



Saksoft Limited



SAKSOFT

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"SP Infocity"
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Waterside Court, # 1 Crewe Road
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Saksoft Pte Ltd.,
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Saksoft GmbH.,
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Acuma Solutions Ltd.
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
#40, Dr. MGR Salai
Perungudi, Kadanchavadi
Chennai – 600 096.
Ph: 91-44- 24543500
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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 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. Subramaniam, 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.Subramaniam, 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 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.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. Subramaniam

DIN No.02340265

Mr. N.K.Subramaniam 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. Subramaniam 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 & Technology). 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

the global recession the company also faced the significant depreciation in the value of US dollars resulting in lower realization of exports as major part of the income comes from export sales.

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

The Company has taken proactive measures in conserving the cost to accommodate the effect of reduction on margins and to fight in this situation of Global financial crisis. The company has implemented modern management initiatives aimed at exercising tighter controls on cost and 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 hedging techniques to have a minimal impact on fluctuations in foreign exchange.

(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.

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.

Therefore in light of the above circumstances the remuneration paid to Mr. Aditya Krishna, Managing Director was found to be in excess of the limits prescribed under Schedule XIII of the Companies Act, 1956 which needs to be approved by the shareholders in this annual general meeting and accordingly, the resolution is placed before the members.

The Directors recommend the resolution for the approval of the members and also considers it desirable to approach the Central Government for waiver of the excess payment made during the financial year 2008-2009.

None of the Directors of the Company, other than Mr. Aditya Krishna is concerned or interested in the said resolution and the Board commends the resolution for approval.

Mr. Aditya Krishna is related to Mr. Autar Krishna, Director of the Company.

Item No.8

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

Mr. N K Subramaniam joined Saksoft in the year 2008 and was appointed as an Executive Director (Operations & Technology) of the Company in September 2008. He is in charge of Operations and Technology in Saksoft and is equipped with vast knowledge on areas 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. He has been instrumental in building a strong team of Analysts, Project Managers and software professionals in short span of time. He has guided the Company to achieve reputation for software development and testing services with its customers through his powerful insight and in depth knowledge of the operations of Saksoft.

His remuneration was fixed during the year 2008 and is now being placed before the members at this Annual General Meeting for approval. For the year 2008-09, the remuneration fixed by the Board of Directors has exceeded the limits specified in Schedule XIII of the Companies Act, 1956 owing 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. 13,38,718/- to Mr. N K Subramaniam for the year 2008-09 and considers it desirable to approach the Central Government for waiver of the excess payment made during the part of 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.N.K.Subramaniyam joined Saksoft in the year 2008 and was appointed as an Executive Director (Operations & Technology) of the Company in 2008. He is in charge of Operations and Technology in Saksoft and is equipped with vast knowledge on areas 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. He has been instrumental in building a strong team of analysts, project managers and software professionals in short span of time. He has guided the Company to achieve an excellent reputation for software development and testing services with its customers.

(2) Past Remuneration:

A sum of Rs.31,38,718/- has been paid to Mr.N K Subramaniyam during the part of the financial year 2009, being the remuneration and allowable perks 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. N K Subramaniyam holds M.Tech degree from the Indian Institute of Technology, Chennai and started his career as a scientist at ISRO.

(4) Job Profile and his Suitability

He joined Saksoft as Executive Director of the Company in the year 2008. He is in charge of Operations and Technology in Saksoft and is equipped with vast knowledge on areas 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. He has been instrumental in building a strong team of analysts, project managers and software professionals in short span of time. He has guided the Company to achieve an excellent reputation for software development and testing services with its customers.

In view of his knowledge of the industry and business acumen, the Board considers it desirable in the interest of the company to continue to have the benefit of his knowledge and experience for its continued growth in future. It is, therefore essential to reward him the remuneration in line with the standards prevailing in the industry.

(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. N K Subramaniyam invaluable contribution to the Company, his role in placing the Company in eminent position in the Industry, his strategic 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. N K Subramaniyam does not hold any shares of Saksoft Limited and he is not related to any other managerial personnel 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 the global recession the company also faced the significant depreciation in the value of US dollars resulting in lower realization of exports as major part of the income comes from export sales.

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

The Company has taken proactive measures in conserving the cost to accommodate the effect of reduction on margins and to fight in this situation of Global financial crisis. The company has implemented modern management initiatives aimed at exercising tighter controls on cost and 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 hedging techniques to have a minimal impact on fluctuations in foreign exchange.

(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.N K Subramaniam :

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.
 - (a) Conveyance Allowance as per the rules of the Company.
 - (b) 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.

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.

Therefore in light of the above circumstances the remuneration paid to Mr.N K Subramaniam, Executive Director (Operations & Technology) during the part of the financial year 2008-2009 was found to be in excess of the limits prescribed under Schedule XIII of the Companies Act,1956 which needs to be approved by the shareholders in this annual general meeting and accordingly, the resolution is placed before the members.

The Directors recommend the resolution for the approval of the members and also considers it desirable to approach the Central Government for waiver of the excess payment made during the part of the financial year 2008-2009.

None of the Directors of the Company, other than Mr. N K Subramaniam is concerned or interested in the said resolution and the Board commends the resolution for approval.

Mr. N K Subramaniam is not related to any managerial person of the Company.

Item No.9

Approval for excess remuneration paid to Mr. V Ramanathan, Chief Executive Officer

Mr. V.Ramanathan joined Saksoft in 2000 and was appointed as Chief Executive Officer of the Company in 2001. He served the company till 1st October 2008 and was in charge of Operations and Technology in Saksoft. During his tenure he had contributed immensely in building team of business analysts, project managers and software professionals comprising nearly 300 people in the last 5 years. He was also instrumental in guiding the Company to achieve an excellent reputation for software development and testing services with its customers.

His remuneration was last revised in 2007 and was approved by the members at the 8th Annual General Meeting. During the part of the financial year 2008-09, the remuneration paid to Mr.V.Ramanathan till 1st October 2008 was found to be in excess of the limits specified in Schedule XIII of the Companies Act,1956 due to inadequacy of profits in the current year. The Board on recommendation of the Remuneration Committee has approved the excess remuneration amounting to Rs.4,20,000/- paid during the part of the financial year 2008-2009 and considers it desirable to approach the Central Government for waiver of the excess payment made during the part of 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. V.Ramanathan joined Saksoft in 2000 and was appointed as chief executive officer of the Company in 2001. He served the company till 1st October 2008 and was in charge of Operations and Technology in Saksoft During his tenure he had contributed immensely in building team of business analysts, project managers and software professionals comprising nearly 300 people in the last 5 years. He was also instrumental in guiding the Company to achieve an excellent reputation for Software Development and testing services with its customers.

(2) Past Remuneration:

A sum of Rs.22,20,000/- has been paid to Mr. V Ramanathan during the part of the financial year 2008-2009, being the remuneration and allowable perks for the period ended 1st October, 2008.

(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. V Ramanathan holds an engineering degree

from the College of Engineering, Guindy with a first rank in Madras University and also an MBA from Indian Institute of Management, Ahmedabad with specialization in Information Systems.

(4) Job Profile and his Suitability

He joined Saksoft as Chief Executive Officer of the Company in the year 2000. He was in charge of Operations in Saksoft and has built a team of analysts, project managers and software professionals comprising of nearly 300 people in the last 5 years. He had guided the Company to achieve excellent reputation for software development and testing services with its customers. He had contributed significantly for the growth of the company in every year of its operation with an excellent reputation for software development and testing services with multinational banks.

In view of his knowledge of the industry and business acumen, the Board considers that it was desirable in the interest of the company to have benefited of his knowledge and experience and its continued growth in future. It was, therefore felt essential to have rewarded him the remuneration in line with the standards prevailing in the industry at that point of time.

(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. V Ramanathan's invaluable contribution to the Company, his role in placing the Company in eminent position in the Industry, his strategic role in turning around the Company from its difficult position, the remuneration paid to the appointee was reasonable and in line 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. V Ramanathan holds 81631 shares of Saksoft Limited and he is not related to any other managerial personnel 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 the global recession the company also faced the significant depreciation in the value of US dollars resulting in lower realization of exports as major part of the income comes from export sales.

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

The Company has taken proactive measures in conserving the cost to accommodate the effect of reduction on margins and to fight in this situation of global financial crisis. The company has implemented modern management initiatives aimed at exercising tighter controls on cost and 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 hedging techniques to have a minimal impact on fluctuations in foreign exchange.

(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. V Ramanathan:

Details of Remuneration:

The Basic salary of Rs.2,50,000/- per month.

Perquisites and allowances:

In addition to salary, the Chief Executive Officer 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.

1. Actual Medical expenses incurred for self and family towards domiciliary and hospitalization expenses.
2. Rent free residential accommodation or HRA in lieu thereof @ Rs. 90,000 per month.
3. Annual Performance Bonus not exceeding three months basic salary, to be decided and approved by the Remuneration Committee/Board
4. Contribution to P F as per rules of the company.
5. Contribution to Superannuation Fund as per rules of the company.
6. Gratuity payable as per the rules of the company.
7. Club fees for two-clubs excluding admission and life membership fees.
8. Leave Travel Concession once in a year for self and family to any place in India by Air/Rail/Road.
9. Company maintained car with driver.
10. 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 remuneration by way of salary, allowances and perquisites, subject to the provisions of section 198, 269 & 310 of the Companies Act, 1956 read with the provisions of Schedule XIII to the Companies Act, 1956.

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.

The remuneration paid to Mr.V.Ramanathan during the part of the financial year 2008-2009 was found to be in excess of the limits prescribed under Scheduled XIII which needs to be approved by the shareholders in this Annual General Meeting and accordingly, the resolution is placed before the members.

The Directors recommend the resolution for the approval of the members and also considers it desirable to approach the Central Government for waiver of the excess payment made during the part of the financial year 2008-2009.

None of the Directors of the Company, other than Mr. V Ramanathan is concerned or interested in the said resolution and the Board commends the resolution for approval.

Mr. V Ramanathan was not related to any managerial personnel of the Company.

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

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

**S NARAYAN
COMPANY SECRETARY**

SAKSOFT

REPORT OF THE BOARD OF DIRECTORS TO THE MEMBERS

Your Directors have pleasure in presenting the report on the business and operations of the Company for the financial year ended 31st March 2009 along with the audited Annual Accounts for the financial year ended 31st March 2009.

Financial Highlights

	Year ended 31 st March 2009 (Rs. In Lakhs)	Year ended 31 st March 2008 (Rs. In Lakhs)
Export Revenue	3730.30	3,957.21
Domestic Revenue	544.68	484.40
Other Income	192.70	72.97
Total Revenue	4467.68	4,514.58
Operating expenses	3555.38	3,876.26
Operating Profits	912.30	638.32
Depreciation	138.04	126.86
Interest and Finance Charges	263.66	273.75
Net Profit before Tax	510.60	237.71
Current Tax	30.00	7.93
Deferred Tax	(4.74)	5.01
Fringe Benefit Tax	22.00	17.94
Net Profit after Tax	463.34	206.83
Profit brought forward	2247.94	2,150.43
Available for Appropriation	2711.28	2,357.26
Transfer to General Reserve	0.00	50.00
Dividend and Dividend Tax	118.63	59.32
Balance Carried forward.	2592.65	2,247.94

RESULTS OF OPERATIONS:

In spite of a difficult global environment, your Company was able to maintain its topline with total revenues of Rs.4467.68 lakhs compared to previous year total revenues of Rs.4514.58 lakhs. As per consolidated accounts the total revenue was Rs.12247.29 lakhs as against the previous year total revenue of Rs.12230.38. The net profit after tax for the year was Rs.463.34 lakhs as compared to 206.83 lakhs in 2007-08. Although revenues were more or less stagnant there has been an increase in the net profits primarily due to decrease in the operational cost. General and Administration expenses stood at Rs.1281.18 lakhs as compared to the previous year 2007-08 of Rs.1585.93 lakhs.

DIVIDEND:

Based on Company's performance, the Directors are pleased to recommend for approval of the Members a Final dividend of Re.1 per share (10% on the face value of Rs.10) for the financial year 2008-09. The final dividend on the equity shares, if declared as above would involve an outflow of Rs.101.40 Lakhs towards dividend and Rs.17.23 lakhs towards dividend tax, thereby resulting in total outflow of Rs.118.63 lakhs. This outflow of dividend on equity shares would translate to 25.33 % of profits of the Company.

TRANSFER TO RESERVE:

The Board of Directors have decided to retain entire surplus in the Profit and Loss Account and hence no transfer has been made to the General Reserve during this year.

BUSINESS:

Saksoft continues to operate as a key player in the Information Technology sector inspite of the global economic slowdown and the recession of the global markets during the fiscal 2009. Your company has always remained in the forefront in meeting its customer's demand and has deepened the relationship with its key clients who were too exposed to the recession. The currency movement has also been volatile with the upheavals in the market and inspite of which your Company did well to sustain the profits and business growth.

Your company seeks to achieve and stabilize long-term relationship with its clients and our customer oriented approach has brought client satisfaction at all levels. Your Company has successfully developed new potentially growth opportunities in the areas of enterprise solutions wherein it seeks to leverage strong domain expertise to offer support to its customers by putting processes and services in place.

During the year your company has launched its next version of Dedupe Solution a de-duplication software designed specifically to suit the requirements of high customer data intensive sectors such as banks, insurance, telecom, credit bureaus and airlines. The new solution's advanced features will enable better risk management by controlling credit quality.

SUBSIDIARY COMPANIES:

Your company has subsidiaries set up at the United States of America, the United Kingdom, Singapore and Germany. These subsidiaries enable the company to work closely with several large corporations across the world. The performance of these subsidiaries are embodied and disclosed in the Consolidated Financial Statements. The consolidated Financial Statements are prepared in accordance with the provisions of Accounting Standards 21 issued by the Institute of Chartered Accountants of India and the Listing Agreement of the Stock Exchanges as prescribed by the Securities and Exchange Board of India from time to time. We strongly believe the Consolidated Financial Results represent a full picture of the details of the group. The Company has obtained an exemption from attaching the Financial Results of subsidiaries pursuant to Section 212(8) of the Companies Act, 1956 vide Ministry of Corporate Affairs, Government of India, Letter 47/410/2009-CL-III dated 20th May 2009. The annual accounts of the subsidiary Companies and the related detailed information will be available at the registered office of the holding company and shall be given to the investors on request. The books of accounts shall be available and be kept for inspection during business hours by the Investors at our registered office as well as the office of the concerned subsidiaries.

Your company has decided to concentrate on Asia Pacific markets through its subsidiary located at Singapore and accordingly closed down its Australian subsidiary M/s. Saksoft Pty Ltd after taking the approval of Australian Securities and Investments Commission (ASIC) with effect from 9th June 2009.

DEVELOPMENT CENTRES:

Your Company has recently shifted its Chennai development centre from No.38, V.K.Iyer Road, Mandaveli, Chennai – 600 028 to SP Infocity, Block A, 2nd Floor, 40, MGR Salai, Perungudi, Kadanchavadi, Chennai – 600096 with effect from 1st June 2009 a gold rated green building with a total capacity of about 400 seats approximately apart from its another off shore development centres in Noida having a total capacity of about 380 seats approximately. These centres are located at strategic locations of IT corridor and are in close proximity to the essential services and amenities. Both the centres are well equipped with alternate sources of power to operate 24X7 and have voice lines, Conference halls, recreation halls, and a cafeteria for a customer centric and pro-employee approach.

HUMAN RESOURCES MANAGEMENT:

Employees who are considered to be a very vital asset to our organization are being exposed to favorable work environment that encourages innovation and meritocracy. Our human resource management process is being tailored to retain high caliber employees who significantly contribute towards company's growth strategies. During the year Saksoft has 398 employees as on March 31, 2009.

Saksoft's recruiting model attracts resources possessing strong technical and domain knowledge needed to deliver greater value to our clients. Your company values and rewards its employees in a fair manner through a robust performance management process and constantly focuses on training and career development initiatives to motivate employees who in turn will benefit the organization with increased operating efficiencies and enhanced delivery capabilities.

At Saksoft we strongly believe that our endeavor is to transcribe our core values into our work, ensuring transparent stakeholder values at all levels. Our last year focus on transitioning the outlook from development centers into centers for excellence has been accomplished through our business offerings thereby creating a paradigm within which we operate at the highest levels of efficiency.

Saksoft aims to build a strong commitment among the employees through various initiatives and measurement tools to capture satisfaction scores over the year.

