

Saksoft Limited

Saksoft Inc.,
33 Wood Avenue South
Iselin NJ 08830
P: + 001 732 452 3835
F: + 001 212 504 8026

Saksoft Ltd.,
99 Waterloo Road
London
SE1 8UL, UK
P: +44-8707894023
F: + 44-8707894029

Saksoft Ltd.,
38 VK Iyer Road
Mandaveli
Chennai - 600028, India
P: + 91-44-2461 4501
F: + 91-44-2461 4486

Saksoft Pte Ltd.,
3 Shenton Way
#15-06, Shenton House
Singapore - 068805
P: + 65-62242550
F: + 65-62242783

Saksoft Ltd.,
B 35 - 36, Sector 80
Phase II (Near Moserbaer)
Noida - 201305, India
P: + 91-120-2462 175
F: + 91-120-2462 179

Saksoft GmbH.,
Lyonerstr 14
605528, Frankfurt,
Germany
P: + 49-69 6655 4218
F: + 49-69 6688 4100

Acuma Solutions Ltd
Waterside Court, # 1 Crewe Road
Manchester M23 9BE, UK
P: + 44 - 8707894321
F: + 44 - 8707894002

Saksoft Pty Ltd.,
22, Mansfield Way
Kellyville, New South Wales
Australia 2155
P: + 61 - 433 433 242

SAKSOFT LIMITED

BOARD OF DIRECTORS

Chairman
Managing Director
Chief Executive Officer
Non-Executive Director
Independent Non-Executive Director
Independent Non-Executive Director
Independent Non-Executive Director

Mr. Autar Krishna
Mr. Aditya Krishna
Mr. V Ramanathan
Mr. S C Agarwal.
Mr. R Rajagopalan
Mr. Amitava Mukherjee
Mr. Suresh Subramanian

CHIEF FINANCIAL OFFICER

Mr. Ananth Subramanian

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. V Swaminathan

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

“SRI RAM NIVAS”
#38, V.K.Iyer Road
Mandaveli
Chennai – 600 028.
Ph: 91-44-24614501
Fax:91-44-24614486

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, London
Saksoft GmbH., Germany
Saksoft Pty Limited., Australia
Saksoft Limited, UK Branch

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Ninth Annual General Meeting of the members of the Company will be held on Thursday the 25th September 2008 at 10.00 AM at Naradha Gana Sabha Mini Hall, 314, T.T.K Road, Chennai – 600 018 to transact the following business:

Ordinary Business:

1. To consider and adopt the audited Balance Sheet as at 31st March 2008, 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. Autar Krishna, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in the place of Mr. Amitava Mukherjee who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors of the Company and fix their remuneration.

Special Business:

6. Increase in the Remuneration of Mr. Aditya Krishna, Managing Director:

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

“RESOLVED THAT subject to the provisions contained in Section 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, consent/approval of the shareholders be and is hereby accorded for the revision in the remuneration of Mr. Aditya Krishna, Managing Director of the Company 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. Aditya Krishna, shall be paid the same remuneration as stated hereinabove, 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 appointment of Mr. Aditya Krishna, Managing Director at their own discretion from time to time.”

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

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 payment of remuneration to Mr. V.Ramanathan, Chief Executive Officer as approved the members of the Company at the Annual General Meeting held on 11th July 2007 which is in

excess of the limits prescribed under Schedule XIII of the Companies Act, 1956 for the year 2007-08 owing to inadequacy of profits.”

8. Appointment of Mr. Suresh Subramanian as Director

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

“**RESOLVED THAT** Mr. Suresh Subramanian 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.”

9. Commission to Non- Executive Directors

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

“**RESOLVED THAT** pursuant to Section 309 and all other applicable provisions, if any, of the Companies Act, 1956 (“the Act”) and subject to all permissions, sanctions and approvals as may be necessary, approval of the Company be and is hereby accorded for the payment of commission of 1% of net profits of the Company, computed as per Section 349 and 350 of the Companies Act, 1956, to the non-executive Directors for a period of 5 years from the financial year commencing 1st April, 2008, in such manner and upto such extent as the Remuneration Committee of the Board may, from time to time, determine.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board and/or Remuneration Committee constituted by the Board be and are hereby authorized to take all actions and do all such deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard.”

