INDUSIND BANK, CHENNAI
REGISTERED & CORPORATE OFFICE	'SRI RAM NIVAS' #38, V.K. IYER ROAD, MANDAVELI CHENNAI - 600 028 TEL: +91 44 24614501 FAX: +91 44 24614486 Email: info@saksoft.com Website: http://www.saksoft.com
NOIDA DEVELOPMENT CENTER	B-35-36, SECTOR 80, PHASE 2 NOIDA - 201 305
SUBSIDIARY COMPANIES	SAKSOFT Pte Ltd., SINGAPORE SAKSOFT Inc., USA SAKSOFT GmbH, GERMANY SAKSOFT Investments Pvt Ltd, LONDON SAKSOFT Pty Ltd, AUSTRALIA

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NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Eigth Annual General Meeting of the Company will be held at 10.00 AM on Wednesday the 11th July, 2007 at Narada Gana Sabha Mini Hall, 314, T.T.K.Road, Chennai 600 018 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2007 and the Profit & Loss Account for the year ended 31.03.2007 and the Report of the Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in the place of Mr.R.Rajagopalan, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in the place of Mr. S.C.Agarwal, who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

6. Increase in Authorised Share Capital of the Company

   To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution

   "RESOLVED that pursuant to Section 94 of the Companies Act, 1956 and Article No: 59 of the Articles of Association of the Company, the authorised Share Capital of the Company be increased from Rs. 12,00,00,000 (Rupees Twelve Crores only) to Rs20,00,00,000 (Rupees Twenty Crores only) by creation of 80,00,000 equity shares of Rs.10/- each, the new shares ranking pari passu with the existing shares of the company for dividend and other purposes".

   "RESOLVED FURTHER THAT Clause V of the Memorandum of Association of the Company be and is hereby substituted by the following Clause V, namely:

   The Authorised Share Capital of the Company is Rs.20, 00,00,000/-(Rupees Twenty Crores) divided into 2,00,00,000 (Two Crore) Equity Shares of Rs.10/- (Rupees ten only) each"

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

   "RESOLVED that pursuant to the provisions of Section 31(1) of the Companies Act, 1956, the existing Article 3 of the Articles of Association of the Company, be and is hereby deleted and in its place the following article 3 be substituted therefore:

   The authorised share capital of the company is Rs.20,00,00,000 (Rupees Twenty Crores) divided into 2,00,00,000 (Two Crores) Equity Shares of Rs.10/- (Rupees Ten) each."

8. Increase in Remuneration of Mr. V.Ramanathan- Chief Executive Officer

   To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution.

   "RESOLVED that subject to the provisions contained in Sections 198, 309, 310 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification(s) or re-enactment thereof, for the time being in force, consent/approval of the shareholders be and is hereby

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accorded for revision in remuneration of Mr.V.Ramanathan, Chief Executive Officer, as set out in the Explanatory Statement annexed hereto."

"RESOLVED FURTHER THAT in the event of loss or inadequate profit in any financial year, the remuneration payable to the Chief Executive Officer shall not exceed the limit specified in Schedule XIII to the Companies Act, 1956 and as may be prescribed by the Central Government 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 other alteration or change in the remuneration of the Chief Executive Officer at its own discretion from time to time so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 (including Statutory modification, re-enactment thereon for the time being in force) or any amendments made therein."

9. To consider, and, if thought fit, to pass, the following resolution, with or without modification(s), as a **Special Resolution:**

"RESOLVED THAT pursuant to Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) and in accordance with the Memorandum and Articles of Association of the Company, the Listing Agreement entered into with the Stock Exchanges where the Company's shares are listed, the guidelines and clarifications issued by the Reserve Bank of India (RBI), the Guidelines for Preferential Issues contained in the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 (the **"SEBI Guidelines"**), and subject to all other applicable norms, guidelines, regulations in force, and statutory approvals, consents, permissions or sanctions, as may be necessary, of appropriate authorities, institutions or bodies, subject to lock –in for such period as may be required under the SEBI Guidelines and subject to such conditions as the authorities may impose at the time of granting their approvals/consents / permissions/sanctions and which may be agreed to by the Board of Directors of the Company if it thinks fit, in the interest of the Company, consent of the Company be and is hereby accorded to the Board(the **'Board',** which expression shall include any Committee(s) thereof constituted by the Board) to offer, issue and allot on a preferential basis upto 140,000 Equity Shares of the Company of Rs 10 each (**"Shares"**) at a price of Rs 233.65 per Equity Share (i.e., at a premium of Rs 223.65 per share), ranking *pari passu* in all respects with the existing equity shares of the Company to TransUnion Interactive, Inc., 100, Cross Sreet, San Luis Obispo, California, 93401 . (the **"Investors"**), and on such other terms and conditions as the Board may deem appropriate in its absolute discretion.