CORPORATE SOCIAL RESPONSIBILITY:

Your company always had on top of its agenda every year the Corporate Social Responsibility initiative (CSR) as it forms an integral part of organizational vision. During the year your company had taken notable CSR initiatives to outreach the society by way of contribution to the Orissa Flood relief fund, free eye camps, contribution of clothes and food to the inmates of Kakkum Karangal and blood donation camp in association with the Jeevan Blood Bank, Chennai. There was overwhelming and enthusiastic voluntary participation of our employees for all the CSR activities of the Company which displayed their solidarity and commitment towards the society.

QUALITY CERTIFICATION:

Your company being a process oriented organization has evolved the quality management system known as "Optima" which defines the process improvement initiatives and activities. The system Optima

which is accredited with SEI-CMMI model at Level 5 in September 2006 being the highest level of maturity every software company strives to achieve has been built on the strong foundations of Expectations, Communications, Delivery and Quality Management principles of Saksoft. Apart from delivering quality in the software development life cycle Optima also seeks to manage and exceed expectations of the stakeholders in any project. External and Internal auditors regularly makes assessment for ensuring that the system is in tact.

CORPORATE GOVERNANCE:

Your Company is committed to the adoption of best governance practices and its adherence in the true spirit, at all times. Good corporate governance encompasses the practices and procedures to be observed by the management with regard to laws, regulations, procedures and disclosures that must be adhered to at all times. Your Company as a responsible partner in society has consistently acted with integrity towards its shareholders, customers, employees, the government and business partners, in all the geographies where it operates.

A detailed Corporate Governance Report and Management Discussion and Analysis Report are included as a part of this Annual Report together with the Auditor's Certificate thereon, as required under Clause 49 of the Listing Agreement.

DEPOSITS:

The Company has not accepted any fixed deposits pursuant to section 58A of the Companies Act, 1956 and consequently there are no amounts by way of interest or principal that are outstanding at the end of the year.

DIRECTORS:

Mr. R.Rajagopalan and Mr. S.C.Agarwal, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends the re-appointment of Mr. R.Rajagopalan and Mr. S C Agarwal.

During the year Mr.V.Ramanathan, Chief Executive Officer resigned from the Board with effect from 1st October 2008 and the Board wishes to place its appreciation for the efforts and contribution extended at all levels during his tenure.

During the year the Board of Directors at its meeting held on 25th September 2008 has co-opted Mr.N.K.Subramaniam as Additional Director who holds office until the commencement of the forth coming Annual General Meeting. A notice under Section 257 of the Companies Act,1956 has been received from a member, in writing, proposing his candidature for the office of Director at the ensuing Annual General Meeting.

As per disclosures made by the Directors, none of the Directors are disqualified pursuant to Section 274(1)(g) of the Companies Act, 1956 and the disclosures have been taken on record by the Board of Directors.

DIRECTORS' RESPONSIBILITY STATEMENT:

As required under Section 217(2AA) of the Companies Act, 1956, the Directors' hereby confirm as follows:

1. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
2. That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and a fair view of the state of affairs of the Company at the end of the financial year and the profits of the Company for that period;
3. That the directors had taken proper and sufficient care for the maintenance of adequate records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the directors had prepared the annual accounts on a going concern basis.

AUDITORS

The Board decides to recommend the appointment of M/s. BSR & Co, Chartered Accountants as Statutory Auditors who shall be holding office from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting in place of M/s. Suri & Co, Chartered Accountants as they have expressed their unwillingness to be re-appointed in the forth coming Annual General meeting. A certificate pursuant to Section 224(1B) of the Companies Act, 1956 has been received from M/s.BSR & Co, Chartered Accountants to the effect that, if appointed, it would be within the limits provided under that Section.

The Board also wish to place on record the appreciation to M/s.Suri & Co., Chartered Accountants, auditors of the Company for their valuable service rendered during their association with the Company.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION :

The Company is a software company and hence the operations of the Company are not energy intensive. The Company employs energy efficient computers and office equipments. The company strives to evolve new technologies to see to that the infrastructure is more energy efficient.

FOREIGN EXCHANGE EARNINGS AND OUTGO :

Foreign Exchange Earning	: Rs.3730.30 Lakhs
Foreign Exchange Outgo	: Rs.339.36 Lakhs

MATERIAL CHANGES AFTER 31ST MARCH 2009 :

There have been no material changes and commitments between 31st March 2009 and the date of this report having an adverse bearing on the financial position of the Company.

PARTICULARS OF EMPLOYEES:

Information pursuant to Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employee's) Rules, 1975 as amended from time to time, the names and other particulars of employees are set out in Annexure I to this report. The Department of Company Affairs vide NOTIFICATION NO. G.S.R. 212(E), DATED 24-3-2004 has given an exemption whereby employees employed in Information Technology Sector and posted and working outside India, not being directors or their relatives, and

draw a salary of more than 24 Lakhs per annum per financial year or more than 2 lakhs if employed during the part of the financial year need not be included in the aforesaid statement. Accordingly the statement does not contain the particulars of such employees who are posted and working outside India and draw a salary as prescribed under Section 217(2A) of the Companies Act, 1956.

EMPLOYEES STOCK OPTION SCHEME :

The Company has allotted 582,460 equity shares of Rs.10 each at par to the Saksoft Employees Welfare Trust (hereinafter referred to as the "Trust") which administers the issue of Employees Stock Option plan in accordance with the SEBI guidelines and is monitored by the Compensation Committee of Directors. At the extra-ordinary General Meeting held on February 3, 2006, the shareholders have accorded the approval for issuing options by the Trust to employees and directors of the Company and its subsidiaries.

During the year the Trustees have granted 240000 options on 16th July 2008 and 100000 options on 7th October 2008 and to the employees of Saksoft and its subsidiaries at the rate of Rs.117.20 and Rs.59.00 per option respectively. During the year, 500 options were exercised by eligible employees. Details that are required to be provided under the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 are set out in Annexure II to this Report.

INVESTOR SERVICES

Investor Services are pivotal to the operations of the Company and hence your company always lays tremendous importance to redressing investor grievances and requests. The Compliance officer directly liaise with the Investor in matters relating to Investor services. The web-site of Saksoft (www.saksoft.com) is designed in a manner which is investor friendly. The Company has established an investor grievances committee to redress the grievances of the investor. The Company has designated an exclusive e-mail ID investorqueries@saksoft.co.in for investor queries to enable the investors to make their complaints, grievances and other requests. Investor relations remained cordial during the year under review and there are no investor complaints pending as on 31st March 2009.

ACKNOWLEDGEMENT

Your Company takes this opportunity to thank its customers, vendors, investors, business associates and bankers for their support extended during the year to the Company.

The Directors also thank the Government of India, the Governments of various countries, the concerned State Governments, Government Departments and Governmental Agencies for their co-operation. The Directors wish to place their appreciation to the employees of the Company for the excellent contributions extended at all levels in achieving growth and results.

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

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

**R.RAJAGOPALAN
CHAIRMAN**

ANNEXURE 1 TO DIRECTORS' REPORT

Information as per section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the financial year ended 31st March 2009

Employment throughout the financial year:								
Name	Age	Designation	Remuneration paid	Qualification	Experience	Date of Commencement of employment	Last Employer	Last Designation
Aditya Krishna	49	Managing Director	6749678	MBA	26 Years	01.04.2001	CitiFinancial Retail Services (I) Limited	Managing Director
Nalla Senapathi Periasamy	39	Head-Delivery	2932048	BSc., MBA	17 Years	09.10.2000	SSB CITI Asset Management Group, USA	Team Lead
Employed during Part of the financial year								
Name	Age	Designation	Remuneration paid	Qualification	Experience	Date of Commencement of employment	Last Employer	Last Designation
NK Subramaniyam	45	Executive Director (Operations & Technology)	3138718	MBA	24 Years	15.09.2008	Birlasoft Ltd	Vice President
Niraj Ganerwal	31	Chief Financial Officer	133226	C A	10.5 Years	11.03.2009	Arvind Remedies	Financial Controller
Vivek Agarwal	35	Business Development Head - India	732292	MBA	14.5 Years	01.12.2008	Oriflame India Ltd.	Regional Manager - West
V Ramanathan*	51	Chief Executive Officer	2220000	BE., MBA	26 Years	15.04.2000	SIP Technologies Limited	Chief Executive Officer

*Mr. V.Ramanathan resigned from the company with effect from 1st October 2008 during the financial year 2008-2009.

Notes:

1. Remuneration includes Salary, Allowances, perquisites and Company's contribution to Provident Funds.
2. Nature of employment: The above employees are whole time employee of the company and the nature of their employment are contractual.
3. The above employees except Mr. Aditya Krishna are not related to any of the Directors of the Company.

ANNEXURE II TO THE DIRECTORS' REPORT

Information to be disclosed under the SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

(a) Options Granted	340000
(b) Pricing Formula	The Stock Options granted were priced at the prevailing market price for the Company's equity shares quoted on the National Stock Exchange of India on the date prior to the date on which the Compensation Committee decided to recommend to the Saksoft Employees Welfare Trust, the grant of options to eligible employees.
(c) Options Vested	24000
(d) Options Exercised	500 (during the year 2008-09)
(e) The total number of shares arising as a result of exercise of Options	27500 Equity Shares of Rs.10 each. These were transferred from the Saksoft Employees Welfare Trust to the eligible employees.
(f) Options Lapsed	385,000
(g) Variation of terms of Options	NIL
(h) Money Realised on exercise of options	Rs.39,750/-
(i) Total Number of options in force.	301,500
(j) Employee wise details of Options granted to (1) Senior Management Personnel	Mr.N K Subramaniam – 100,000 Mr.Nalla Senapathi Periasamy – 40,000 Ms.Annu Thomas – 20,000 Mr.Badrinath Venu – 10,000 Mr.Dhiraj Mangla – 10,000 Ms.Jui Srivastava – 10,000 Mr.Rajkumar – 10,000 Mr.Sasikumar – 10,000 Mr.Sriram – 10,000 Mr.Vinay Advani – 40,000 Mr.Vivek Agarwal – 40,000
(2) Any other employee who receives a grant in any year of option amounting to 5% or more of options granted during the year.	Nil
(3) Identified employees who were granted options during any one year, equal to or exceeding 1% of the issued capital of the Company at the time of grant.	Nil

(k) Diluted Earnings per share pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) – 20 (Earnings per share)	Not Applicable																			
(l) Where the Company has calculated the employee compensation cost using intrinsic value of Stock option, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of options, shall be disclosed. The impact of this difference in Profit on EPS of the Company shall also be deducted.	The Company has calculated the employee compensation cost using the intrinsic value of stock options. Had the fair value method been used, in respect of stock options granted, the employee compensation cost would have been higher by Rs.24,91,289, Profit after tax lower by Rs.24,91,289 and the basic and diluted earnings per share would have been lower by Rs.0.25 respectively.																			
(m) Weighted-average exercise prices and weighted average fair values of options shall have been disclosed separately for options whose exercise price either equals or exceeds of is less than the market price of the Stock.	Options grant Date : 16 th July 2008 and 7 th October 2008 Grant Price : Rs.117.20 and Rs.59.00 Fair Value : Rs.54.28 and Rs.25.37																			
(n) A description of the method and significant assumptions used during the year to estimate the fair value of options, including the following weighted average information	The Fair value of the stock options granted on 16 th July 2008 and 7 th October 2008 has been calculated using the Black-Scholes options pricing formula and the significant assumptions made in this regard are as follows																			
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;"></th> <th style="width: 25%; text-align: center;">16th July 2008</th> <th style="width: 25%; text-align: center;">7th October 2008</th> </tr> </thead> <tbody> <tr> <td data-bbox="209 1249 794 1317">(i) risk-free interest rate</td> <td style="text-align: center;">7%</td> <td style="text-align: center;">7%</td> </tr> <tr> <td data-bbox="209 1317 794 1361">(ii) expected life</td> <td style="text-align: center;">5 years</td> <td style="text-align: center;">5 years</td> </tr> <tr> <td data-bbox="209 1361 794 1406">(iii) expected volatility</td> <td style="text-align: center;">65.8%</td> <td style="text-align: center;">65.8%</td> </tr> <tr> <td data-bbox="209 1406 794 1451">(iv) expected dividend</td> <td style="text-align: center;">1.8%</td> <td style="text-align: center;">1.8%</td> </tr> <tr> <td data-bbox="209 1451 794 1516">(v) the price of the underlying share in market at the time of option grant</td> <td style="text-align: center;">117.20</td> <td style="text-align: center;">59.00</td> </tr> </tbody> </table>			16th July 2008	7th October 2008	(i) risk-free interest rate	7%	7%	(ii) expected life	5 years	5 years	(iii) expected volatility	65.8%	65.8%	(iv) expected dividend	1.8%	1.8%	(v) the price of the underlying share in market at the time of option grant	117.20	59.00
	16th July 2008	7th October 2008																		
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(v) the price of the underlying share in market at the time of option grant	117.20	59.00																		

SAKSOFT LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MDA)

Overview:

The financial statements have been prepared in accordance and in compliance with the requirements of Companies Act, 1956, Listing Agreement, Accounting Standards and other statutory accounting pronouncements in India. The management accepts the responsibility for the integrity and objectivity of these financial statements, as well as for estimates and judgements used herein. The estimates and judgements relating to the financial statements have been made on a prudent and reasonable basis, in order to ensure that the financial statements reflects a true and fair view of the form and substance of transactions and reasonably present our state of affairs of the Company and profits for the year.

Industry structure and Developments:

According to the Nasscom, India continues to be a most preferred primary destination for outsourcing business and is also emerging as a country for products and innovation. The NASSCOM has also predicted that the exports from India through IT services [excluding business process outsourcing (BPO), product development and engineering services] are expected to cross USD 26.9 billion in fiscal 2009 and from Business Process Outsourcing expected to cross USD 12.8 billion during the same period. Other notable surveys Forrester [Global IT Market Outlook: 2009 by Andrew H. Bartels published in January 2009] has mentioned in their report that purchases of IT goods and services by global businesses and governments will decline by 3% in 2009 and then rise by 9% in 2010.

From the surveys published by leading organizations it is very evident that your company being in the sector of Information Technology can foresee phased developments in the coming years as lot of business opportunities are likely to be routed to India being considered as the most preferred location for outsourcing across the globe.

The country has also witnessed a robust growth in the telecom sector evidenced by increase in the subscribers to cell phones, internet telephony and other modes of communication. Hence it is imperative that management of information plays a pivotal role in the Information Technology and communication management as well and thus provides the Company with a higher revenue potential and opportunities.

Business Outlook:

This section basically contains certain forward looking statements and that our actual results might differ from those anticipated in this statement as a result of the influence of various factors.

Saksoft believes that the business from BFSI segment will grow as more and more financial institutions need to upgrade to new technological advancements in order to remain competitive. BFSI companies are also waking up to the need for a strong BI to manage their risk and performance. Saksoft being a very accomplished BI solution provider has a lot of potential for growth in this segment, subject to overcoming various risks that are indicated elsewhere in the document.

During the financial year your Company has recorded the total revenues of Rs.4467.68 lakhs as against the previous year revenue of Rs.4514.58 lakhs. The net profit for the year was Rs.463.34 lakhs as compared to Rs.206.83 lakhs in 2007-08.

Saksoft Products and Services

Saksoft provides a comprehensive suite of solutions and products, in the Banking, Financial Services and Insurance (BFSI) space to help our clients gain market differentiation and / or competitive advantage. Our products and services are aimed at identifying customer's needs and providing solutions under a CMMI Maturity Level 5 accredited quality system. Our service offerings include information management services, web development and testing services. With some unique tools and processes we bring the best in class IT practices into each of our offerings.

The other factors critical for Saksoft's present and future successes are:

- . Broad and evolving service and product offerings.
- . Effective integration of onsite and offshore execution capabilities to deliver world class services.
- . Seamless integration of Acuma and Saksoft to make it one of the top ranking Information Management Specialist companies of the world.
- . Significant domain knowledge in its areas of business Extensive industry expertise.
- . Attract and retain high quality professionals
- . Outsourcing services such as Testing and Business Intelligence are expected to experience good demand over the next few years and Saksoft has tremendous expertise in both.
- . 24-hr execution capability across multiple time zones
- . The ability to accelerate delivery times of the large projects by simultaneously processing project components
- . Cost competitiveness
- . 10% of our people are on new product and process R&D. This shows our commitment for continuous improvement for the future
- . Continuous training programmes for technical and behavioral skills for long term development of the employees.
- . Proven and experienced management team.