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

**CHENNAI
13th August, 2008**

**V SWAMINATHAN
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 18th September 2008 to 25th September 2008 (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 25th September 2008. The dividend in respect of share held in the electronic form will be payable to the beneficial owners of the shares as on 25th September 2008 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, "Subramaniam 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 send 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. Autar Krishna

DIN No: 00031386

Mr. Autar Krishna is the founder promoter of Saksoft Ltd. He has completed his B.Sc from St. Stephens College, New Delhi and G.M.Mech (E) in London. He has over 37 years experience in the Steel and Engineering industry. He promoted The Sak Industries Ltd (TSIL) in 1962. Mr.Autar Krishna and TSIL promoted Widia (India) Limited, a joint venture with Meturit A.G. Switzerland, a subsidiary of Friedrich Krupp GmbH, and was the Chairman of the Company from 1986 to 2002. He is the Chairman of Banarsidas Chandiwalla Sewa Smarak Trust Society. He is also the Chairman of the Audit Committee of India Glycols Limited. He also serves as Director of Sak Abrasives Limited, Sak Consumer Retail Services Limited and Sak Technologies Limited.

Mr. Autar Krishna holds 200,120 Equity Shares of Saksoft Limited. Mr. Autar Krishna is related to Mr. Aditya Krishna, Managing Director of the Company.

(b) Mr. Amitava Mukherjee

DIN No: 00003285

Mr. Amitava Mukherjee is a postgraduate in Business Economics from Delhi University and an MBA from the Asian Institute of Management, Manila. He had been with Lazard India Ltd as the Managing Director of the firm. During his tenure with Lazard's, he advised several multinational companies on their entry strategies into India as well as advised them on mergers & acquisitions. He has rich and varied experience in investment banking having been involved with several transactions on behalf of large Indian Corporate houses and multinationals. He is presently on the Board of Ambit Corporate Finance Pte. Ltd. He is an Independent Director of our Company and also a member of Audit committee, Shareholders/ Investors Grievances Committee and Remuneration Committee.

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

(c) Mr. Aditya Krishna

DIN: 00031345

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 from 1995 to 2001. He is also an independent Director in the Board of ING Vysya Bank Limited and holds directorship in Sak Abrasives Limited and Sak Technologies Limited.

Mr. Aditya Krishna is related to Mr. Autar Krishna, Director of the Company. Mr. Aditya Krishna holds 3,600,020 equity shares in the company.

(d) Mr. Suresh Subramanian

DIN: 02070440

Mr. Suresh Subramanian, leads the global operations of Quattro's Finance & Accounting vertical. He is a Fellow Chartered Accountant (FCA) of the Institute of Chartered Accountants of India by qualification and in his career spanning over 25 years, has extensive experience in accounting and auditing

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

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

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

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

Mr. Suresh Subramanian does not hold any shares in 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

Increase in Remuneration of 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 from 1995 to 2001.

His remuneration was last revised in the year 2004. The Board considers it desirable to continue to derive the benefits out of his experience, having regard to his professional qualifications and experience. In line with the software industry practice, the Board has approved the payment of the revised remuneration, as detailed below, with effect from 1st April 2008, subject to the approval of the Shareholders in this Annual General Meeting.

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.

Perquisites include the following:

- (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.

This may be construed as an "Abstract of the terms of appointment and Memorandum of Interest" pursuant to Section 302 of the Companies Act, 1956.

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.

Item No.7

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

Mr. V.Ramanathan joined Saksoft in 2000 and was appointed as an Executive Director of the Company in 2001. He is in charge of Operations and Technology in Saksoft and has built a team of business analysts, project managers and software professionals comprising nearly 300 people in the last 5 years. He has guided the Company to achieve an excellent reputation for Software Development and testing services with its customers. In view of his excellent performance he has been promoted as Chief Executive Officer of the Company.

His remuneration was last revised in 2007 and was approved by the members at the 8th Annual General Meeting. For the year 2007-08, the remuneration fixed by the members 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.19,12,598/- to Mr. V Ramanathan for the year 2007-08.

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. 4,514.58 Lakhs
Operating Expenses : Rs. 3,876.26 Lakhs.
Net Profit after Tax : Rs. 206.83 Lakhs.

