

REPORT  JUNCTION.COM Saksoft Limited

SAKSOFT

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"SP Infocity"
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Waterside Court, # 1 Crewe Road
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SAKSOFT LIMITED

BOARD OF DIRECTORS

| | |
|--|------------------------|
| Chairman (Independent) | Mr. R Rajagopalan |
| Managing Director | Mr. Aditya Krishna |
| Director | Mr. Autar Krishna |
| Executive Director (Operations & Technology) | Mr. N K Subramaniam |
| Non-Executive Director | Mr. S C Agarwal. |
| Independent Non-Executive Director | Mr. Amitava Mukherjee |
| Independent Non-Executive Director | Mr. Suresh Subramanian |

CHIEF FINANCIAL OFFICER

Mr. Niraj Kumar Ganeriwal

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. S Narayan

AUDITORS

M/s Suri & Co.,
Chartered Accountants
Old.No.55/8
Chevalier Shivaji Ganesan Road
Chennai – 600 007

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
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EMAIL

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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 Investment Pvt Limited, UK
Saksoft GmbH., Germany
Saksoft Limited, UK Branch

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Tenth Annual General Meeting of the members of the Company will be held on Friday, the 31st July 2009 at 10.00 AM at The Music Academy, Kasturi Srinivasan Hall, New No.168, T.T.K. Road, Royapettah, Chennai - 600 014 to transact the following business:

Ordinary Business:

1. To consider and adopt the audited Balance Sheet as at 31st March 2009, the Profit and loss Account for the year ended on that date and the report of the Board of Directors and Auditors' thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in the place of Mr. R.Rajagopalan, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in the place of Mr. S.C.Agarwal, who retires by rotation and being eligible offers himself for re-appointment.
5. To consider and if thought fit, to pass, with or without modification, the following resolution, as an **ORDINARY RESOLUTION:**

“RESOLVED that pursuant to the provisions of Sections 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. BSR & Co., Chartered Accountants, be appointed as Statutory Auditors of the Company, in place of retiring auditors, M/s. Suri & Co., Chartered Accountants, to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting, on a remuneration to be determined by the Board of Directors of the Company, based on the recommendations of the Audit Committee.”

Special Business:

6. Appointment of Mr. N K Subramaniam:

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

“RESOLVED THAT Mr. N K Subramaniam who was appointed as an Additional Director of the Company under the provisions of Section 260 of the Companies Act, 1956 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a member, in writing, proposing his candidature for the office of Director be and is hereby appointed as a Director liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) approval of the members be and is hereby accorded for the payment of remuneration to Mr. N. K Subramaniam, as set out in the explanatory statement annexed hereto.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, Mr. N.K. Subramaniyam, shall be paid the same remuneration as set out in the explanatory statement annexed hereto as minimum remuneration 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.Subramaniyam, at their discretion from time to time.”

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.31,49,678/- computed pursuant to Schedule XIII to the Companies Act, 1956 for the year 2008-09 owing to inadequacy of profits for the said year.”

8. Approval for excess remuneration paid to Mr. N K Subramaniyam, 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.Subramaniyam, Executive Director (Operations & Technology) amounting to Rs.13,38,718/- computed pursuant to Schedule XIII to the Companies Act, 1956 for the year 2008-09 owing to inadequacy of profits for the said year.”

9. Approval for excess remuneration paid to Mr. V Ramanathan, Chief Executive Officer during part of the financial year 2008-2009:

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.V Ramanathan, Chief Executive Officer amounting to Rs.4,20,000/- computed pursuant to Schedule XIII to the Companies Act, 1956 for the year 2008-09 owing to inadequacy of profits for the said year.”

**BY ORDER OF THE BOARD OF DIRECTORS
FOR SAKSOFT LIMITED**

**Place : Chennai
Date : June 29, 2009**

**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 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.**
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 24th July 2009 to 31st July 2009 (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 31st July 2009. The dividend in respect of share held in the electronic form will be payable to the beneficial owners of the shares as on 31st July 2009 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 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.
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

Registrars and Transfer Agents, 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 re-appointed at this meeting is given below.

a) Mr.R.Rajagopalan

DIN No: 00003642

Mr. R.Rajagopalan, was appointed on 14th October 2004 as an Independent Director liable to retire by rotation and subsequently was elected as Chairman to the Board on 28th July 2008.

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.

He is also the Chairman of the Audit Committee, Shareholders/Investors Grievances Committee and Remuneration Committee of the Company.

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

(b) Mr. S C Agarwal

DIN No: 00031455

Mr. S.C.Agarwal is a Chartered Accountant. He has been working with Sak Industries Ltd since 1965 and is currently the Executive Director of that Company. He has more than 40 years of experience in finance and accounting and an expert in all facets of Finance. He is Non Executive Director of the company and also a member of the Audit Committee, Shareholders / Investors Grievances Committee and Remuneration Committee.

Mr.S.C.Agarwal does not hold any shares in the Company and is not related to any Director of the Company.