Saksoft also has a wide spectrum of products offering multiple benefits to the clients from controlling their business risk to managing performance effectively.

Saksoft products:

- . Veri-sens: It is Saksoft's BI framework for retail banking and credit cards. It comes with a ready suite of over 125 moldable reports spanning consumer loans, credit cards, liabilities and wealth management.
- . Prima: It is a loyalty and rewards management system.
- . Deduplication: Saksoft's deduplication system works primarily on finding duplicates within a given data set or against another data set; it also comes with powerful data cleansing functionalities.

- Acusend: This is an information distribution solution which aims at delivering information under the highest levels of security.

Saksoft's client centric business strategies help the clients perform at the highest levels to create sustainable value for their customers and shareholders. Saksoft can mobilize the right people, skills and technologies to help clients improve their performance. Using our domain knowledge, service-offering expertise and technology capabilities, we identify new business and technology trends and develop solutions to help clients around the world:

- Enter new markets.
- Increase revenues in existing markets.
- Improve operational performance.
- Deliver their products and services more effectively and efficiently.

Even as the market conditions continued to pose challenges, Saksoft saw the steady addition of clients across geographies this quarter. Increased focus on other verticals like Telecom also helped to generate healthy pipeline for the future.

Our Strategy

The company will be adopting multi-pronged strategy which shall include building relationships based sales approach, increase the breadth of services to the existing clients, development of new products, improvisation in the existing products to suit with the market requirements which all will be paved towards the generation of better business opportunities this year.

Internal Control Systems:

Adequate internal check are built in to cover all monetary transactions. The Company's Internal Auditors conducts regular audits on a monthly basis and a quarterly report is being presented by the Internal Auditors and placed before the Audit Committee for review. The Internal Auditors are also invited to the meetings for their suggestions. The Audit Committee reviews the suggestions and observations of the Internal Auditors and puts the same into action and reviews on a periodical basis. The terms of reference of the Audit Committee covers the areas mentioned in Clause 49 of the Listing Agreement with the Stock Exchanges and Section 292A of the Companies Act, 1956. The Company continues to lay emphasis on the recommendations of the Audit Committee. Your Directors believes that the Internal control system established in the Company is operating effectively.

Risks and Concerns:

The risks and concerns of all IT companies have gone up this year given the economic turmoil in the US and its fallout on the global economy. This has increased the pressure on pricing and decreased the utilization rates and may have a negative impact on the revenues this year. A major share of our revenue is from clients in US and UK who are also prone to the severe economic depression. The other risk factors envisaged by the company are as under:

- Saksoft also predominantly focuses on the BFSI sector which is most severely hit in the present economic meltdown. This may have an impact on our business.
- Though we have focused our approach in expanding our client concentration from a few big clients to a broader client base the process of expansion of the client base may gradually happen in the due course of time. Any significant reduction in the business from any of our major clients will have its impact on our revenue adversely.
- Growth from new clients may not increase exponentially in this year as all the financial institutions are exercising caution in terms of new IT investments.
- Our success depends largely upon our ability to hire and retain our highly skilled technology professionals which remains a challenge in identifying the expert professionals who has expectations of attractive compensation packages which your company is presently not in the position to cater to on account of the recession.
- Our ability to attract and retain key personnel of our management team is critical to our success
- Intense competition in the market for technology services may affect our cost advantages which may reduce our share of business from the clients and decrease our expected revenues.
- We may engage in acquisitions, strategic investments, strategic partnerships or alliances or other ventures may or may not be successful.
- Our revenue may not be as per expectation in case of sudden changes in foreign exchange rates or internal taxation policies of the country.

Financial Performance

a. Results of operations

- Your Company's software exports aggregated to Rs.3730.30 lakhs, as against the previous year exports of Rs.3957.21 lakhs in the previous year. US region continues to contribute more revenues for your Company. Your Company has been successful in continuing to add a healthy number of new customers in addition to actively mining its existing customers.
- Operating profit increased from Rs.638.32 lakhs to Rs.912.30 lakhs primarily due to decrease in the operational cost.
- The net block of fixed assets during the year is Rs 322.17 lakhs as compared to the previous year of Rs.419.70 lakhs. The reduction is primarily due to depreciation provided during the year.

b. Foreign exchange earnings and outgo

Foreign Exchange Earnings	:	Rs.3730.30 Lakhs
Foreign Exchange Outgo	:	Rs.339.36 Lakhs

c. Dividend

Your Directors recommend a Final dividend of Re.1 per share (10% on the face value of Rs.10). The total dividend for the year ended 31st March 2009 is Rs.101.40 Lakhs as against Rs. 50.70 Lakhs for the previous year. This dividend is subject to the approval of the shareholders in the ensuing Annual General Meeting.

d. Appropriations

The Board of Directors have decided to retain entire surplus in the Profit and Loss Account and hence no transfer will be made to the General Reserve during this year.

e. Human Resource Management

At Saksoft we strongly believe that our endeavor is to transcribe our core values into our work, ensuring transparent stakeholder values at all levels. Our last year focus on transitioning the outlook from development centers into centers for excellence has been accomplished through our business offerings thereby creating a paradigm within which we operate at the highest levels of efficiency. Saksoft aims to build a strong commitment among the employees through various initiatives and measurement tools to capture satisfaction scores over the year. Employee quality and motivation is critical and your company significant efforts in training during the year 2008-09 and will continue the trend in the coming year too.

f. Employee Stock Options

The Company has allotted 582,460 equity shares of Rs.10 each at par to the Saksoft Employees Welfare Trust (hereinafter referred to as the "Trust") which administers the issue of Employees Stock Option plan in accordance with the SEBI guidelines and is monitored by the Compensation Committee of Directors. At the extra-ordinary General Meeting held on February 3, 2006, the shareholders have accorded the approval for issuing options by the Trust to employees and directors of the Company and its subsidiaries.

The trustees have granted 240,000 options on 16th July 2008 and 100000 options on 7th October 2008 to the employees of Saksoft and its subsidiaries at the rate of Rs.117.20 and 59.00 per option respectively. During the year, 27500 were exercised by eligible employees. Details that are required to be provided under the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 are set out in Annexure II to this Report.

Particulars	Year ended 31 st March 2009	Year ended 31 st March 2008
Options outstanding at the beginning of the year	347,000	133,000
Options granted during the year	340,000	325,000
Options exercised during the year	(500)	(1000)
Options forfeited during the year	(240,000)	Nil
Options lapsed during the year	(145,000)	(110,000)
Options outstanding at the end of the year	301,500	347,000

g. Quality

Optima is the CMMI level 5 accredited quality management system of Saksoft. Our quality control processes are designed to minimize defects and ensure adherence to pre-determined project parameters. Digite, a proven OTS product is used to manage Optima processes online with no paperwork. It manages all projects through their full life cycle and maintains complete repository of documents from start to finish. We strictly adhere to our CMMI Level 5 internal quality and project management processes to ensure maximum client satisfaction

h. Cautionary Statement

Statements in the Management Discussion and Analysis Report describing the company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the company's operations include global and domestic supply and demand conditions affecting the revenue realizations, availability of skilled work force, changes in government regulations, tax laws, economic developments and other related factors.

The image shows a large, light gray watermark of the Saksoft logo. The logo consists of the word "SAKSOFT" in a bold, sans-serif font, with a stylized, curved line element that loops around the letter 'A' and extends upwards and to the right.

REPORT ON CORPORATE GOVERNANCE (PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

Company's Philosophy on Corporate Governance:

The Company strongly believes that by adopting the good corporate governance practices the value of the stakeholders can be enhanced on long term basis and is constantly striving to achieve the same. The Company aims to achieve these standards by adhering to the ethical values with business intelligence and core competencies from time to time. The Company continues to focus its resources, strengths and strategies to achieve its vision of becoming a truly global software company. The Company has adopted a Code of Conduct for its senior management including the Whole-time Directors and the Managing Director.

The corporate governance principles of the Company ensures that the Board be informed about the various facets of the business and industrial requirements and the ways and means of mitigating both business and non-business risks. Saksoft is committed to lawful and ethical business conduct which it believes to be fundamental value of the Board, Senior Management Personnel and other employees of Saksoft.

Our philosophy on Corporate Governance is based on the following grounds:

1. Compliance with all Laws and Regulation of the Country in relation to the Company in its true spirits.
2. Ensuring transparency and high degree of disclosure levels.
3. Better communication with all the stakeholders.
4. Have a transparent corporate structure geared by business requirements.
5. Clear demarcation and distinction between personal Interest and Corporate Interest.

BOARD OF DIRECTORS:

The Board comprises of 7 directors with knowledge and experience in different fields like software, manufacturing, finance and business management. The Board has an appropriate mix of executive and independent directors to ensure proper governance and management. The Board functions both as a full Board and through Committees. The Board and the Committees meet at regular intervals. Policy formulation, evaluation of performance and control functions vest with Board while the committees oversee operational issues.

Composition and category of Directors:

Name of the Directors	Designation	Category
Mr. R Rajagopalan	Chairman	Independent
Mr. Aditya Krishna	Managing Director	Executive
Mr. Autar Krishna	Director	Non-Executive
Mr. N K Subramaniyam*	Executive Director (Operations & Technology)	Executive
Mr. S C Agarwal	Director	Non-Executive
Mr. Amitava Mukherjee	Director	Independent Non-Executive
Mr. Suresh Subramanian	Director	Independent Non-Executive
Mr. V Ramanathan**	Chief Executive Officer	Executive

* Mr. N K Subramaniyam has been co-opted by the Board with effect from 25th September 2008

** Mr.V.Ramanathan has resigned from the Board with effect from 1st October 2008.

Shares held by Non-executive Directors:

The Non-executive Directors of the Company other than Mr. Autar Krishna do not hold any shares of Saksoft. Mr. Autar Krishna holds 200,120 Equity Shares of Saksoft Limited.

Board Meetings

The Company conducts Board meetings in compliance with the requirements of the Companies Act, 1956 and the Listing Agreement. The dates of Board meetings are decided in advance to ensure that there is full attendance and participation in the Board meeting. During the current 2008-09, 5 Board Meetings were held on 16th May 2008, 28th July 2008, 25th September 2008, 23rd October 2008 and 30th January 2009. The attendance of each director at Board Meetings and last Annual General Meeting and the number of other chairmanship/membership of the committees of each director in various companies are as under.

Name of the Director	Particulars of the attendance		No. of other Directorships/ Committee member/Chairperson		
	Board Meeting	Last AGM	Other Directorship	Committee Chairmanship	Committee membership
Mr. R Rajagopalan	5/5	Yes	4	2	5
Mr. Aditya Krishna	5/5	Yes	11	-	1
Mr. Autar Krishna	4/5	No	8	-	2
Mr. N K Subramaniam*	1/2	NA	-	-	-
Mr. S C Agarwal	4/5	Yes	2	-	-
Mr. Amitava Mukherjee	3/5	No	3	-	-
Mr. Suresh Subramanian	2/4	NA	1	-	-
Mr.V.Ramanathan**	3/3	Yes	-	-	-

* Mr. N K Subramaniam has been co-opted by the Board with effect from 25th September 2008

** Mr.V.Ramanathan has resigned from the Board with effect from 1st October 2008

BOARD PROCEDURE:

The Board meets at least once in a quarter and the interval between two meetings is not more than 4 months. Apart from the statutory requirements, the role of the board includes setting annual business plan, periodic review of operations and considering proposals for diversification, investments, and business re- organization. The information periodically placed before the board includes status of statutory compliance, proceedings/minutes of all committees including the audit committee.

AUDIT COMMITTEE:

The terms of reference stipulated by the Board to the audit committee cover the matters specified under clause 49 of the Listing Agreements with the National Stock Exchange.

The Audit committee of the company consists of 4 non-executive directors of which 3 of them are independent directors. The composition of the committee and the qualification prescribed for the members is in compliance with the requirements of clause 49 of the Listing Agreement. All the members of the Committee are financially literate and have sufficient accounting and financial management expertise.

The members of the Audit Committee are as follows:

1. Mr. R Rajagopalan	-	Independent Director	-	Chairman
2. Mr. Amitava Mukherjee	-	Independent Director	-	Member
3. Mr. S C Agarwal	-	Non-Executive Director	-	Member
4. Mr. Suresh Subramanian	-	Non-Executive Director	-	Member

During the year 2008-09, the Audit Committee met five times on 16th May 2008, 28th July 2008, 25th September 2008, 23rd October 2008 and 30th January 2009. The interval between two meetings convened was not more than four months. Majority of the members maintaining requisite quorum of the committee have attended all the audit committee meetings. The Company also adheres to the Companies Act, 1956, the Listing Agreement and the SEBI Guidelines in relation to the quorum for the meetings, role and powers of the committee. The members are paid a sitting fee of Rs.5000 each for every meeting.

REMUNERATION COMMITTEE:

The company's Remuneration committee consists of three non-executive directors of whom two of them are independent directors. Mr. R Rajagopalan, Mr. Amitava Mukherjee and Mr. S C Agarwal are the members of the committee. The scope/role of the committee is to recommend to the Board of Directors, the remuneration payable to the whole time directors as and when they come up for review and also administers the Employees Stock Option plan of Saksoft Limited.

Mr. Rajagopalan is the chairman of the Remuneration committee. The chairman and the members are paid Rs.5000/- towards sitting fee for every meeting. During the year, the committee met three times on 16th May 2008, 16th July 2008 and 7th October 2008 and all the committee members have attended all the meetings.

The details of remuneration paid to the Managing Director, Executive Director (Operations & Technology) and erstwhile Chief Executive Officer of the Company for the year are as under:

Name	Salary	Allowances	Commission	Total
Aditya Krishna, Managing Director	67,20,000	29,678	NIL	67,49,678
N K Subramaniam Executive Director (Operations & Technology)	14,43,319	16,95,399	NIL	31,38,718
V.Ramanathan Chief Executive Officer till 1 st October 2008.	15,00,000	7,20,000	NIL	22,20,000

REMUNERATION OF NON-EXECUTIVE DIRECTORS:

The Company pays a sitting fees to all Non-Executive Directors at the rate of Rs,5000/- for each meeting of the Board and Rs.5000/- for all Committee Meetings attended by them. The sitting fees paid for the year ended 31st March 2009 to the directors and the Commission payable are as follows:

S.No.	Names of Directors	Sitting Fees (Board Meetings)	Sitting Fees (Committee Meetings)	Managerial Commission Payable	Total
1.	Mr.R.Rajagopal	Rs.25000	Rs.55000	Rs.100000	Rs.180000
2.	Mr.Autar Krishna	Rs.20000	Nil	Rs.100000	Rs.120000
3.	Mr.Amitava Mukherjee	Rs.15000	Rs.40000	Rs.100000	Rs.155000
4.	Mr.Suresh Subramanian	Rs.10000	Rs.15000	Rs.100000	Rs.125000
5.	Mr.S.C.Agarwal	Rs.20000	Rs.45000	Rs.100000	Rs.165000

SHAREHOLDERS' GRIEVANCES COMMITTEE:

The Board has constituted a shareholder/Investors grievance committee comprising of Mr. R Rajagopalan, Mr. S C Agarwal, Mr. Amitava Mukherjee and Mr.Suresh Subramanian. The Committee looks into redressing of shareholders' complaints like share transfers, non-receipt of dividend warrants etc. Mr. R Rajagopalan is the chairman of the Committee. Mr. S Narayan, the Company Secretary and Compliance Officer of the Company is the secretary of the committee. During the year, the committee met 3 times on 16th May 2008, 23rd October 2008 and 30th January 2009.

The Company received 1 compliant during the year. All investor grievances were solved to the satisfaction of the investor and there are no pending complaints for the year ended 31st March 2009.

GENERAL BODY MEETINGS

(i) Location and Time, where last three Annual General Meetings were held:

Year	Location	Date	Time
2005-06	Naradha Gana Sabha, Mini Hall, 314, TTK Road, Chennai – 600 018	24.07.2006	10.00 AM
2006-07	Naradha Gana Sabha, Mini Hall, 314, TTK Road, Chennai – 600 018	11.07.2007	10.00 AM
2007-08	Naradha Gana Sabha, Mini Hall, 314, TTK Road, Chennai – 600 018	25.09.2008	10.00 AM

(ii) Special Resolution passed during the last three Annual General Meetings

1. A special resolution was passed for altering Article 3 of the Articles of Association relating to the increase of authorized capital. This resolution was passed at the AGM held on 11th July 2007.
2. A special resolution was passed for issue of shares on a preferential basis pursuant to Section 81(1A) of the Companies Act, 1956 read with Chapter XIII of the SEBI (Disclosure and Investor Protection) Guidelines, 2000.
3. A special resolution was passed for issue of shares on Qualified Institutional Placement basis pursuant to Section 81(1A) of the Companies Act, 1956 read with Chapter XIII-A of the SEBI (Disclosure and Investor Protection) Guidelines, 2000

4. A special resolution was passed for approval of excess remuneration paid to Mr.V.Ramanathan
5. A special resolution was passed for payment of commission to Non-Executive Directors.