(5) Export performance and net foreign exchange collaborations

Foreign Exchange Income :

Foreign Exchange Earning : Rs. 3957.21 Lakhs
Foreign Exchange Outgo : Rs. 2939.32 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 Pty limited (Australia)
4. Saksoft Investments Private Limited (United Kingdom)
5. Saksoft GmbH (UK)

(II) INFORMATION ABOUT THE APPOINTEE:

(1) Background Details:

Mr. V.Ramanathan joined Saksoft in 2000 and was appointed as an Executive Director of the Company in 2001. He is in charge of Operations and Technology in Saksoft and has built a team of business analysts, project managers and software professionals comprising nearly 300 people in the last 7 years. He has guided the Company to achieve an excellent reputation for Software Development and testing services with its customers. In view of his excellent performance he has been promoted as Chief Executive Officer of the Company.

(2) Past Remuneration:

A sum of Rs. 49,12,598 has been paid to Mr. V Ramanathan, being the remuneration and allowable perks for the year ended 31st March, 2008.

(3) Recognition or Awards:

He is renowned personality in the field of Information Technology and had immensely contributed to the 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 Executive Director of the Company in the year 2000. He is in charge of Operations in Saksoft and has built a team of business analysts, project managers and software professionals comprising of nearly 300 people in the last 7 years. He has guided the Company to

achieve excellent reputation for software development and testing services with its customers. He has 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 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 retain him and pay 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 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 proposed remuneration to the Appointee is 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 81,631 equity 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

- (a) Significant depreciation in the value of US Dollars resulting in lower export realization.
- (b) Interest Cost for business expansions.
- (c) Significant increase in the level of Salaries and Wages together with increase in operating expenses.

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

The Company has taken all steps to reduce the operating expenses and has also taken steps for addition of new client base to improve profitability. The Company is also considering hedging the foreign exchange exposures. This will help the Company to improve its operations and bottom lines.

(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 re-appointment & remuneration payable to the appointee needs to be approved by the shareholders in a general meeting and accordingly, the resolution is placed before the members. The Directors recommend the resolution for the approval of the members. Mr. V Ramanathan is not related to any managerial personnel of the Company.

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.

Item No.8**Appointment of Mr. Suresh Subramanian as Director**

The Board of Directors of the Company under Section 260 of the Companies Act, 1956 appointed Mr. Suresh Subramanian as Additional Director of the Company with effect from May 16th 2008. In terms of Section 260 of the Companies Act, 1956, Mr. Suresh Subramanian 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 Rs.500/- proposing the candidature of Mr. Suresh Subramanian for the office of Director of the Company under Section 257 of the Companies Act, 1956

Mr. Suresh Subramanian 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. Suresh Subramanian 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. Suresh Subramanian, 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.

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

Item No.9**Commission to non-executive Directors**

The Chairman and the non executive Directors devote more time and attention for the growth of the business of the Company in all its facets. The Board therefore recognizes the need to suitably remunerate the non-executive Directors with such commission upto a ceiling of 1% of the net profits of the Company, every year, computed in the manner specified in the Act, or such other limit as may be approved by the Central Government, for a period of 5 years from the financial year commencing 1st April, 2008. In view of their intense involvement and value additions they provide for the Company's overall growth warrants that they should be paid a commission in accordance with the provisions of Section 309 of the Companies Act, 1956. The Board of Directors accordingly recommends the resolution set out at Item No. 9 of the accompanying Notice for the approval of the Members.

All the non executive Directors of the Company, may be deemed to be concerned or interested in this resolution to the extent of commission that may be payable to them from time to time.

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

**CHENNAI
13th August, 2008**

**V SWAMINATHAN
COMPANY SECRETARY**

REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the report on the business and operations of the Company for the financial year ended 31st March 2008 along with the audited Annual Accounts for the financial year ended 31st March 2008