(c) Mr. N.K. Subramaniyam

DIN No.02340265

Mr. N.K.Subramaniyam is M.Tech from IIT, Chennai and he started his career as a scientist at ISRO. He established the banking and financial services line of business at Birlasoft where he was the Chief Technology Officer. He brings with him vast knowledge of Technology, domain and the industry. He has the experience of being involved in product development and implementation, managing a large multi-vendor implementation project, training, software quality assurance and managing large teams.

Mr. N.K. Subramaniyam 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.N.K.Subramaniyam as Executive Director (Operations & Technology)

The Board of Directors of the Company under Section 260 of the Companies Act, 1956 appointed Mr. N K Subramaniyam as Additional Director of the Company with effect from September 25th 2008. In terms of Section 260 of the Companies Act, 1956, Mr. N K Subramaniyam holds office upto the date of this Annual General Meeting. The Company has received a notice in writing from a member along with a deposit of a sum of Rs.500/- proposing the candidature of Mr. N K Subramaniyam for the office of Director of the Company under Section 257 of the Companies Act, 1956.

Mr. N K Subramaniyam 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.N.K.Subramaniyam 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.

A brief resume of Mr. N K Subramaniyam, nature of his expertise in specific functional areas and names in which he holds directorships and memberships/chairmanships of the Board Committees as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges in India, are provided in the Report on Corporate Governance forming part of the Annual Report.

The Board has approved the payment of the remuneration, as detailed below, with effect from 25th September 2008, subject to the approval of the Shareholders in this Annual General Meeting.

The terms of appointment of Mr. N K Subramaniyam, Executive Director (Operations & Technology) are as follows:

Details of Remuneration:

The Basic salary of Rs.222,049/- per month.

Perquisites and allowances:

In addition to salary, the Executive Director (Operations & Technology) 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.

Perquisites include the following:

1. Rent free residential accommodation or house rent allowance subject to a ceiling of 60% of his basic salary.
2. Actual Medical expenses incurred for self and family towards domiciliary and hospitalization expenses.
3. Contribution to Provident Fund as per the rules of the Company.
4. Gratuity payable as per the rules of the Company.
5. Leave Travel Concession once in a year for self and family to any place in India by Air/Rail/Road.
6. Special Allowance as per the rules of the Company.
7. Conveyance Allowance as per the rules of the Company.
8. Such other benefits, amenities and facilities as provided by the Company to all Senior Managerial Personnel.

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 from time to time.

Sitting Fees:

He shall not be paid any sitting fees for attending the meeting of the Board of Directors or any committee thereof from the date of his appointment.

Other Terms:

The appointment and remuneration shall be subject to the approval of the Shareholders in the ensuing Annual General Meeting.

Memorandum of Interest

None of the Directors of the Company are in any way concerned or interested in the above appointment except Mr. N K Subramaniam, Executive Director (Operations & Techonology). Mr. N K Subramaniam is not related to any of the Directors of the Company.

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 its 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 CitiFinancial Consumer Finance India Limited) and was the Managing Director of the company.

His remuneration was last revised in 2008 and was approved by the members at the Ninth Annual General Meeting. For the year 2008-09, the remuneration paid to Mr.Aditya Krishna has exceeded the limits specified in Schedule XIII of the Companies Act, 1956 due to inadequacy of profits. The Board considers it desirable to continue to derive the benefits out of his experience having regard to his professional qualifications and experience. In the light of the above, the Board, on the recommendation of the Remuneration Committee, has approved the payment of the excess remuneration amounting to Rs.31,49,678/- to Mr. Aditya Krishna for the year 2008-09 and considers it desirable to approach the Central Government for waiver of the excess payment made during the financial year 2008-2009.

Statement pursuant to Schedule XIII of the Companies Act, 1956

(I) 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.4467.68 Lakhs
Operating Expenses : Rs.3555.38 Lakhs.
Net Profit after Tax : Rs.463.34 Lakhs.

(5) Export performance and net foreign exchange collaborations

Foreign Exchange Income :

Foreign Exchange Earning : Rs.3730.30 Lakhs
Foreign Exchange Outgo : Rs.339.36 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 26 years of experience in the banking and financial services industry.

(2) Past Remuneration:

A sum of Rs.67,49,678/- has been paid to Mr.Aditya Krishna as remuneration for the year ended 31st March, 2009.

(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 26 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 increase in remuneration would be considered as in the best interest of the Company and its stakeholders.

(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 parlance 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 3,600,020 shares of Saksoft Limited and he is related to Mr. Autar Krishna, Director of the Company.

(III) OTHER INFORMATION:

(1) Reasons for Inadequate Profits

The company had inadequacy of profits in the previous year and continues to face the same during the current year also because of the Global financial meltdown. The company which has its major customers serving financial services industry has been affected considerably by the recent spate of financial crisis and thereby siphoning off their pressure on the company to cut down on the margins which had the impact on the profits of the company during the financial year 2008-2009. Apart from