(iii) Special Resolutions passed through Postal Ballot:

There were no special resolutions required to be passed by way of Postal Ballot during the last three years.

(iv) Special resolution to be conducted by way of postal ballot:

The Company does not envisage any special resolution to be conducted by way of postal ballot. However this is subject to any other contingencies or event that may happen in near future.

DISCLOSURES:

A statement of related party transaction has been disclosed as a part of the accounts as required under Accounting Standard 18 issued by the Institute of Chartered Accounting Standards of India.

There have been no instances of non-compliances by the Company. Hence there are no penalties, strictures imposed by the Stock Exchanges or SEBI or any other statutory authority on any matter related to the Capital Markets during the last three years on the Company.

The Company has established the Whistle Blower policy and the company affirms that there are no personnel who were denied access to the Audit committee.

Details of Compliance with the Mandatory Requirements:

The Company has complied with all the mandatory requirements prescribed under the Listing Agreement. The Remuneration committee of the Directors is constituted in compliance with the non-mandatory requirements prescribed under the Listing Agreement.

MEANS OF COMMUNICATION

The Company publishes the quarterly financial results in the manner prescribed by the National Stock Exchange. For the financial year ending 31st March 2009, the quarterly results were filed and published in the manner set forth below

Quarter	Date of Filing with the Stock Exchange	Date of publication in English News paper	Date of publication in Vernacular daily
I	28 th July 2008	30 th July 2008 – Economic Times	30 th July 2008 – Makkal Kural
II	23 rd October 2008	24 th October 2008– News Today	24 th October 2008 – Makkal Kural
III	30 th January 2009	31 st January 2009 – News Today	31 st January 2009 – Makkal Kural

The quarterly and annual financial results are posted in the Company's web-site www.saksoft.com.

SEBI EDIFAR:

The applicable disclosures were also posted in SEBI EDIFAR website www.sebiedifar.nic.in till the year ended 31st March 2009.

GENERAL SHAREHOLDER INFORMATION: (TENTATIVE)

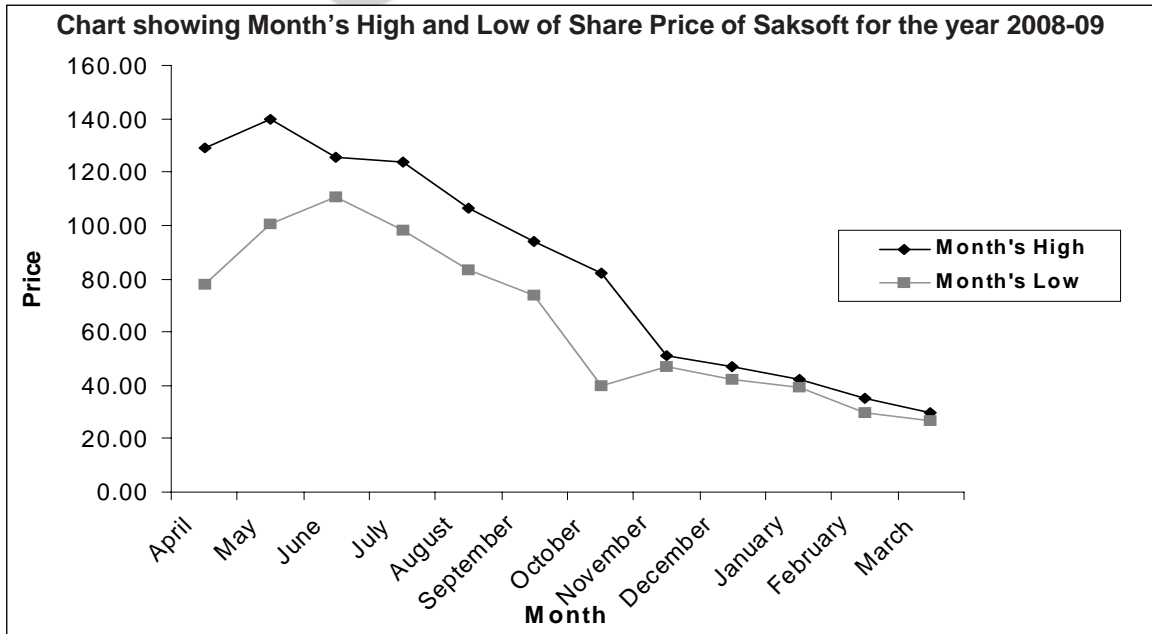
Particulars	Details
Annual General Meeting	
Date	31 st July 2009
Time	10.00 AM
Venue	Venue : The Music Academy, Kasturi Srinivasn Hall, New No.168, T.T.K Road, Royapettah, Chennai – 600 014.
Financial Year	
Periodical results	
Results for I Quarter ending 30 th June 2009	1 ST April to 31 st March
Results for II Quarter ending 30 th September 2009	Last week of July 2009
Results for III Quarter ending 31 st December 2009	Last week of October 2009
Results for the year ending 31 st March 2010	Last week of January 2010
*The schedule is tentative.	
Book Closure Date	July 24 th 2009 to 31 st July 2009 (Both days inclusive)
Dividend Payment Date	10 th August 2009
Listing on Stock Exchanges	The Equity shares of the Company are listed at the National Stock Exchange of India Limited and are permitted to be traded on the Bombay Stock Exchange under the category permitted securities. The annual listing fee as prescribed by the National Stock Exchange has been paid to them within the prescribed time limit.
a) Stock Code	SAKSOFT EQ
b) DEMAT ISIN Number in NSDL and CDSL for Equity Shares.	INE667G01015
Market Price Data: High and Low during each month in last financial year	The National Stock Exchange of India Limited, Mumbai (Provided below)

National Stock Exchange

Month, Year	Price High	Price Low
April 2008	128.90	78.15
May 2008	140.00	100.45
June 2008	125.45	110.50
July 2008	123.50	98.10
August 2008	106.40	83.20
September 2008	94.00	74.00
October 2008	82.00	39.65
November 2008	51.30	47.00
December 2008	46.70	42.50
January 2009	42.00	39.00
February 2009	35.00	29.90
March 2009	29.50	26.70

SAKSOFT

Stock Movement Chart



Registrar and Transfer Agents

Cameo Corporate Services Limited
 Subramanian Buildings
 No.1, Club House Road, Chennai – 600 002.
 Tel:+91-44-28460390, Fax: +91 – 44 – 28460129
 Email: saksoft@cameoindia.com
 Web-site: www.cameoindia.com

Share Transfer System: The Company's shares are traded in the Stock Exchanges compulsorily in DEMAT mode. Pursuant to the directives issued by the Securities and Exchange Board of India, the share transfers, both physical and demat are handled by our transfer agents, M/s Cameo Corporate Services Limited, Chennai. Shares in physical mode which are lodged for transfer either with the company or with the share transfer agents are processed subject to the exercise of option under Compulsory Transfer cum demat procedure. Share certificates are either converted in DEMAT form or within time prescribed.

Distribution of shareholding as on 31st March 2009

Shares	Share holders		Shareholding	
	No. of Share-holders	% of total shareholders	No. of Shares	% of total Shareholding
Upto 5000	1450	90.29	155709	1.54
5001-10000	65	4.05	51620	0.51
10001-20000	29	1.81	43756	0.43
20001-30000	13	0.81	31606	0.31
30001-40000	8	0.50	27533	0.27
40001-50000	2	0.12	9113	0.09
50001-100000	10	0.62	73395	0.72
100001 and above	29	1.80	9747268	96.13
Total	1606	100	10140000	100

Pattern of Shareholding as on 31st March 2009

Category	No of Shares	% holding
Promoters	7538250	74.34
Mutual Funds & UTI	450209	4.44
Banks/Financial Institutions	Nil	Nil
NRI's/OCB	7273	0.07
Corporate Bodies	369239	3.64
Public	1775019	17.51
Others	10	0.00
Total	10140000	100.00

Dematerialization of shares and liquidity

As at 31.03.2009, 68.22% of equity shares have been dematerialized. These shares are traded in the National Stock Exchange and Bombay Stock Exchange. The Company has not issued any ADRs/ GDRs or any convertible bonds.

During the year under review, Sonnet Trade & Investments Pvt. Ltd., which is a Company part of the Promoter Group, purchased 183150 Number of Shares of the Company from the open market amounting to 1.8% of the total Paid-up Capital. As this number of Shares is less than 5% of the total Paid-up Share Capital of the Company, no information was required to be filed with SEBI.

Office Locations:

Saksoft Limited

SP Infocity, Module 1, 2nd Floor,
40, Dr. MGR Salai, Perungudi,
Kadanchavadi, Chennai – 600 096.
Ph: 044-
Fax: +91-44

Saksoft Limited

B-35-36, Sector 80
Phase - II, Noida – 201 305
Uttar Pradesh

Saksoft GmbH

Lyonerstr 14 60528,
Frankfurt, Germany

Saksoft Pte Limited

3, Shenton Way
15-06, Shenton House,
Singapore – 068805

Saksoft Inc.,

33 Wood Avenue South, Suite
621, Iselin, NJ 08830.

Saksoft Ltd.,

Waterside Court, #1,
Crewe Road, Manchester M23
9BE, UK

Saksoft Investments Private Limited

Waterside Court, #1, Crewe Road,
Manchester M23 9BE, UK

Address for Correspondence

Saksoft Limited,

SP Infocity, Module 1, 2nd Floor, 40, Dr. MGR Salai,
Perungudi, Kadanchavadi, Chennai – 600 096
Ph: 044 - 24543500 Fax: +91-44-24546510

Exclusive E-mail ID for redressal of investor complaints

In terms of Clause 47(F) of the listing agreement, please use the following contacts for redressal of investor Complaints

E-mail : complianceofficer@saksoft.co.in
Compliance Officer : Mr. S Narayan
Tel Nos : +91 – 44 - 24543500

Compliance with Code of Conduct

The Board of Directors has affirmed compliance with the Code of Conduct for Board of Directors & Senior Management adopted by the Company for the year ended 31st March 2009.

Declaration by the Managing Director under Clause 49 of the Listing Agreement regarding adherence to the Code of Conduct

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them for the Financial Year ended 31st March 2009.

For Saksoft Limited

Place: Chennai
Date : 29th June 2009

-sd-
Aditya Krishna
Managing Director

**Suri & Co.,
Chartered Accountants**

**No.4 (Old No.55A), South Boag Road,
(Chavaliar Sivaji Ganesan Salai)
T Nagar, Chennai - 600 017.
Tel : 044-24341140 / 24341150**

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To the members of SAKSOFT LIMITED

We have examined the compliance of the conditions of Corporate Governance by SAKSOFT LIMITED, for the year ended 31st March, 2009, as stipulated in clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us;

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Suri & Co.
Chartered Accountants**

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

**S.Ganesan
Partner
Memb. No. 018525**

Auditor's Report

To the members of SAKSOFT LIMITED

We have audited the attached Balance Sheet of SAKSOFT LIMITED (the Company), as at 31st March 2009, Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003, as amended, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Without qualifying our opinion we draw attention to note number 3(c)(i) of Schedule 17 – forming part of financial statement in respect of remuneration of Rs.17,58,728/- to the whole time directors and Rs.31,49,678/- to the managing director which is in excess of limits specified under Clause C of Part II of Schedule XIII of The Companies Act, 1956 for which application for approval is being made by the company to the Central Government.

We also draw attention to note no 3(c)(ii) of Schedule 17 forming part of financial statements in respect of commission of Rs.5,00,000/- payable to Non-Whole Time Directors which is subject to the approval by the Central Government.

Further to our comments in the Annexure referred to above, we report that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii. In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
- iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.

**Suri & Co.,
Chartered Accountants**

**No.4 (Old No.55A), South Boag Road,
(Chavaliar Sivaji Ganesan Salai)
T Nagar, Chennai - 600 017.
Tel : 044-24341140 / 24341150**

- iv. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards, referred to in sub-section (3C) of Section 211 of Companies Act, 1956.
- v. On the basis of written representations received from the Directors as on 31st March 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2009 from being appointed as Director in terms of section 274(1)(g) of The Companies Act, 1956.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) in the case of the Balance Sheet, of the state of Company's affairs as at 31st March, 2009
 - (b) in the case of the Profit and Loss account, of the PROFIT for the year ended on that date;
 - (c) in the case of the Cash flow statement, of the cash flows for the year ended on that date.

**For Suri & Co.
Chartered Accountants**

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

**S.Ganesan
Partner
Memb. No. 018525**

ANNEXURE TO THE AUDITORS REPORT

(Referred to in our report of even date)

The Annexure referred to in the auditor's report to the members of Saksoft Limited (the Company) for the year ended 31st March 2009. We report that:

- (i) a) The company is maintaining proper records showing full particulars including quantitative details and situation of Fixed Assets.
- b) Physical verification of major items of these assets has been conducted by the management during the year and no material discrepancies were noticed on such verification.
- c) The company has not disposed off a substantial part of fixed assets during the year and the going concern assumption of the company is not affected.
- (ii) The company is engaged in the business of Information Technology Services, as such clauses (a), (b) and (c) of paragraph (ii) is not applicable to the company.
- (iii) The company has not granted any loans, secured or unsecured during the year to Companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956. As such clause (a), (b), (c) and (d) of paragraph (iii) is not applicable to the company.
- e) The company has taken loan, unsecured from a company, covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.37 Crores and the year-end balance of loans taken from the company is Rs.30 Crores.
- f) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from a company covered under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
- g) The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
- (iv) The company has adequate internal control system commensurate with the size of the company and the nature of its business, for purchase of fixed assets and for sale of goods and services. During the course of audit, we have not observed any major weakness in internal control system.
- (v) a) The particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that are required to be entered in the register have been so entered.
- b) According to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained u/s 301 of the Companies Act, 1956 has been made at prices, that are reasonable having regard to the prevalent market prices at the relevant time.

- (vi) The Company has not accepted any deposits from the public during the year.
- (vii) The Company has an internal audit system commensurate with the size and the nature of its business.
- (viii) The Central Government has not prescribed the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956.
- (ix) a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Wealth Tax, Service Tax, Custom Duty, cess and other statutory dues with the appropriate authorities and there are no outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.

b) The details of disputed statutory dues are as under:

Name of the statute	Nature of dues	Amount disputed	Amount Paid	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Dues	47,09,476	Nil	Commissioner of Income Tax Appeals.

- (x) The Company has no accumulated losses as at 31.03.2009, nor has it incurred any cash losses during the financial year ended on that date or in the immediate preceding financial year.
- (xi) The Company has not defaulted in repayment of dues to financial institutions or banks.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities;
- (xiii) The Company is not engaged in the business of nidhi / mutual benefit fund / societies. Therefore the provisions of paragraph (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of paragraph (xiv) of the Companies (Auditors Report) Order, 2003 are not applicable to the company.
- (xv) The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The company does not have any term loan. Accordingly the paragraph (xvi) of the Companies (Auditors Report) Order, 2003 are not applicable to the company.
- (xvii) The Company has not raised any funds on short-term basis.

(xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.

(xix) The Company has not issued any debentures.

(xx) The company has not raised any money by public issue during the year.

(xxi) According to information and explanations given to us, and on the basis of our examination of records no fraud on or by the company has been noticed or reported during the year.