Financial Highlights

	Year ended 31 st March 2008 (Rs. In Lakhs)	Year ended 31 st March 2007 (Rs. In Lakhs)
Export Revenue	3,957.21	3,337.13
Domestic Revenue	484.40	325.60
Other Income	72.97	54.47
Total Revenue	4,514.58	3,717.20
Operating expenses	3,876.26	2,556.50
Operating Profits	638.32	1,160.70
Depreciation	126.86	87.81
Interest and Finance Charges	273.75	63.64
Net Profit before Tax	237.71	1,009.25
Current Tax	7.93	69.00
Deferred Tax	5.01	(22.58)
Fringe Benefit Tax	17.94	16.50
Net Profit after Tax	206.83	946.33
Profit brought forward	2,150.43	1,538.09
Available for Appropriation	2,357.26	2,484.41
Transfer to General Reserve	50.00	100.00
Dividend and Dividend Tax	59.32	233.99
Balance Carried forward.	2,247.94	2,150.42

RESULTS OF OPERATIONS:

Total revenues of the Company increased from Rs. 3717.20 lakhs to Rs. 4514.58 lakhs witnessing a growth of 797.38 Lakhs or 21.45%. Export revenues increased from 3337.13 lakhs to 3957.21 lakhs, a growth of Rs. 620.08 lakhs or 18.58%. Although revenues have increased, there has been a reduction in the net profits primarily due to lower realization of foreign currency exports and foreign exchange fluctuation loss. The profit after tax reduced from 946.33 lakhs to 206.83 lakhs. Besides the foreign exchange related impacts, increase in costs and interest on borrowings have also reduced the margins of the company for the year 2007 - 08.

DIVIDEND

Your Directors recommend a Final dividend of Re. 0.50 paise per share (5% on the face value of Rs.10). The total dividend for the year ended 31st March 2008 is Rs. 50.7 Lakhs. This dividend is subject to the approval of the shareholders in the ensuing Annual General Meeting.

TRANSFER TO RESERVE

We propose to transfer Rs. 50 Lakhs to general reserve. The balance in the profit and loss account as at 31st March 2008, after appropriations for dividend and dividend tax and transfer to general reserve is Rs.2,247.94 lakhs.

BUSINESS

Saksoft is a mid-sized Information Technology Company. In the current year, your company transitioned from a single vertical focused player to become an "information management specialist" IT company across verticals. The company offers high end consultancy in IM and a full portfolio of services in this area of expertise. The solutions are a combination of domain knowledge and technical expertise, with special emphasis on the banking and telecom segments. Your Company's service offerings are provided using a mixed model of delivery with both onsite and offshore components.

INCREASE IN SHARE CAPITAL:

The shareholders at their Eighth Annual General Meeting held on 11th July 2007 have accorded approval for the increase in the authorized capital of the Company from Rs.12,00,00,000 (Rupees Twelve Crores) to Rs.20,00,00,000 (Rupees Twenty Crores). The shareholders at the same meeting have passed a special resolution for allotment of shares on Preferential Basis. Accordingly, 140,000 equity shares were issued to M/s Transunion Interactive Inc., at a rate of Rs.223.65 per share. The paid-up equity share capital has been increased to Rs.101,400,000 during the year. These shares were listed on the National Stock Exchange (NSE) and are permitted to be traded on the Bombay Stock Exchange (BSE).

SUBSIDIARY COMPANIES

Your company has subsidiaries set up at the United States of America (USA), the United Kingdom (UK), Singapore, Germany and Australia. 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 that the Consolidated Financial Results represents a full picture of the details of the performance 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 47/107/2008-CL-III dated 10th March 2008. 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 account 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.

During the year, the Company has successfully integrated the business operations of Acuma group of Companies with Saksoft. Acuma is UK's largest dedicated provider of Information Management Solutions. Acuma's business approach and key differentiator is based upon its own methodology – **IVM** – *The Information Value Model*.

DEVELOPMENT CENTRES

Your Company has two off shore development centres in Chennai and Noida with a total capacity of 750 seats approximately. These centres are located at convenient locations in close proximity to essential services and amenities. The centres are well equipped with alternate sources of power to operate in a 24X7 environment and have VOIP lines, conference halls and recreation halls for customer centric and pro-employee activity.

HUMAN RESOURCES MANAGEMENT:

As per March 31, 2008, Saksoft has 380 employees. Saksoft's resources possess strong technical and domain knowledge and are appreciated for their client centric approach, people management skills, enthusiasm and energy in completing projects. Saksoft 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. During the year, your Company realigned its organization into four Centres of Excellence namely .Net, Testing, Java and Information Management.