"RESOLVED FURTHER THAT:

a. The relevant date for the purpose of pricing of the Securities, in accordance with the SEBI Guidelines is 11.6.2007 being the 30th day prior to the date of this meeting (i.e., the date on which the meeting of the general body of shareholders is being held, in terms of Section 81(1A) of the Companies Act, 1956, to consider the issue of the equity shares on preferential basis)

b. The Board be and is hereby authorised to offer, issue and allot any and all of the Securities as above, at such time as it may deem fit subject to the SEBI Guidelines.

c. The Board be and is hereby authorised to decide and approve other terms and conditions of the issue of the Securities as above, and also shall be entitled to vary, modify or alter any of the terms and conditions, including the size of the issue, as it may deem expedient, without being required to seek any further consent or approval of the Company in a General Meeting.

d. The Board be and is hereby authorised to delegate all or any of the powers herein conferred by this resolution to any director or directors or any other officer or officers of the Company or to any other person or persons as it may deem fit for the purpose of giving effect to the aforesaid resolution.

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e. The Securities, if any, to be issued and allotted in pursuance of this resolution, shall rank *pari passu* with the existing equity shares of the Company in all respects."

"RESOLVED FURTHER THAT for giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, consider necessary, expedient, usual, proper or incidental and to settle any questions, remove any difficulty or doubt that may arise from time to time in relation to the expansion plans, acquisitions, capital expenditure and/or other corporate initiatives, to meet issue expenses, etc., to prescribe the form of application, enter into any agreements or other instruments, and to take such actions or give such directions as may be necessary or desirable and to obtain any approvals, permissions, sanctions which may be necessary or desirable, as it may deem fit."

10. Qualified Institutional Placement

To Consider and if thought fit, to pass with or without modifications, the following resolution as **Special Resolution**

"RESOLVED that pursuant to Sec 81(1A) and all other applicable provision, if any, of the companies act, 1956(including any statutory modification or re- enactment thereof for the time being in force), as also provisions of Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000, as amended (the "SEBI Guidelines "), the provisions of the Foreign Exchange Management Act, 1999, as amended, and rules and regulations made there under, including the Foreign Exchange Management(Transfer and Issue of Securities by a Person Resident outside India) Regulation, 2000, if applicable, any other applicable law or laws , rules and regulations (including any amendment thereto or re- enactment thereof for the time being in force) and enabling provisions in the Memorandum and Articles of Association of the Company and Listing Agreements , entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subjected to the approval of, if applicable, Government of India , Reserve Bank of India , Securities and Exchange Board of India and / or all other authorities , institutions or bodies , within or outside India , and subject to such conditions as may be prescribed by any of them while granting such approval , the consent of company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board", which term shall be deemed to include any committee of the Board) to create , offer , issue and allot in one or more tranch (es), in one or more foreign markets or domestic markets , to qualified institutional buyers , whether shareholders of the Company or not, on a qualified institutional placement within the meaning of chapter XIII A of the SEBI Guidelines equity shares or any other equity related instrument of the company or a combination of the foregoing with warrants including any instruments or securities representing either equity shares and/ or any kind of securities linked to equity shares or securities with warrants or a combination of the foregoing (hereinafter referred to as "securities"), whether secured or unsecured , to be listed on any stock exchange inside India through a Placement document, provide that the aggregate number of equity shares so issued or the equity shares to be issued on conversion of such securities together with the over allotment option, if any , should not exceed 18,60,000 equity shares of Rs. 10/- each."

"RESOLVED FURTHER that in case the Board decides to issue equity shares or any security convertible into equity shares to the qualified institutional buyers under the provision of Chapter XIIIA of the SEBI Guidelines, the total number of equity shares to be so issued or equity shares to be so issued on conversion of such securities shall not exceed 18,60,000 equity shares of Rs. 10/- each."

"RESOLVED FURTHER that the securities to be created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and the underlying equity shares shall rank pari passu in all respect with the existing equity shares of the company."

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"RESOLVED FURTHER that the Board be and is hereby authorized on behalf of the Company to finalise the pricing, terms and conditions relating to the issue of the securities and any other matter in connection with, or incidental to, the issue of the securities as the Board, in its absolute discretion, deems necessary or desirable, together with any amendments or modifications thereto."

"RESOLVED FURTHER that the pricing of the securities and the pricing of any equity shares issued upon conversion of the securities shall be made subject to and in compliance with all applicable laws and regulations."