**For Suri & Co.
Chartered Accountants**

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

**S.Ganesan
Partner
Memb. No. 018525**

SAKSOFT LIMITED
BALANCE SHEET AS AT 31ST MARCH 2009

	Schedule	As at March 31, 2009	(Amount in Rs. '000) As at March 31, 2008
SOURCES OF FUNDS			
SHAREHOLDERS FUNDS			
Share capital	1	101,400	101,400
Reserves and surplus	2	366,878	332,407
LOAN FUNDS			
Secured loans	3	2,539	2,510
Unsecured loan	4	301,577	371,442
		<u>772,394</u>	<u>807,759</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross block	5	100,642	97,219
Less: Accumulated depreciation and amortisation		<u>68,425</u>	<u>55,249</u>
Net block		32,217	41,970
Capital work-in-progress		2,370	-
		<u>34,587</u>	<u>41,970</u>
INVESTMENTS	6	457,455	449,182
DEFERRED TAX ASSET	17(3)(e)	2,575	2,101
CURRENT ASSETS, LOANS AND ADVANCES			
Sundry debtors	7	110,213	145,662
Cash and Bank balances	8	14,805	7,478
Other current assets	9	7,637	11,171
Loans and advances	10	265,114	262,625
		<u>397,769</u>	<u>426,936</u>
CURRENT LIABILITIES AND PROVISIONS			
Current liabilities	11	101,832	101,453
Provisions	12	18,160	10,977
		<u>119,992</u>	<u>112,430</u>
NET CURRENT ASSETS		<u>277,777</u>	<u>314,506</u>
		<u>772,394</u>	<u>807,759</u>

Notes to accounts

17

The schedules referred to above and the notes thereon form an integral part of these financial statements.

As per our report attached of even date.

For Suri & Co.
Chartered Accountants

S Ganesan
Partner
Membership No: 018525

Chennai
June 29, 2009

For and on behalf of the Board

R Rajagopalan
Chairman

Niraj Kumar Ganeriwal
Chief Financial Officer

Aditya Krishna
Managing Director

S Narayan
Company Secretary

SAKSOFT LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

		(Amount in Rs. '000)	
	Schedule	Year ended March 31, 2009	Year ended March 31, 2008
INCOME			
Software services			
- Overseas		373,030	395,721
- Domestic		54,468	48,440
Other income	13	<u>19,270</u>	<u>7,297</u>
		<u>446,768</u>	<u>451,458</u>
EXPENDITURE			
Employee costs	14	227,420	229,033
Operating and other expenses	15	128,118	158,593
Depreciation and amortisation	5	13,804	12,686
Interest and finance charges	16	<u>26,366</u>	<u>27,375</u>
		<u>395,708</u>	<u>427,687</u>
NET PROFIT BEFORE TAX		51,060	23,771
- Current tax (net of MAT credit entitlement - Rs 2,600 (previous year - Rs 1,679)		3,000	793
- Fringe benefit tax		2,200	1,794
- Deferred tax		<u>(474)</u>	<u>501</u>
NET PROFIT AFTER TAX		46,334	20,683
Profit brought forward from previous year		<u>224,794</u>	<u>215,043</u>
AMOUNT AVAILABLE FOR APPROPRIATION		<u>271,128</u>	<u>235,726</u>
APPROPRIATIONS:			
Proposed dividend		10140	5,070
Dividend tax		1723	862
Amount transferred to general reserve		---	5,000
Balance in profit and loss account		<u>259,265</u>	<u>224,794</u>
		<u>271,128</u>	<u>235,726</u>
Earnings per share			
Basic and diluted		4.57	2.05
Number of shares used in computing earnings per share			
Basic and diluted		10,140,000	10,096,393
Nominal value of equity shares		Rs 10	Rs 10

Notes to accounts

17

The schedules referred to above and the notes thereon form an integral part of these financial statements.

As per our report attached of even date.

For Suri & Co.
Chartered Accountants

For and on behalf of the Board

S Ganesan
Partner
Membership No: 018525

R Rajagopalan
Chairman

Aditya Krishna
Managing Director

Niraj Kumar Ganeriwal
Chief Financial Officer

S Narayan
Company Secretary

Chennai
June 29, 2009

SAKSOFT LIMITED
CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009

		Year ended	(Amount in Rs. '000)
	Schedule	March 31, 2009	Year ended March 31, 2008
Net profit before tax		51,060	23,771
<i>Adjustments for:</i>			
Depreciation		13,804	12,686
(Profit) / loss on sale of fixed assets, net		(107)	(81)
Provision for Diminution in Value of Investments		469	----
Profit on redemption of mutual fund units		(54)	----
Interest and dividend income		(195)	(168)
Interest and finance charges		26,366	27,375
Exchange difference on translation of foreign currency cash and cash equivalents		(352)	52
Operating profit before working capital changes		<u>90,991</u>	<u>63,635</u>
<i>Adjustments for:</i>			
(Increase)/decrease in Sundry debtors		35,449	(2,507)
(Increase)/decrease in Other current assets, loans and advances		5,489	(38,322)
Increase/(Decrease) in Current liabilities and provisions		1,630	77,630
Cash generated from operations		<u>133,559</u>	<u>100,436</u>
Taxes paid		(9,643)	(11,037)
Net cash from operating activities	A	<u>123,916</u>	<u>89,399</u>
Cash flow from investing activities			
Purchase of fixed assets		(4,227)	(16,853)
Sale of fixed assets		283	320
Investment in Capital WIP		(2,370)	----
Investment in a wholly owned subsidiary		--	(501)
Advance against share capital to a wholly owned subsidiary		-	(124,115)
Purchase of mutual fund units		(220,038)	(130,061)
Sale of mutual fund units		211,350	130,051
Interest and dividend income		195	168
Net cash used in investing activities	B	<u>(14,807)</u>	<u>(140,991)</u>

SAKSOFT LIMITED
CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009

		(Amount in Rs. '000)	
	Schedule	Year ended March 31, 2009	Year ended March 31, 2008
Cash flow from financing activities			
Availment/(repayment) of loans		(69,836)	69,866
Proceeds from issue of share capital		-	32,711
Interest and finance charges		(26,366)	(25,433)
Dividend and dividend tax		(5,932)	(23,399)
Net cash from financing activities	C	<u>(102,134)</u>	<u>53,745</u>
Exchange differences on foreign exchange translation adjustments	D	<u>352</u>	<u>(52)</u>
Net (decrease)/increase in cash and cash equivalents (A+B+C+D)		<u>7,327</u>	<u>2,101</u>
Cash and cash equivalents at the beginning of the year		<u>7,478</u>	<u>5,377</u>
Cash and cash equivalents at the end of the year		<u>14,805</u>	<u>7,478</u>

Notes:

1. The above Cash Flow Statement has been prepared under the indirect method as set out in Companies Accounting Standard Rules, 2006.
2. Cash and cash equivalents represent cash and bank balances
3. Previous year figures have been regrouped / reclassified wherever necessary.

As per our report attached of even date.

For Suri & Co.
Chartered Accountants

S Ganesan
Partner
Membership No: 018525

Chennai
June 29, 2009

For and on behalf of the Board

R Rajagopalan
Chairman

Niraj Kumar Ganeriwal
Chief Financial Officer

Aditya Krishna
Managing Director

S Narayan
Company Secretary

SAKSOFT LIMITED
SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Rs. '000)

	As at March 31, 2009	As at March 31, 2008
1 SHARE CAPITAL		
Authorised:		
20,000,000 (Previous year 20,000,000) equity shares of Rs 10/- each	<u>200,000</u>	<u>200,000</u>
Issued, Subscribed and Paid-up		
10,140,000 (Previous year - 10,140,000) equity Shares of Rs.10/- each fully paid up	<u>101,400</u>	<u>101,400</u>
Of the above 3,400,070 (Previous year - 3,400,070) equity shares have been issued as bonus shares by capitalisation of the general reserve. Refer Note 3(i) of Schedule 17 for details of options in respect of equity shares.		
2 RESERVES AND SURPLUS		
General reserve		
As per last account	33,986	28,000
Add: Transfer from profit and loss account	-	5,000
Add: Gratuity transitional adjustment	-	986
	<u>33,986</u>	<u>33,986</u>
Securities premium		
As per last account	73,627	42,316
Add: Additions during the year	-	31,311
	<u>73,627</u>	<u>73,627</u>
Balance in Profit and loss account	259,265	224,794
	<u>366,878</u>	<u>332,407</u>
3 SECURED LOANS		
Finance lease obligations (refer Note 7 (3) (b))	<u>2,539</u>	<u>2,510</u>
	<u>2,539</u>	<u>2,510</u>
Finance lease obligations are secured by the hypothecation of assets acquired thereunder.		
4 UNSECURED LOAN		
From a Company	301,577	371,442
(interest accrued and due included - Rs 1,576 (previous year - Rs 1942))	<u>301,577</u>	<u>371,442</u>

SAKSOFT LIMITED
SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

5. FIXED ASSETS

(Amount in Rs. '000)

Description	GROSS BLOCK			ACCUMULATED DEPRECIATION / AMORTISATION			NET BLOCK	
	As at April 1, 2008	Additions	Deletions	As at March 31, 2009	For the year	At March 31, 2009	As at March 31, 2009	As at March 31, 2008
Tangible assets								
Plant and Machinery	12,124	75	-	12,199	1,673	8,291	3,908	5,506
Computer Equipments	36,998	1,116	-	38,114	5,347	26,372	11,742	15,973
Office Equipments	2,244	187	57	2,374	378	1,567	807	1,038
Electrical Installations	9,875	52	-	9,927	1,446	7,055	2,872	4,266
Furniture and Fixtures	23,180	390	-	23,570	2,772	17,769	5,801	8,183
Vehicles	129	-	-	129	23	117	12	35
Intangible assets								
Intellectual property	4,500	-	-	4,500	-	4,500	-	-
Software costs	4,766	975	-	5,741	1,071	1,173	4,568	4,664
	93,816	2,795	57	96,554	12,710	66,844	29,710	39,665
Assets acquired under finance lease								
Vehicles	3,403	1,432	747	4,088	1,094	1,581	2,507	2,305
	97,219	4,227	804	100,642	13,804	68,425	32,217	41,970
Previous year	76,120	26,618	5,519	97,219	12,686	55,249	41,970	

SAKSOFT LIMITED
SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

6. INVESTMENTS

(Amount in Rs. '000)

	Face Value	Balances at April 1, 2008		Additions		Sales / Redemption		Balances at March 31, 2009	
		No. of Shares/ Units	Cost	No. of Shares/ Units	Cost	No. of Shares/ Units	Cost	No. of Shares/ Units	Costs
Long term, trade, unquoted, At cost In Subsidiary Companies									
Saksoft Inc, USA	USD 1	195,000	9,240	-	-	-	-	195,000	9,240
Saksoft Pte Limited, Singapore	SGD 1	55,002	1,485	-	-	-	-	55,002	1,485
Saksoft GmbH, Germany	Euro 1	25,000	1,202	-	-	-	-	25,000	1,202
Sak Investments Private Limited, UK	GBP 1	5,001,000	434,453	-	-	-	-	5,001,000	434,453
Saksoft Pty Limited, Australia	AUD 1	15,000	501	-	-	-	-	15,000	501
Less: Diminution in the value of investment									(469)
(Refer Note no. 3 (j) of Schedule 17)									
		5,291,002	446,881	-	-	-	-	5,291,002	446,412
Current, Non-trade, unquoted, at the lower of cost and fair value In Liquid mutual fund units									
DWS Insta Cash Plus Fund - Regular	Rs 10/ unit	223,364	2,301	21,546,394	220,038	20,669,892	211,296	1,099,866	11,043
		223,364	2,301	21,546,394	220,038	20,669,892	211,296	1,099,866	11,043
			449,182		220,038		211,296		457,455

Aggregate market value of liquid mutual fund units - Rs 11,055 (previous year - Rs 2,301)

SAKSOFT LIMITED
SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	As at March 31, 2009	(Amount in Rs. '000) As at March 31, 2008
7 SUNDRY DEBTORS (Unsecured)		
Debts outstanding for a period exceeding six months		
- Considered good	38,548	38,697
Other debts, Considered good	71,665	106,965
	<u>110,213</u>	<u>145,662</u>
Amounts receivable from wholly owned subsidiaries:		
Saksoft Inc, USA	33,574	34,974
Saksoft Pte Ltd, Singapore	18,878	29,002
Acuma Solutions Limited	31,287	41,351
8 CASH AND BANK BALANCES		
Cash on hand	29	8
Balances with scheduled banks		
In Current accounts	12,060	6,621
In Unclaimed dividend accounts	35	35
In Deposit accounts *	130	130
In Share application - Saksoft Refund a/c	196	196
Balances with a non scheduled bank		
In Current account with ICICI Bank UK Limited, London **	2,355	488
	<u>14,805</u>	<u>7,478</u>
9 OTHER CURRENT ASSETS		
Unbilled revenues	7,637	11,171
	<u>7,637</u>	<u>11,171</u>

* includes Rs 130 (Previous year - Rs 130) under lien with the customs authorities

** maximum amount outstanding during the year - Rs 4,453 (Previous year - 2,936)

SAKSOFT LIMITED
SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Rs. '000)

	As at March 31, 2009	As at March 31, 2008
10 LOANS AND ADVANCES (unsecured, considered good)		
Advances to wholly owned subsidiaries		
Saksoft Inc, USA	7,250	18,496
Saksoft Pte Ltd. Singapore	21,813	11,580
Acuma Solutions Limited, UK	-	5,115
Saksoft Pty Ltd - Australia	50	50
Advance towards share capital of Saksoft Investments Private Limited	208,740	208,740
Mat credit entitlement	4,279	1,679
Deposits *	9,645	4,070
Prepaid expenses	1,231	1,655
Advance tax and taxes deducted at source, net of provision for tax Rs 32,179 (Previous Year - 24,379)	9,583	7,739
Other advances	2,007	2,985
Loan to Saksoft Limited Employees Welfare Trust	491	491
Loan to Saksoft Limited Employees Gratuity Trust	25	25
	<u>265,114</u>	<u>262,625</u>
<p>*Deposits include Rs 358 (Previous year - Rs 358) being security deposit for office premises paid to Sakserve Private Limited, a company under the same management.</p>		
11 CURRENT LIABILITIES		
Sundry creditors		
Micro and small enterprises	-	-
Others	21,886	20,191
Unclaimed dividend	35	35
Share application money due for refund	196	196
Subsidiary Companies	79,715	81,031
	<u>101,832</u>	<u>101,453</u>
12 PROVISIONS		
Proposed dividend	10,140	5,070
Corporate dividend tax	1,723	862
Provision for Gratuity	6,297	5,045
	<u>18,160</u>	<u>10,977</u>

SAKSOFT LIMITED
SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Rs. '000)

	Year ended March 31, 2009	Year ended March 31, 2008
13 OTHER INCOME		
Dividend received on investment in liquid mutual funds	193	161
Interest received on deposits with banks	3	7
Profit on sale of fixed assets	107	81
Provision for expenses written back	10	7,000
Exchange fluctuation gain, net	18,749	-
Miscellaneous income	208	48
	<u>19,270</u>	<u>7,297</u>
14 EMPLOYEE COSTS		
Salaries and allowances	210,253	213,961
Contribution to Provident and other funds	11,921	11,185
Staff welfare	5,246	3,887
	<u>227,420</u>	<u>229,033</u>
15 OPERATING AND OTHER EXPENSES		
Professional charges	66,887	68,329
Communication expenses	4,937	5,826
Travel and conveyance	25,005	44,217
Recruitment and training expenses	1,236	2,719
Power and fuel	6,880	6,409
Rent	11,823	11,112
Rates and taxes	721	850
Exchange fluctuation loss, net	-	10,090
Repairs and maintenance		
- Building	3,116	3,808
- Machinery	827	296
- Others	2,474	2,049
Printing and stationery	459	617
Insurance	272	399
Advertisement and business promotion expenses	773	714
Provision for diminution in the value of Investment	469	-
Provision for doubtful debts	-	770
Commission to Non Executive Directors	500	-
Sitting fees	245	255
Miscellaneous expenses	1,494	133
	<u>128,118</u>	<u>158,593</u>
16 INTEREST AND FINANCE CHARGES		
Interest on loan	25,822	26,899
Finance charges	544	476
	<u>26,366</u>	<u>27,375</u>

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

(All Amounts are in thousands of Indian Rupees)

17. Significant accounting policies and notes to the financial statements

1. Background

Saksoft Limited ('Saksoft' or 'the Company') is a mid-sized Information technology Company. Saksoft provides end-to-end business solutions that leverage technology and enables its clients to enhance business performance. The company provides the entire gamut of software solutions including consulting, design, development, re-engineering, systems integration, implementation, testing and placement services

2. Significant accounting policies

a. Basis of preparation of financial statements

The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the generally accepted accounting practices ('GAAP') in India and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India ("ICAI") and the relevant provisions of the Companies Act, 1956, to the extent applicable.

b. Use of estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period, reported balances of assets and liabilities, and disclosure of contingent assets and liabilities as at the date of the financial statements. Any revision to accounting estimates is recognized prospectively in current and future periods. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated. Actual results could differ from those estimates.

c. Tangible fixed assets and depreciation

Fixed assets are carried at cost of acquisition less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. The cost of fixed assets also includes the exchange differences (favorable as well as unfavorable) arising in respect of foreign currency loans or other liabilities incurred for the purpose of their acquisition from a country outside India.