CORPORATE SOCIAL RESPONSIBILITY:

Your company is corporate social citizen and lays emphasis on Corporate Social Responsibility. As a corporate social citizen, your company has conducted Blood Donation Camps in coordination with Jeevan Blood Bank, Chennai. Over 39 employees participated in the blood donation camp.

QUALITY CERTIFICATION

Saksoft's quality Management System, Optima was accredited with SEI-CMMI model at Level 5 in September 2006. This is the highest rating that every software company strives to achieve and Saksoft has successfully achieved this milestone in its very short history. External and Internal auditors regularly complete assessments to ensure that the certification remains valid and the Quality System is functioning effectively.

CORPORATE GOVERNANCE

Corporate Governance Report and Management Discussion and Analysis pursuant to clause 49 of the Listing Agreement are attached to the Report of the Board of Directors. A certificate from the statutory auditors confirming compliance with the requirements of Corporate Governance by the Company is also attached to this report.

DEPOSITS

Your 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 2007-08

DIRECTORS

Mr. Autar Krishna and Mr. Amitava Mukherjee, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board commends the re-appointment of Mr. Autar Krishna and Mr. Amitava Mukherjee.

Mr. Suresh Subramanian was co-opted as Additional Director with effect from 16th May 2008 and will hold office till the ensuing Annual General Meeting and notice has been received under Section 257 of the Companies Act, 1956 offering his candidature for appointment as a Director of the Company. The Board commends the resolution for the approval of the members.

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 statutory auditors of the Company, M/s Suri & Co., Chartered Accountants hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. A certificate pursuant to Section 224(1B) of the Companies Act, 1956 has been received to the effect that, if re-appointed would be within the limits provided under that Section.

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.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings	: Rs. 3957.21 Lakhs
Foreign Exchange Outgo	: Rs. 2939.32 Lakhs

MATERIAL CHANGES AFTER MARCH 31ST MARCH 2008:

There have been no material changes and commitments between 31st March 2008 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 the Information Technology Sector and posted and working outside India, not being directors or their relatives, and drawing a salary of more than Rs. 24 Lakhs per annum per financial year or more than Rs. 2 lakhs per month 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 draws a salary as prescribed under Section 217(2A) of the Companies Act, 1956.

EMPLOYEES STOCK OPTION SCHEME:

Your 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 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.

As at the beginning of the year 2007-08, your Company had granted 159,000 options to its employees. The Trustees have granted 240,000 options on 26th June 2007 and 85,000 options on 14th November 2007 to the employees of Saksoft and its subsidiaries at the rate of Rs.220.50 and Rs.135.00 per option respectively. During the year, 27,000 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 liaises 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 investor 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 2008.

ACKNOWLEDGEMENT

Your Company takes this opportunity to thank the promoters, customers, Bankers, vendors, Investors, statutory authorities and regulators for their continued support. Your Directors wish to place their appreciation to the employees of the Company for their co-operation and excellent contribution extended at all levels in achieving this year's results.

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

**CHENNAI
16th May, 2008**

**AUTAR KRISHNA
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 2008

Employed throughout the financial year:

Name	Age	Designation	Remuneration paid	Qualification	Experience In years	Date of Commencement of employment	Last Employer	Last Designation
V Ramanathan	50	Chief Executive Officer	49,12,598	BE., MBA	26	15.04.2000	SIP Technologies Limited	Chief Executive Officer
Aditya Krishna	46	Managing Director	24,28,535	MBA	23	24.11.1999	Citifinancial Retail Services India Limited	Managing Director
Nalla Senapathi Periasamy	38	Head-Delivery	34,69,098	B.Sc., MBA	16	09.10.2000	Citibank Asset Management Company, US	Software Engineer (T- Grade) Lead

Employed during Part of the financial year

Name	Age	Designation	Remuneration paid	Qualification	Experience In years	Date of Commencement of employment	Last Employer	Last Designation
Mr. Ananth Subramanian	31	Chief Financial Officer	19,58,428	B.Com., ACA	10	31.05.2007	KPMG	Manager-Audit
Sreelal Ramachandran	40	Sr. Vice President	24,90,153	BE	17	11.10.2000	Rapidgn Inc.,	Senior Consultant

Note:

1. Remuneration includes Salary, Allowances, perquisites and Company's contribution to Provident Funds.
2. Nature of employment: The above employees are wholtime employees of the company and the nature of their employment is contractual.