"RESOLVED FURTHER that the Board be and is hereby authorized to finalise and approve the preliminary as well as the final offer documents for the proposed issue of the securities and to authorise any director or directors of the Company or any other officer or officers of the Company to sign the above documents for and behalf of the Company together with the authority to amend, vary or modify the same as such authorized persons may consider necessary, desirable or expedient and for the purpose aforesaid to give such declarations , affidavits , certificates , consents and/or authorities as may , in the opinion of such authorised person , be required from time to time."

"RESOLVED FURTHER that the Board be and is hereby authorized to appoint, in its absolute discretion, managers (including lead managers), investment bankers, merchant bankers, underwriters, guarantors, financial and/or legal advisors, depositories, custodians, principal paying/ transfer/ conversion agents, listing agents, registrars, trustees and all other agencies, whether in India or abroad, in connection with the proposed offering of the securities and to negotiate and finalise the terms and conditions(including the payment of fees, commission , out of pocket expenses and their charges subject to requisite approvals of the Reserve Bank of India, if any) of the aforesaid appointments and also to, in its absolute discretion, renew or terminate the appointments so made."

"RESOLVED FURTHER that the Board be and is hereby authorized to determine the form, terms and timings of the issue(s)/ offering(s), including the investors to whom the securities are to be allotted, issue price, face value, number of equity shares or other securities upon conversion or redemption or cancellation of the securities, the price, premium or discount on issue /conversion of securities, rate of interest, period of conversion or variation of the price or period of conversion, listing on one or more Stock Exchanges in India and/or abroad and fixing of record date or book closure and related or incidental matters and finalise and approve the preliminary as well as the final placement documents for the proposed issue of the securities as may be required by the authorities in such issues in India and to authorise any director or directors of the Company or any other officer or officers of the Company to sign the above documents for and behalf of the Company together with the authority to amend , vary or modify the same as such authorized persons may consider necessary , desirable or expedient and for the purpose aforesaid to give such declarations, affidavits, certificates , consents and/or authorities as may , in the opinion of such authorized person , be required from time to time."

"RESOLVED FURTHER that in case of a qualified institutional placement pursuant to Chapter XIIIA of the SEBI Guidelines, the allotment of securities shall only be to qualified institutional buyers within the meaning of Chapter XIIIA of the SEBI Guidelines, such securities shall be fully paid – up and the allotment of such securities shall be completed within 12 months from the date of the relevant shareholders resolution or such other time as may be allowed by SEBI Guidelines from time to time."

"RESOLVED FURTHER that in case of a qualified institutional placement of equity shares pursuant to Chapter XIIIA of the SEBI Guidelines, the relevant date for the determination of the price of equity shares, shall be the date which is 30 days prior to the date on which the shareholders resolution in terms of Sec.

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81(1A) of the Companies Act, 1956 approving the proposed issue of equity shares or such other time as may be allowed by SEBI Guidelines from time to time and such price shall be subject to appropriate adjustments in accordance with the applicable SEBI Guidelines."

"RESOLVED FURTHER that in the event securities convertible into equity shares are issued under Chapter XIIIA of the SEBI Guidelines, the relevant date for the purpose of pricing of equity shares to be issued on conversion, shall be the date which is 30 days prior to the date on which the shareholders resolution in terms of Sec. 81(1A) of the Companies Act, 1956 approving the proposed issue of securities is passed or 30 days prior to the date on which the holder of such securities becomes entitled to apply for equity shares against such securities or such other time as may be allowed by SEBI Guidelines from time to time, as may be decided by the Board and such price shall be subject to appropriate adjustments in accordance with the applicable SEBI Guidelines."

"RESOLVED FURTHER that any director or directors of the Company or any other officer or officers of the Company as may be authorized by the Board, be and is or are hereby authorized to sign, execute and issue consolidated receipt/s for the securities, listing, application, various agreements (including but limited to subscription agreement, depository agreement, trustee agreement), undertaking, deeds, declarations and all other documents and to do all such things, deeds and acts and to comply with all the formalities as may, in the opinion of such authorized person , be required in connection with or incidental to the aforesaid offering of securities , including post issue formalities."

"RESOLVED FURTHER that the Board be and is hereby authorized to open one or more bank accounts in the name of the Company in Indian currency or foreign currency (ies) with such bank or banks in India as may be required in connection with the aforesaid issue, subject to requisite approvals from Reserve Bank of India, if any, and the director or directors of the Company or other officer or officers of the Company authorized by the Board be and is or are hereby authorized to sign and execute the application form and other documents required for opening the account, to operate the said account, and to give such instructions including closure thereof as may be required and deemed appropriate by these signatories, and that the said bank/s be and is/are hereby authorized to honor all cheques and other negotiable instruments drawn, accepted or endorsed and instructions given by the aforesaid signatories on behalf of the company."