Depreciation is provided on the straight line method at rates of depreciation prescribed in schedule XIV to the Companies Act, 1956 or based on the estimated useful life of the assets whichever is higher as follows:

Description	Rate of depreciation
Plant and Machinery	20%
Computers	20%
Furniture and fittings	20%
Office equipment	20%
Vehicles	20%

Schedules forming part of the financial statements (continued)

(All Amounts are in thousands of Indian Rupees)

Individual assets costing Rs 5,000/- or less are depreciated at 100% in the year of purchase. Capital work-in-progress includes the cost of fixed assets that are not ready for their intended use and advances paid to acquire fixed assets.

Leased Assets Depreciation is charged over the period of lease or the life of the asset whichever is lower.

d. Intangible assets and amortization

Intangible assets comprising intellectual property rights and software costs are amortised over a period of 36 and 60 months from the date of acquisition.

e. Finance lease

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income.

f. Foreign currency transactions

Transactions in foreign currencies are recorded at exchange rates that approximate the rate prevailing on the dates of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at rates of exchange on the balance sheet date. Exchange differences arising on foreign currency transactions are recognised in the profit and loss account except in respect of liabilities incurred for acquiring fixed assets from a country outside India, in which case such differences are adjusted to the cost of fixed assets.

g. Forward contracts in foreign currencies

The Company uses foreign exchange forward contracts to hedge its exposure to movements in foreign currency rates. The use of these foreign exchange forward contracts reduces the risk or cost to the Company and the Company does not use the foreign exchange forward contracts for trading or speculation purposes. The premium or discount on all such contracts arising at the inception of each contract is amortised as income or expense over the life of the contract. Any profit or loss arising on the cancellation or renewal of forward contracts is recognized as income or as expense for the period.

In relation to the forward contracts entered into to hedge the foreign currency risk of the underlying outstanding at the balance sheet date, the exchange difference is calculated as the difference between the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period, and the corresponding foreign currency amount translated at the latter of the date of inception of the forward exchange contract and the last reporting date. Such exchange differences are recognised in the profit and loss account in the reporting period in which the exchange rates change.

Schedules forming part of the financial statements (continued)

(All Amounts are in thousands of Indian Rupees)

h. Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.

- Long term investments are stated at cost and any decline other than temporary in the value of investments is charged to profit and loss account.

Current investments are stated at the lower of cost and market value determined on an individual investment basis.

i. Revenue recognition

- Revenue from software services comprises revenue from time and material and fixed price contracts.
- Revenue from time-and-material contracts is recognized based on the time / efforts spent and billed to clients.
- In case of fixed-price contracts, revenue is recognized based on the milestones achieved as specified in the contracts on percentage of completion basis.
- Revenue from annual maintenance contracts are recognized proportionately over the period in which services are rendered.
- Dividend income is recognized when the company's right to receive dividend is established.

j. Employee benefits

Gratuity, which is a defined benefit, is accrued based on actuarial valuation at the balance sheet date carried out by an independent actuary. Contributions payable to the recognized provident fund which is a defined contribution scheme are charged to the profit and loss account. As per the employment policy of the Company, employees are required to avail their annual leave by the end of the respective financial year and leave is not allowed to be encashed.

k. Taxation

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in the future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised. Current tax and deferred tax assets and liabilities are offset to the extent to which the Company has a legally enforceable right to set off and they relate to taxes on income levied by the same governing taxation laws.

Consequent to the introduction of Fringe Benefit Tax (FBT) effective 1 April 2005, in accordance with the guidance note issued by the ICAI, the Company has made provision for FBT under income taxes.

Schedules forming part of the financial statements (continued)

I. Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

m. Accounting for impairment of assets

Management periodically assesses using external and internal sources whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price and present value as determined above. Goodwill is tested for impairment loss at each balance sheet date and provisions, if required, are made.

3. Notes to the financial statements

a. Capital commitments and contingencies

(Amount in Rs. '000)

Particulars	<u>As at March</u> <u>31, 2009</u>	<u>As at March</u> <u>31, 2008</u>
Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	22,676	80
Income-tax matters	4,709	-

b. Finance lease

Particulars	<u>As at March</u> <u>31, 2009</u>	<u>As at March</u> <u>31, 2008</u>
Future obligations for assets taken on lease		
- Not later than 1 year	1,387	1,416
- Later than 1 year but not later than 5 years	<u>1,731</u>	<u>1,675</u>
	<u>3,118</u>	<u>3,091</u>
Less: Amounts representing future interest		
- Not later than 1 year	356	357
- Later than 1 year but not later than 5 years	<u>223</u>	<u>223</u>
	<u>579</u>	<u>580</u>
Present value of minimum lease rentals		
- Payable within 1 year	1,031	1,059
- Payable later than 1 year but not later than 5 years	<u>1,508</u>	<u>1,451</u>
	<u>2,539</u>	<u>2,510</u>

Schedules forming part of the financial statements (continued)

c. Supplementary statutory information

(i) Managerial Remuneration

	(Amount in Rs. '000)	
	<u>Year ended</u>	<u>Year ended</u>
	<u>March 31, 2009</u>	<u>March 31, 2008</u>
Basic salary	8,943	4,200
Contribution to Provident fund	1,070	504
Other allowances	2,095	2,848
Commission	<u>-</u>	<u>-</u>
	<u>12,108</u>	<u>7,552</u>

The whole-time directors are covered under the Company's group gratuity scheme along with other employees of the Company. Contribution to gratuity is based on actuarial valuation done on an overall company basis and hence is excluded above.

During the year, due to inadequacy of profits, excess remuneration of Rs 1,758 (in'000s) has been paid to the whole-time directors and Rs 3,149 (in'000s) has been paid to the Managing Director. An application is being made to the Central government for approving the remuneration paid in excess of the limits specified in Clause C of Part II of Schedule XIII of The Companies Act, 1956.

(ii) Commission to Non-Executive Directors

Computation of net profit in accordance with section 198 read with Section 349 of the Companies Act, 1956 and calculation of commission payable to Non-Executive Directors.

	(Amount in Rs. '000)	
	<u>Year ended</u>	<u>Year ended</u>
	<u>March 31, 2009</u>	<u>March 31, 2008</u>
Net Profit after tax from ordinary activities	46,334	20,683
<i>Add:-</i>		
Whole time director's remuneration	12,108	7,552
Sitting Fees	245	255
Provision for doubtful debts	Nil	770
Provision for tax	4,726	3,088
Depreciation as per books of account	13,804	12,686
<i>Less:-</i>		
Depreciation as envisaged under section 350 of the Companies Act*	13,804	12,686
Profit on which commission is payable	63,913	32,348
Maximum approved by the Shareholders at 1%	639	-

During the year the company has provided for Commission of Rs.500 (in '000s) to non whole time Directors as approved by the Shareholders at the Annual General Meeting which is subject to approval by the Central Government.

* The Company depreciates fixed assets based on estimated useful lives that are lower than those implicit in schedule XIV of the Companies Act, 1956. Accordingly the rates of the depreciation used by the Company are higher than the minimum prescribed by the Schedule XIV.

Schedules forming part of the financial statements (continued)

(iii) Earnings in foreign currency (Amount in Rs. '000)
Income from software services **373,030** **395,721**

(iv) Expenditure in foreign currency (on cash basis)
Salaries, travel and other expenses **33,936** **29,393**

(v) Auditors' remuneration (excluding service tax)
included in Professional charges in Schedule 15

	(Amount in Rs. '000)	
	<u>Year ended</u>	<u>Year ended</u>
	<u>March 31, 2009</u>	<u>March 31, 2008</u>
Statutory audit	250	250
Tax audit	25	25
Other services	350	122
Out of pocket expenses	<u>5</u>	<u>5</u>
	630	402

(vi) Quantitative details

The company is primarily engaged in the development and maintenance of computer software. The production and sale of such software cannot be expressed in any generic unit. Hence, it is not possible to give the quantitative details of sales and certain information as required under paragraphs 3,4C and 4D of Part II of Schedule VI to the Companies Act, 1956.

d. Related party disclosures

Associates in which key management personnel exercise significant influence ('Associates')

- Sak Industries Private Limited
- Sak Technologies Limited
- Sak Abrasives Limited
- Sakserve Private Limited
- Saksoft Limited employees welfare trust
- Saksoft Limited employees gratuity trust
- Acuma Solutions India Pvt. Ltd.
- Sonnet Investments Pvt. Ltd.
- Sak Industries Pte Ltd

Wholly owned subsidiaries

- Saksoft Inc, USA
- Saksoft Pte Ltd, Singapore
- Saksoft GmbH, Germany
- Saksoft Pty Limited, Australia
- Saksoft Investments Pvt Limited, UK
- Acuma Solutions Limited, UK
- Acuma Software Limited, UK
- Acuma Holdings Limited, UK
- GA Information Systems Limited, UK
- GA Information Services Limited, UK

Key management personnel

- Mr Aditya Krishna – Managing Director
- Mr N K Subramaniam – Whole Time Director (w.e.f. September 25, 2008)
- Mr V Ramanathan – Whole time Director (Resigned on October 1, 2008)

Schedules forming part of the financial statements (continued)

Transactions entered during the year

(Amount in Rs. '000)

Description	Related party	Year ended March 31, 2009	Year ended March 31, 2008
Revenues	Associates	-	8,200
	Wholly owned subsidiaries	276,701	224,193
Professional charges	Wholly owned subsidiaries	56,511	61,795
Rent expense	Associates	5,964	5,268
Interest on loan	Associates	25,822	26,899
Reimbursable expenses, net charged to	Associates	-	239
Advance against share capital given	Wholly owned subsidiary	-	124,115
Borrowings/(Repayment)net	Associates	(69,500)	69,500
Investment Net of Provision	Wholly owned subsidiaries	-	501
Loans and advances (repaid)/given, net	Associates	(137)	(3,393)
Loans and advances, net, given	Wholly owned subsidiaries	16,094	21,831

Year end balances pertaining to related parties

(Amount in Rs. '000)

Description	Related party	Year ended March 31, 2009	Year ended March 31, 2008
Advance against share capital	Wholly owned subsidiaries	208,740	208,740
Investments	Wholly owned subsidiaries	446,881	446,881
Loans and advances	Associates	1,020	1,557
	Wholly owned subsidiaries	29,113	35,241
Receivables	Wholly owned subsidiaries	83,739	105,327
Accounts payable	Wholly owned subsidiaries	79,715	81,031
Borrowings	Associates	300,000	369,500

Details of remuneration paid to key management personnel are provided in Note 3(c) (i) above.

e. Income taxes

(Amount in Rs. '000)

	<u>Year ended</u> <u>March 31, 2009</u>	<u>Year ended</u> <u>March 31, 2008</u>
<u>Deferred Tax Assets</u>		
Arising from timing differences in respect of:		
Retirement benefits	2,464	1,715
Other tax disallowances	<u>111</u>	<u>386</u>
Net Deferred Tax Assets	<u>2,575</u>	<u>2,101</u>

Schedules forming part of the financial statements (continued)

f. Segment information

The Company's operations primarily relate to providing information technology ('IT') services to customers in the BFSI sector. Accordingly, the Company operates in a single segment, which represents the primary segment. Secondary segmental reporting is performed on the basis of the geographical location of customers.

Segment revenues by geographic location of customers

	(Amount in Rs. '000)	
	<u>Year ended</u>	<u>Year ended</u>
	<u>March 31, 2009</u>	<u>March 31, 2008</u>
India	54,468	48,440
Rest of the world	373,030	395,721
	427,498	444,161

g. Gratuity plan

Reconciliation of benefit obligation and plan assets

	(Amount in Rs. '000)	
	<u>Year ended</u>	<u>Year ended</u>
	<u>March 31, 2009</u>	<u>March 31, 2008</u>
<u>Change in Defined Benefit Obligation</u>		
Opening Defined Benefit Obligation	6,887	3,823
Current service cost	2,564	2,070
Interest cost	695	302
Actuarial losses/ (gain)	43	1,059
Benefits paid	(1,288)	(367)
Closing Defined Benefit Obligation	8,901	6,887
<u>Change in Fair value of assets</u>		
Opening fair value of plan assets	1,842	1,972
Expected return on plan assets	138	177
Actuarial gain/ (losses)	(88)	60
Contribution by Employers	1,999	-
Benefits paid	(1,288)	(367)
Closing Fair Value of Plan Assets	2,603	1,842
Liability recognised in the balance sheet	6,298	5,045
Assumptions		
Discount rate	7.20%	7.55%
Expected rate of return on assets	7.50%	7.50%

Expense recognized in the Profit and loss account

	(Amount in Rs. '000)	
	<u>Year ended</u>	<u>Year ended</u>
	<u>March 31, 2009</u>	<u>March 31, 2008</u>
Current service cost	2,564	2,070
Interest cost on defined benefit obligation	695	302
Expected return on plan assets	(138)	(177)
Net Actuarial losses / (gains) recognised in a year	131	999
	3,252	3,194
Actual return on plan assets	50	237

Schedules forming part of the financial statements (continued)

h. Dues to Micro and small enterprises

The Company has initiated the process of obtaining confirmation from suppliers who have registered under the Micro, Small & Medium Enterprises Development Act 2006. Based on the information available with the company there is no amount outstanding as on 31.03.2009. There are no overdue principal amounts and therefore no interest is paid or payable.

i. Employee Stock option plans

The company has allotted 582,460 equity shares of Rs.10 each at par to the Saksoft Employees Welfare Trust which administers the Employee Stock Option Plan in accordance with SEBI guidelines through the remuneration committee. This was approved by the Board of Directors in January 2006 and by the shareholders in February 2006. The details of options granted are:

	<u>Year ended</u> <u>March 31, 2009</u>	<u>Year ended</u> <u>March 31, 2008</u>
Options outstanding at the beginning of the year	347,000	133,000
Options granted during the year	340,000	325,000
Options exercised during the year	(500)	(1000)
Options forfeited during the year	(240,000)	Nil
Options lapsed during the year	(145,000)	(110,000)
Options outstanding at the end of the year	301,500	347,000

j. During the current year the Company had applied for voluntary deregistration of Saksoft Pty. Ltd. The Australian Securities and Investments Commission has vide letter dated June 9, 2009, accorded approval for deregistration of Saksoft Pty Ltd. Accordingly the Company has made provision to the extent of Rs. 469 (in'000s) representing the diminution in the value of investment.

k. Prior year comparatives have been regrouped / reclassified, wherever necessary, to conform to the current year's presentation.

As per our report attached of even date.

For Suri & Co.
Chartered Accountants

S Ganesan
Partner
Membership No: 018525

Chennai
June 29, 2009

For and on behalf of the Board

R Rajagopalan
Chairman

Niraj Kumar Ganeriwal
Chief Financial Officer

Aditya Krishna
Managing Director

S Narayan
Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

<u>Registration No.</u>	18-54429	<u>State Code</u>	- 18
<u>Balance Sheet Date</u>	31	03	2009
	Date	Month	Year

II Capital raised during the year (Amount in Rs.Thousands)

<u>Public Issue</u>	<u>Rights Issue</u>
NIL	NIL
<u>Bonus Issue</u>	<u>Private Placement</u>
NIL	NIL

III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

<u>Total Liabilities</u>	<u>Total Assets</u>
772,394	772,394

Sources of Funds

<u>Paid-Up Capital</u>	<u>Reserves & Surplus</u>
101,400	366,878
<u>Secured Liabilities</u>	<u>Unsecured Loans</u>
2,539	301,577

Application of Funds

<u>Net Fixed Assets</u>	<u>Investments</u>
32,217	457,455
<u>Net Current Assets</u>	<u>Misc Expenditure</u>
277,777	NIL
<u>Accumulated Losses</u>	<u>Deferred Tax Assets</u>
NIL	2575

Performance of Company (Amount in Rs.Thousands)

<u>Turnover*</u>	<u>Total Expenditure</u>
446,768	395,708
* including "Other Income"	
<u>Profit/Loss before tax</u>	<u>Profit/Loss after tax</u>
51,060	46,334

Earnings per Share in Rs.
4.57

Dividend rate %
10

V Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code Number
ITC

NA

Product Description

Software Development Services
Software Project Assignments
Software Product Management

R Rajagopalan
Chairman

Aditya Krishna
Managing Director

Niraj Kumar Ganeriwal
Chief Financial Officer

S Narayan
Company Secretary

Chennai
June 29, 2009

SAKSOFT

CONSOLIDATED FINANCIAL STATEMENTS
2008 - 09

**Suri & Co.,
Chartered Accountants**

**No.4 (Old No.55A), South Boag Road,
(Chavaliar Sivaji Ganesan Salai)
T Nagar, Chennai - 600 017.
Tel : 044-24341140 / 24341150**

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF SAKSOFT LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SAKSOFT LIMITED AND ITS SUBSIDIARIES

We have audited the attached consolidated Balance Sheet of Saksoft Limited and its subsidiaries ('the group') as at 31st March, 2009 and the related consolidated Profit and Loss Account and consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of subsidiaries, whose financial statements reflect the Group's share of total assets of Rs.853.74 Millions as at 31st March, 2009 and the total revenues of Rs.1,111.01 Millions for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited/reviewed by other auditors whose reports have been furnished to us by the management, and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries, is based solely on the reports of the other auditors.

We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard 21 - Consolidated Financial Statements of Companies (Accounting Standards) Rules, 2006.

Based on our audit and on consideration of the reports of other auditors on separate financial statements and on the other financial information of the components, in our opinion and to the best of our information and according to the explanations given to us, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2009;
- (ii) in the case of the consolidated Profit and Loss Account, of the PROFIT for the year ended on that date; and
- (iii) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

**For Suri & CO.,
Chartered Accountants**

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

**S.Ganesan
Partner
Memb. No. 018525**

SAKSOFT LIMITED
SAKSOFT LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2009

	Schedule	As at March 31, 2009	(Amount in Rs. '000) As at March 31, 2008
SOURCES OF FUNDS			
SHAREHOLDERS FUNDS			
Share capital	1	101,400	101,400
Reserves and surplus	2	311,420	328,120
LOAN FUNDS			
Secured loans	3	2,539	2,510
Unsecured loan	4	549,144	670,280
		<u>964,503</u>	<u>1,102,310</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross block		916,581	1,022,360
Less: Accumulated depreciation and amortisation		139,771	120,901
Net block		<u>776,810</u>	<u>901,459</u>
Capital work-in-progress		2,370	-
		<u>779,180</u>	<u>901,459</u>
INVESTMENTS	6	11,043	2,301
DEFERRED TAX ASSET	17(3)(d)	2,575	2,161
CURRENT ASSETS, LOANS AND ADVANCES			
Sundry debtors	7	217,393	216,071
Cash and bank balances	8	87,916	52,538
Other current assets	9	16,053	23,219
Loans and advances	10	42,453	42,581
		<u>363,815</u>	<u>334,409</u>
CURRENT LIABILITIES AND PROVISIONS			
Current liabilities	11	173,949	127,043
Provisions	12	18,161	10,977
		<u>192,110</u>	<u>138,020</u>
NET CURRENT ASSETS		<u>171,705</u>	<u>196,389</u>
		<u>964,503</u>	<u>1,102,310</u>
Notes to accounts	17		

The schedules referred to above and the notes thereon form an integral part of these financial statements.
As per our report attached of even date.

For Suri & Co.
Chartered Accountants

S Ganesan
Partner
Membership No: 018525

Chennai
June 29, 2009

For and on behalf of the Board

R Rajagopalan
Chairman

Niraj Kumar Ganeriwal
Chief Financial Officer

Aditya Krishna
Managing Director

S Narayan
Company Secretary

SAKSOFT LIMITED
SAKSOFT LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

(Amount in Rs. '000)

	Schedule	Year ended March 31, 2009	Year ended March 31, 2008
INCOME			
Software sales and services		1,204,815	1,201,002
Other income	13	19,914	22,036
		<u>1,224,729</u>	<u>1,223,038</u>
EXPENDITURE			
Employee costs	14	632,189	705,945
Operating and other expenses	15	435,335	442,289
Depreciation and amortisation	5	19,748	20,337
Interest and finance charges	16	33,866	28,572
		<u>1,121,138</u>	<u>1,197,143</u>
NET PROFIT BEFORE TAX		103,591	25,895
- Current tax (net of MAT credit entitlement - Rs 2600 (previous year - Rs 1679))		5,465	1,401
- Fringe benefit tax		2,200	1,794
- Deferred tax		(414)	441
NET PROFIT AFTER TAX		96,340	22,259
Profit brought forward from previous year		220,507	209,180
AMOUNT AVAILABLE FOR APPROPRIATION		316,847	231,439
APPROPRIATIONS:			
Proposed dividend		10,140	5,070
Dividend tax		1,723	862
Amount transferred to general reserve		-	5,000
Balance in profit and loss account		304,984	220,507
		<u>316,847</u>	<u>231,439</u>
Earnings per share			
Basic and diluted		9.50	2.20
Number of shares used in computing earnings per share			
Basic and diluted		10,140,000	10,096,393
Nominal value of equity shares		Rs 10	Rs 10

Notes to accounts

17

The schedules referred to above and the notes thereon form an integral part of these financial statements.

As per our report attached of even date.

For Suri & Co.
Chartered Accountants

For and on behalf of the Board

S Ganesan
Partner
Membership No: 018525

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Managing Director

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Chief Financial Officer

S Narayan
Company Secretary

Chennai
June 29, 2009

SAKSOFT LIMITED
SAKSOFT LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009

	Year ended March 31, 2009	Year ended March 31, 2008
	(Amount in Rs. '000)	
Net profit before tax	103,591	25,895
<i>Adjustments for:</i>		
Depreciation	19,748	20,337
(Profit) / Loss on sale of fixed assets, net	637	(81)
Profit in Redemption of Mutual Funds	(54)	
Interest and dividend income	(638)	(881)
Interest and finance charges	33,866	28,572
Exchange difference on translation of foreign currency cash and cash equivalents	667	201
Operating profit before working capital changes	157,817	74,043
<i>Adjustments for:</i>		
(Increase)/decrease in Sundry debtors	(1,322)	92,785
(Increase)/decrease in Other current assets, loans and advances	7,686	(28,307)
(Increase)/decrease in Current liabilities and provisions	48,159	(133,274)
Cash generated from operations	212,340	5,247
Taxes paid	(8,057)	(14,441)
Net cash from operating activities A	204,283	(9,194)
 Cash flow from investing activities		
Purchase of fixed assets	(7,781)	(20,230)
Sale of fixed assets	344	320
Investment in Capital WIP	(2,370)	
Purchase of mutual fund units	(220,038)	(130,061)
Sale of mutual fund units	211,350	130,051
Interest and dividend income	638	881
Net cash used in investing activities B	(17,857)	(19,039)

SAKSOFT LIMITED
SAKSOFT LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009

	Year ended March 31, 2009	(Amount in Rs. '000) Year ended March 31, 2008
Cash flow from financing activities		
Availment/(repayment) of loans	(121,107)	36,012
Proceeds from issue of share capital	-	32,711
Dividend and dividend tax	(5,932)	(23,399)
Interest and finance charges	(33,866)	(26,630)
Net cash from financing activities C	<u>(160,905)</u>	<u>18,694</u>
Exchange differences on foreign exchange translation adjustments D	<u>9,857</u>	<u>7,733</u>
Net (decrease)/increase in cash and cash equivalents (A+B+C+D)	<u>35,378</u>	<u>(1,806)</u>
Cash and cash equivalents at the beginning of the year	<u>52,538</u>	<u>54,344</u>
Cash and cash equivalents at the end of the year	<u>87,916</u>	<u>52,538</u>

Notes:

1. The above Cash Flow Statement has been prepared under the indirect method as set out in Companies Accounting Standard Rules, 2006.
2. Cash and cash equivalents represent cash and bank balances
3. Previous year figures have been regrouped / reclassified wherever necessary.

As per our report attached of even date.

For Suri & Co.
Chartered Accountants

S Ganesan
Partner
Membership No: 018525

Chennai
June 29, 2009

For and on behalf of the Board

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SAKSOFT LIMITED AND ITS SUBSIDIARIES
SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	(Amount in Rs. '000)	
	As at March 31, 2009	As at March 31, 2008
1 SHARE CAPITAL		
Authorised:		
20,000,000 (Previous year 20,000,000) equity shares of Rs 10/- each	<u>200,000</u>	<u>200,000</u>
Issued, Subscribed and Paid-up		
10,140,000 (Previous year - 10,140,000) equity Shares of Rs. 10/- each fully paid up	<u>101,400</u>	<u>101,400</u>
Of the above 3,400,070 (Previous year - 3,400,070) equity shares have been issued as bonus shares by capitalisation of the general reserve. Refer Note 3(f) of Schedule 17 for details of options in respect of equity shares.		
2 RESERVES AND SURPLUS		
General reserve		
As per last account	33,986	28,000
Add: Transfer from profit and loss account	-	5,000
	<u>33,986</u>	<u>33,986</u>
Securities premium		
As per last account	73,627	42,316
Add: Additions during the year	-	31,311
	<u>73,627</u>	<u>73,627</u>
Balance in Profit and loss account	304,984	220,507
Foreign currency translation reserve	(101,177)	-
	<u>311,420</u>	<u>328,120</u>
3 SECURED LOANS		
Finance lease obligations	2,539	2,510
	<u>2,539</u>	<u>2,510</u>
Finance lease obligations are secured by the hypothecation of assets acquired thereunder.		
4 UNSECURED LOAN		
From group companies	549,144	670,280
(interest accrued and due included - Rs 1,576 (previous year - Rs 1942))	<u>549,144</u>	<u>670,280</u>

SAKSOFT LIMITED
SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

5. FIXED ASSETS

(Amount in Rs. '000)

Description	GROSS BLOCK						ACCUMULATED DEPRECIATION / AMORTISATION				NET BLOCK	
	As at April 1, 2008	Translation adjustment	Additions	Deletions	As at March 31, 2009	As at April 1, 2008	for the year	Deletions	As at March 31, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2008
Goodwill on consolidation	851,377	(110,714)	-	-	740,663	-	-	-	-	740,663	851,377	851,377
Plant and Machinery	11,600	-	75	-	11,675	6,618	1,673	-	8,291	3,384	4,982	4,982
Computer Equipments	73,010	(557)	4,670	-	77,123	50,448	10,174	-	60,622	16,501	22,562	22,562
Office Equipments	2,405	(39)	187	57	2,496	1,326	380	18	1,688	808	1,079	1,079
Electrical Installations	9,875	-	52	-	9,927	5,609	1,446	-	7,055	2,872	4,266	4,266
Furniture and Fixtures	61,295	(392)	390	1,054	60,239	51,106	3,887	249	54,744	5,495	10,189	10,189
Vehicles	129	-	-	-	129	94	23	-	117	12	35	35
Intellectual property	4,500	-	-	-	4,500	4,500	-	-	4,500	-	-	-
Software costs	4,766	-	975	-	5,741	102	1,071	-	1,173	4,568	4,664	4,664
	1,018,957	(111,702)	6,349	1,111	912,493	119,803	18,654	267	138,190	774,303	899,154	899,154
Assets acquired under finance lease												
Vehicles	3,403	-	1,432	747	4,088	1,098	1,094	611	1,581	2,507	2,305	2,305
	1,022,360	(111,702)	7,781	1,858	916,581	120,901	19,748	878	139,771	776,810	901,459	901,459
Previous year	997,884		29,995	5,519	1,022,360	105,844	20,337	5,280	120,901	901,459	892,040	892,040

SAKSOFT LIMITED
SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

6. INVESTMENTS

(Amount in Rs. '000)

	Face Value	Balances at April 1, 2008		Additions		Sales / Redemption		Balances at March 31, 2009	
		No. of Shares/ Units	Cost	No. of Shares/ Units	Cost	No. of Shares/ Units	Cost	No. of Shares/ Units	Costs
Current, Non-trade, unquoted, at the lower of cost and fair value									
In Liquid mutual fund units									
DWS Instia Cash Plus Fund - Regular	Rs 10/ unit	223,364	2,301	21,546,394	220,038	20,669,892	211,296	1,099,866	11,043
		223,364	2,301	21,546,394	220,038	20,669,892	211,296	1,099,866	11,043

Aggregate market value of liquid mutual fund units - Rs 11,055 (previous year - Rs 2,291)

SAKSOFT LIMITED AND ITS SUBSIDIARIES
SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	(Amount in Rs. '000)	
	As at March 31, 2009	As at March 31, 2008
7 SUNDRY DEBTORS		
Debts outstanding for a period exceeding six months		
- Considered good	49,134	9,801
- Considered doubtful	4,904	2,179
	<u>54,038</u>	<u>11,980</u>
Other debts, Considered good	168,259	206,270
	<u>222,297</u>	<u>218,250</u>
Less: Provision for doubtful debts	(4,904)	(2,179)
	<u><u>217,393</u></u>	<u><u>216,071</u></u>
8 CASH AND BANK BALANCES		
Cash balance on hand	40	49
Balances with scheduled banks		
In current accounts	37,110	6,621
In unclaimed dividend accounts	35	35
In deposit accounts *	130	130
In share application - Saksoft Refund a/c	196	196
Balances with non scheduled banks		
In current accounts **		
ICICI Bank UK, London, United Kingdom	2,355	716
Citibank NA, Newyork	14,063	22,435
Citibank NA, Singapore	4,993	2,580
Dresdner Bank, Germany	1,841	1,496
Citibank NA, Australia	28	472
HSBC, Manchester, United Kingdom	27,125	17,808
In deposit accounts - Dresdner Bank, Germany	<u>-</u>	<u>-</u>
	<u><u>87,916</u></u>	<u><u>52,538</u></u>
* includes Rs 130 (Previous year - Rs.130) under lien with the customs authorities		
** maximum balance outstanding during the year		
ICICI Bank UK, London, United Kingdom	4,453	3,753
Citibank NA, Newyork, USA	28,864	26,613
Citibank NA, Singapore	7,427	13,624
Dresdner Bank, Germany	1,841	1,957
Citibank NA, Australia	472	585
HSBC, Manchester, United Kingdom	28,322	34,827

SAKSOFT LIMITED AND ITS SUBSIDIARIES
SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	(Amount in Rs. '000)	
	As at March 31, 2009	As at March 31, 2008
9 OTHER CURRENT ASSETS		
Unbilled revenues	16,053	23,219
	<u>16,053</u>	<u>23,219</u>
10 LOANS AND ADVANCES (unsecured, considered good)		
Mat credit entitlement	4,278	1,679
Deposits	11,358	6,971
Prepaid expenses	12,738	17,592
Advance tax and taxes deducted at source, net of provision for tax - Rs 34,892 (Previous year - Rs 25,297)	8,018	10,225
Other advances	6,061	6,114
	<u>42,453</u>	<u>42,581</u>
11 CURRENT LIABILITIES		
Sundry creditors		
Micro and small enterprises	-	-
Others	173,718	126,812
Unclaimed dividend	35	35
Share application money due for refund	196	196
	<u>173,949</u>	<u>127,043</u>
12 PROVISIONS		
Proposed dividend	10,140	5,070
Corporate dividend tax	1,723	862
Provision for Gratuity	6,298	5,045
	<u>18,161</u>	<u>10,977</u>

SAKSOFT LIMITED AND ITS SUBSIDIARIES
SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	(Amount in Rs. '000)	
	Year ended 31, 2009	Year ended 31, 2008
13 OTHER INCOME		
Dividend received on investment in liquid mutual funds	193	161
Interest received on deposits with banks	445	720
Write-back of interest payable	-	12,363
Provision for expenses written back	-	7,000
Miscellaneous expenses	-	81
Exchange fluctuation gain, net	18,829	1,622
Miscellaneous income	447	89
	<u>19,914</u>	<u>22,036</u>
14 EMPLOYEE COSTS		
Salaries and allowances	610,225	683,104
Contribution to Provident and other funds	11,404	11,185
Staff welfare	10,560	11,656
	<u>632,189</u>	<u>705,945</u>
15 OPERATING AND OTHER EXPENSES		
Education and support costs	147,703	76,671
License costs	90,487	48,245
Professional charges	18,839	99,653
Communication expenses	15,369	17,137
Travel and conveyance	85,081	117,599
Recruitment and training expenses	1,001	7,147
Power and fuel	6,971	6,447
Rent	29,643	33,496
Rates and taxes	6,080	4,982
Repairs and maintenance		
- Building	3,189	5,081
- Machinery	2,485	296
- Others	3,428	5,132
Printing and stationery	998	2,397
Insurance	9,696	8,511
Advertisement and business promotion expenses	2,845	6,534
Commission to Non Executive Directors	500	---
Sitting fees	245	255
Loss on sale of fixed asset	1,105	---
Provision for doubtful debts	6,311	1,514
Miscellaneous expenses	3,359	1,192
	<u>435,335</u>	<u>442,289</u>
16 INTEREST AND FINANCE CHARGES		
Interest on fixed period loans	32,912	26,899
Finance charges	954	1,673
	<u>33,866</u>	<u>28,572</u>

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All Amounts are in thousands of Indian Rupees)

17. Significant accounting policies and notes to the consolidated financial statements

1. Background

Saksoft Limited ('Saksoft' or 'the Company') is a mid-sized Information technology Company. Saksoft and its wholly owned subsidiaries (together referred to as 'the group') provide end-to-end business solutions that leverage technology and enable its clients to enhance business performance. The group provides the entire gamut of software solutions including consulting, design, development, re-engineering, systems integration, implementation, testing and placement services. The subsidiaries in the group considered in the presentation of these consolidated financial statements are:

Name of the subsidiary ownership	Country of incorporation interest	Percentage of
Saksoft Inc	United States of America	100%
Saksoft Pte Limited	Singapore	100%
Saksoft GmbH	Germany	100%
Saksoft Pty Limited	Australia	100%
Saksoft Investments Pvt Limited	United Kingdom	100%

2. Significant accounting policies

a. Basis of preparation of the consolidated financial statements

The consolidated financial statements of the group have been prepared under the historical cost convention on the accrual basis of accounting, in accordance with the Generally Accepted Accounting Principles in India and materially comply with the mandatory Accounting standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956 ('the Act').