"RESOLVED FURTHER that the common seal of the company, if required to be affixed in India on any agreement, undertaking, deed or other document, the same be affixed in the presence of anyone or more of the directors of the company or anyone or more of the officers of the company as may be authorized by the Board in accordance with the Articles of the Association of the Company.

"RESOLVED FURTHER that the board be and is hereby authorized to do such acts, deeds and things as the Board in its absolute discretion deems necessary or desirable in connection with the issue of the securities, including, without limitation, the following

i. finalization of the allotment of the securities on the basis of the bids received;

ii. finalization of and arrangement for the submission of the placement document(s), and any amendments supplements thereto, with any applicable government and regulatory authorities, institutions or bodies, as may be required;

iii. approval of the preliminary and final placement document (including amending, varying or modifying the same, as may be considered desirable or expedient) as finalized in consultation with the Lead Managers/Underwriters/Advisors, in accordance with all applicable laws, rules, regulations and guidelines;

iv. finalization of the basis of allotment in the event of over-subscription;

v. acceptance and appropriation of the proceeds of the issue of the securities;

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vi. authorization of the maintenance of a register of holders of the securities,

vii. authorization of any director or directors of the Company or other officer or officers of the Company, including by the grant of power of attorneys, to do such acts, deeds and things as authorized person in its absolute discretion may deem necessary or desirable in connection with the issue and allotment of the securities;

viii. seeking, if required, the consent of the Company's lenders, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India, and any other consents that may be required in connection with the issue and allotment of the securities;

ix. seeking the listing of the securities on any Indian stock exchange, submitting the listing application to such stock exchange and taking all actions that may be necessary in connection with obtaining such listing;

x. giving or authorizing the giving by concerned persons of such declarations, affidavits, certificates, consents and authorities as may be required from time to time; and

xi. deciding the pricing and terms of the securities, and all other related matters,

"RESOLVED FURTHER that for the purpose of giving effect to the above resolutions, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary or desirable, including without limitation to settle any question, difficulty or doubt that may arise in regard to the offer, issue and allotment of the securities."

"RESOLVED FURTHER that the Board be and is hereby authorized 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 authority, may impose at the time of their approval and as agreed to by the Board."

"RESOLVED FURTHER that the acts, deeds and things already done by the Board or any designated officer of the Company in this regard be and are hereby conformed, approved and ratified."

11. Management & Amendment in ESOP 2006

To Consider and if thought fit, to pass with or without modifications, the following resolution as Ordinary Resolution

Resolved that the Saksoft Ltd Employee Stock Option Plan (ESOP) 2006 shall be fully managed by the Compensation Committee of the Board instead of Saksoft Limited Employees Welfare Trust .

Resolved further that the Point No:4.2 (7) of the ESOP 2006 be amended

From

Give necessary instructions/recommendations to the trust for executing the scheme

To

Take necessary action to execute the same.

By the Order of the Board
For Saksoft Limited

Place : Chennai
Date : June 16, 2007

S.Ramanan
Company Secretary

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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.
2. The instrument appointing Proxy should be deposited at the office of the Registrar and share transfer agents of the Company viz. Cameo Corporate Services Limited, "Subramaniam Building" No.1, Club House Road, Chennai 600 002 at least 48 hours before commencement of the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 5th July, 2007 to 11th July, 2007 (both days inclusive).
4. 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 11th July 2007. The dividend in respect of share held in the electronic form will be payable to the beneficial owners of the shares as on 4th July 2007as per details furnished by the Depositories for this purpose.
5. Members holding shares in physical form are requested to immediately notify change in their address to the Company's Share Transfer Agents 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 Registrars at the above address.
6. 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.**
7. Members/proxies are requested to bring their attendance slips duly filled in and their copy of the Annual Report for the Meeting.
8. Members who hold shares in the dematerialized form are requested to bring their Client_id and DP_id to the meeting for easier identification.
9. In terms of clause 49 of the Listing Agreement with Stock Exchanges, a brief resume of the directors who are proposed to be re-appointed at this meeting is given below.

   a) **Mr. R.Rajagopalan**

   DIN No: 00003642

   Mr. R.Rajagopalan, an Independent Director, was appointed by the Board of Directors of the Company as an Additional Director on 14.10.2004 and then appointed as Director liable to retire by rotation on 28th July 2005.

   He had been with Widia (India) Ltd as the Managing Director – Commercial & Secretary. He was the National President of the Institute of Company Secretaries of India (ICSI) in 1979-80 and the president of the Institute of the Employer's Federation of Southern India (EFSI) in 1992-93. He is presently on the Board of MRO-TEK Ltd, GTN Textiles Ltd, Karnavati Engineering Ltd and Patspin India Ltd.

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