The consolidated financial statements of the group are prepared in accordance with the principles and procedures for the preparation and presentation of the consolidated financial statements as laid down in the Accounting Standards as prescribed in Section 211 (3) (c) of The Companies Act, 1956. All material inter – group transactions and accounts are eliminated on consolidation.

b. Principles of consolidation

The financial statements of the Company and its subsidiary have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra –group balances / transactions and resulting unrealized profits/ losses in full.

The difference between the costs of investment in the subsidiary over the Company's portion of equity in the subsidiary at the respective dates on which investment in the subsidiary was made is recognized in the consolidated financial statements as goodwill/capital reserve. This goodwill is tested for impairment at the close of each financial year.

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All Amounts are in thousands of Indian Rupees)

Consolidated financial statements are prepared using uniform accounting policies for transactions and other events in similar circumstances and where subsidiary company uses accounting policies other than those adopted by the holding company, appropriate adjustments have been made in preparing consolidated financial statements.

c. Use of estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period, reported balances of assets and liabilities, and disclosure of contingent assets and liabilities as at the date of the financial statements. Any revision to accounting estimates is recognized prospectively in current and future periods. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated. Actual results could differ from those estimates.

d. Tangible fixed assets and depreciation

Fixed assets are carried at cost of acquisition less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. The cost of fixed assets also includes the exchange differences (favorable as well as unfavorable) arising in respect of foreign currency loans or other liabilities incurred for the purpose of their acquisition from a country outside India.

Depreciation is provided on the straight line method at rates of depreciation prescribed in schedule XIV to the Companies Act, 1956 or based on the estimated useful life of the assets whichever is higher as follows:

Description	Rate of depreciation
Plant and Machinery	20%
Computers	20%
Furniture and fittings	20%
Office equipment	20%
Vehicles	20%

Individual assets costing Rs 5,000/- or less are depreciated at 100% in the year of purchase.

Capital work-in-progress includes the cost of fixed assets that are not ready for their intended use and advances paid to acquire fixed assets.

Leased Assets Depreciation is charged over the period of lease or the life of the asset whichever is lower.

e. Intangible assets and amortization

Intangible assets comprising intellectual property rights and software costs are amortised over a period of 36 and 60 months from the month of acquisition.

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All Amounts are in thousands of Indian Rupees)

f. Finance lease

Finance leases, which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income.

g. Foreign currency transactions and translations

Transactions in foreign currencies are recorded at exchange rates that approximate the rate prevailing on the dates of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at rates of exchange on the balance sheet date. Exchange differences arising on foreign currency transactions are recognized in the profit and loss account except in respect of liabilities incurred for acquiring fixed assets from a country outside India, in which case such differences are adjusted to the cost of fixed assets.

The company classifies its foreign operations considering the way in which they are financed and operate in relation to the Company. During the year, the company completed restructuring of the organisation structure whereby the foreign operations are being independently operated and managed. On a review of the status of the Company's foreign operations, in accordance thereto, effective during the year, the classification of all foreign subsidiaries has been changed from "Integral Foreign Operation" to "Non-Integral Foreign Operation". Had the Group considered its foreign operations as Integral in the current year, the profits for the year would have been higher by Rs 227 Lakhs.

Further, had the policy of classifying the foreign operations as Non-Integral been followed for the earlier years, the cumulative balance in the Profit and loss account would have been lower by 124.92 Lakhs.

h. Forward contracts in foreign currencies

The Group uses foreign exchange forward contracts to hedge its exposure to movements in foreign currency rates. The use of these foreign exchange forward contracts reduces the risk or cost to the Group and the Group does not use the foreign exchange forward contracts for trading or speculation purposes. The premium or discount on all such contracts arising at the inception of each contract is amortised as income or expense over the life of the contract. Any profit or loss arising on the cancellation or renewal of forward contracts is recognized as income or as expense for the period.

In relation to the forward contracts entered into to hedge the foreign currency risk of the underlying outstanding at the balance sheet date, the exchange difference is calculated as the difference between the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period, and the corresponding foreign currency amount translated at the latter of the date of inception of the forward exchange contract and the last reporting date. Such exchange differences are recognised in the profit and loss account in the reporting period in which the exchange rates change.

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All Amounts are in thousands of Indian Rupees)

i. Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.

- ♦ Long term investments are stated at cost and any decline other than temporary in the value of investments is charged to profit and loss account.
- ♦ Current investments are stated at the lower of cost and market value determined on an individual investment basis.

j. Revenue recognition

- ♦ Revenue from software services comprises revenue from time and material and fixed price contracts.
- ♦ Revenue from time-and-material contracts is recognized based on the time / efforts spent and billed to clients.
- ♦ In case of fixed-price contracts, revenue is recognized based on the milestones achieved as specified in the contracts on percentage of completion basis.
- ♦ Revenue from sale of software is recognized when the significant risks and rewards of ownership have passed on to the buyer, usually upon delivery.
- ♦ Revenue from annual maintenance contracts are recognized proportionately over the period in which services are rendered.
- ♦ Dividend income is recognized when the right to receive dividend is established.

k. Employee benefits

Gratuity, which is a defined benefit, is accrued based on actuarial valuation at the balance sheet date carried out by an independent actuary. Contributions payable to the recognized provident fund which is a defined contribution scheme are charged to the profit and loss account. As per the employment policy of the Company, employees are required to avail their annual leave by the end of the respective financial year and leave is not allowed to be encashed.

l. Taxation

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All Amounts are in thousands of Indian Rupees)

tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in the future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised. Current tax and deferred tax assets and liabilities are offset to the extent to which the group has a legally enforceable right to set off and they relate to taxes on income levied by the same governing taxation laws.

Consequent to the introduction of Fringe Benefit Tax (FBT) effective 1 April 2005, in accordance with the guidance note issued by the ICAI, the Company has made provision for FBT under income taxes.

m. Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

n. Accounting for impairment of assets

Management periodically assesses using external and internal sources whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above. Goodwill is tested for impairment loss at each balance sheet date and provisions, if required, are made.

3. Notes to the financial statements

a. Capital commitments and contingencies

Particulars	As at March 31, 2009	As at March 31, 2008
Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	22,676	80
Income-tax matters	4,709	-

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

b. Finance lease

(Amount are in'000)

	<u>As at</u> <u>March 31, 2009</u>	<u>As at</u> <u>March 31, 2008</u>
Future obligations for assets taken on lease		
- Not later than 1 year	1,387	1,416
- Later than 1 year but not later than 5 years	<u>1,731</u>	<u>1,675</u>
	<u>3,118</u>	<u>3,091</u>
Less: Amounts representing future interest		
- Not later than 1 year	356	357
- Later than 1 year but not later than 5 years	<u>223</u>	<u>223</u>
	<u>579</u>	<u>580</u>
Present value of minimum lease rentals		
- Payable within 1 year	1,031	1,059
- Payable later than 1 year but not later than 5 years	<u>1,508</u>	<u>1,451</u>
	<u>2,539</u>	<u>2,510</u>

c. Related party disclosures

Associates in which key management personnel exercise significant influence ('Associates')

Sak Industries Private Limited
 Sak Industries Pte Limited
 Sak Technologies Limited
 Sak Abrasives Limited
 Sakserve Private Limited
 Acuma Solutions India Pvt Limited
 Sonnet Investments Private Limited
 Saksoft Limited employees welfare trust
 Saksoft Limited employees gratuity trust

Key management personnel

Mr Aditya Krishna
 Managing Director
 Mr N K Subramaniam
 Whole Time Director
 (w.e.f. September 25, 2008)
 Mr V Ramanathan
 Whole time Director
 (Resigned on October 1, 2008)

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The following are the details of transactions with related parties.

· **Transactions entered during the year** **(Amount are in '000)**

Description	Related party	Year ended March 31, 2009	Year ended March 31, 2008
Revenues	Associates	-	8,200
Rent expense	Associates	5,964	5,268
Reimbursable expenses, net charged to	Associates		239
Interest on loan	Associates	25,822	26,899
Write-back of interest on loan	Associates	-	12,363
Loans and advances (repaid)/ given, net	Associates	(3,289)	(3,393)
Borrowings / (Repayment)	Associates	(81,972)	69,500

· **Year end balances pertaining to related parties** **(Amount are in '000)**

Description	Related party	As at March 31, 2009	As at March 31, 2008
Loans and advances	Associates	1,020	1,557
Borrowings	Associates	547,568	668,338

d. **Income taxes** **(Amount are in '000)**

	<u>As at</u> <u>March 31, 2009</u>	<u>As at</u> <u>March 31, 2008</u>
<u>Deferred tax assets</u>		
Arising from timing differences in respect of:		
Retirement benefits	2,464	1,715
Other tax disallowances	111	446
Net Deferred Tax Assets	<u>2,575</u>	<u>2,161</u>

e. **Segment information**

The group's operations primarily relate to providing information technology ('IT') services. Accordingly, the group operates in a single segment, which represents the primary segment. Secondary segmental reporting is performed on the basis of the geographical location of customers.

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Segment revenues by geographic location of customers

	Year ended March 31, 2009	Year ended March 31, 2008
India	54,468	48,440
Rest of the world	1,150,347	1,152,562
	1,204,815	1,201,002

f. Employee Stock option plans

The company has allotted 582,460 equity shares of Rs 10 each at par to the Saksoft Employees Welfare Trust which administers the Employee Stock Option Plan in accordance with SEBI guidelines through the remuneration committee. This was approved by the Board of Directors in January 2006 and by the shareholders in February 2006. The details of options granted are:

Particulars	Year ended 31 st March 2009	Year ended 31 st March 2008
Options outstanding at the beginning of the year	347,000	133,000
Options granted during the year	340,000	325,000
Options exercised during the year	(500)	(1000)
Options forfeited during the year	(240,000)	Nil
Options lapsed during the year	(145,000)	(110,000)
Options outstanding at the end of the year	301,500	347,000

- g.** Prior year comparatives have been regrouped / reclassified, wherever necessary, to conform to the current year's presentation.

As per our report attached of even date.

For Suri & Co.
Chartered Accountants

S Ganesan
Partner
Membership No: 018525

Chennai
June 29, 2009

For and on behalf of the Board

R Rajagopalan
Chairman

Niraj Kumar Ganeriwal
Chief Financial Officer

Aditya Krishna
Managing Director

S Narayan
Company Secretary

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARIES

Name of the Subsidiary	Saksoft Inc., USA	Saksoft Pte Limited, Singapore	Saksoft GmbH Germany	Saksoft Investments Private Limited, UK	Saksoft Pty Limited, Australia
The Financial year of the Subsidiary Company ended on	March 31, 2009	March 31, 2009	March 31, 2009	March 31, 2009	March 31, 2009
Holding Company	Saksoft Limited	Saksoft Limited	Saksoft Limited	Saksoft Limited	Saksoft Limited
Holding Company's Interest	100%	100%	100%	100%	100%
Shares held by the Holding Company in the subsidiary	195000 equity shares of USD 1 each fully paid up	55002 equity shares of SGD 1 each fully paid up	25000 equity shares of Euros 1 each fully paid up	5001000 equity shares of GBP 1 each fully paid up	15000 equity shares of AUD 1 each fully paid up.
Net aggregate amount of profit/losses of subsidiary so far as it concerns the members of the holding company and is not dealt with in the accounts of the Holding Company:					
(a) For the Financial Year ended March 31, 2009 (in Rs. '000).	8,416	1,166	(951)	42,865	(366)
(b) For the previous financial years of the Subsidiary since it became a subsidiary.	4,584	(1,895)	(225)	(103,392)	(138)
Net aggregate amount of Profits/(losses) of the subsidiary so far as it concerns the members of the Holding Company dealt with or provided for in the accounts of the Holding Company					
(a) For the Financial Year ended March 31, 2009 (Rs.)	NA	NA	NA	NA	NA
(b) For the previous Financial years of the Subsidiary since it became a subsidiary (Rs.)	NA	NA	NA	NA	NA

STATEMENT OF FINANCIAL INFORMATION ON EACH OF THE SUBSIDIARY COMPANIES PURSUANT TO SECTION 212(8) OF THE COMPANIES ACT, 1956

(Amount in Rs. '000)

Particulars	Saksoft Inc., USA (In Rs.) As at 31.03.2009	Saksoft Pte Limited Singapore (In Rs.) As at 31.03.2009	Saksoft GmbH Germany (In Rs.) As at 31.03.2009	Saksoft Investments Private Limited (In Rs.) As at 31.03.2009	Saksoft Pty Limited Australia (In Rs.) As at 31.03.2009
Issued and Subscribed Capital	9,240	1,485	1,202	434,453	501
Reserves	23,895	(1,781)	549	(73,221)	(466)
Loans	-	-	-	246,920	-
Total Assets	64,286	29,683	2,768	950,173	28
Total Liabilities	31,152	29,979	1,017	342,021	(8)
Details of Investments	-	-	-	-	-
	Year ended 31.03.2009	Year ended 31.03.2009	Year ended 31.03.2009	Year ended 31.03.2009	Year ended 31.03.2009
Turnover	382,399	147,752	2	580,552	-
Profit before Taxation	8,416	1,166	(951)	42,865	(366)
Provision for Taxation	2,525	-	-	-	-
Profit after Taxation	5,891	1,166	(951)	42,865	(366)
Proposed Dividend	-	-	-	-	-

SAKSOFT

SAKSOFT LIMITED

(Regd. & Corporate Office "SP Infocity" Module 1, 2nd Floor No.40, Dr. MGR Salai, Perungudi, Kandanchavadi, Chennai - 600 096.)

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. ONLY MEMBERS OR THEIR PROXIES ARE ENTITLED TO BE PRESENT AT THE MEETING.

Folio No. No. of Shares held

D.P. ID*	<input type="text"/>
Client ID*	<input type="text"/>

* Applicable to investors holding shares in electronic form.

I hereby record my presence at the **TENTH ANNUAL GENERAL MEETING** held at The Music Academy, Kasturi Srinivasan Hall, New No.168, T.T.K. Road, Royapettah, Chennai - 600 014 on **Friday, the 31st July 2009 at 10.00 A.M.** as Shareholder/Proxy*

.....
NAME OF THE SHAREHOLDER/PROXY*

.....
SIGNATURE OF THE SHAREHOLDER/PROXY*

* Strike whichever is not applicable



SAKSOFT

SAKSOFT LIMITED

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PROXY FORM

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. ONLY MEMBERS OR THEIR PROXIES ARE ENTITLED TO BE PRESENT AT THE MEETING.

Folio No.	<input type="text"/>	No. of Shares held	<input type="text"/>
D.P. ID*	<input type="text"/>		

I/We of in the district of being a member/members of Saksoft Limited hereby appoint of in the district of or failing him of in the district of as my/our Proxy to vote for me/us on my/us behalf at the Tenth Annual General Meeting of the Company to be held on Friday, the 31st July 2009 at 10.00 A.M and at any adjournment thereof.

Signed this Day of 2009

Affix
30 Paise
Revenue
Stamp

Signature