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	325,000
(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	32,250 options
(d) Options Exercised	1,000 (during the year 2007-08)
(e) The total number of shares arising as a result of exercise of Options	27,000 Equity Shares of Rs.10 each. These were transferred from the Saksoft Employees Welfare Trust to the eligible employees.
(f) Options Lapsed	110,000
(g) Variation of terms of Options	NIL
(h) Money Realised on exercise of options	Rs.79,500/-
(i) Total Number of options in force.	347,000
(j) Employee wise details of Options granted to (1) Senior Management Personnel	Mr. V Ramanathan – 40,000 Mr. Nalla Senapathi Periasamy – 40,000 Mr. Vivek Agarwal – 40,000 Mr. Ananth Subramanian – 20,000
(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. 1,024,448, Profit after tax lower by Rs.1,024,448 and the basic and diluted earnings per share would have been lower by Rs. 0.10 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 : 26 th June 2007 and 11 th November 2007 Grant Price : Rs. 220.50 and Rs. 135.00 Fair Value : Rs. 100.88 and Rs. 61.76				
(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 25 th June 2007 and 11 th November 2007 has been calculated using Black-Scholes options pricing formula and the significant assumptions made in this regard are as follows				
	<table> <tr> <th></th><th>26th June 2007</th><th>11th November 2007</th></tr> </table>			26 th June 2007	11 th November 2007
	26 th June 2007	11 th November 2007			
(i) risk-free interest rate	7%	7%			
(ii) expected life	5 Years	5 Years			
(iii) expected volatility	59.51%	59.51%			
(iv) expected dividend	1.8%	1.8%			
(v) the price of the underlying share in market at the time of option grant	220.50	135.00			

SAKSOFT LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MDA)

Overview

The Financial statements have been prepared in compliance with the requirements of the Companies Act, 1956 and generally accepted accounting principles (GAAP) in India. The Management accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present our state of affairs and profits for the year.

Industry Structure & Developments

Your Company primarily provides services to the customers in the Banking and Financial services sector with increased focus on verticals such as Telecom from the last year. The acquisition of Acuma group of companies has helped to expand verticals and provide our enhanced information management service offerings to existing customers and prospects.

Banking and Financial Services segment still remained at the forefront of the IT usage among the verticals even though the industry was hit hard last year by several crisis including sub-prime. The Banks remain the first to deploy IT and automate their operations to gain efficiencies, improve overall productivity and beef up customer support. There is a significant slowdown witnessed in their IT spending during the year. We witnessed several structural changes like reprioritizing of project budgets, pressure on rates, reducing number of vendors, consolidation of services etc. Many such structural changes have impacted the software industry in terms of slow down of growth in revenues.

There is a significant contributor to the service GDP and it is more evident in India where we are witnessing significant increases in the mobile subscribers and entry of high end technology such as 3G mobile services. With the entry of Vodafone into India, we through Acuma, are seeing windows of opportunity to enter telecom market in the coming years. It is to be noted that the slow down in growth is not restricted to banking vertical alone. We see increased trend of outsourcing and off shoring through telecom companies. But like the banking sector, the telecom companies are slow to move the given negative vibes in the economy as a whole.

Overall the changes during the year requires the Company to be cautious about how to conduct and grow business but overall prospects are expected to improve due to increased need for outsourcing and off shoring.

Segmentation

Saksoft is a mid-sized Information technology Company. Your Company transitioned from a single vertical focused player to becoming a “niche player providing business solutions”. Your Company has offering across verticals and provides business solutions through a wide portfolio of services, products and frameworks from development to testing to managed services. During the year under review, BFSI

sector continued to be the significant vertical contributing to the revenues of the Company followed by telecom.

Outlook

In the coming years too, we expect that BFSI will be the number one industry in terms of IT spending. Similarly, application development and application maintenance, will grow. We expect more than significant growth in information management services and 3rd party testing services (the areas Saksoft has deep expertise). Thus your company is poised for substantial growth this year barring risks that are indicated elsewhere in the document.

However your company realizes that as we move towards a mid sized company, rather than competing in the general service space, your company intends to focus on 'solutions packs and competencies' within its service offerings thus retaining focus and placing itself in the 'top-of-mind' recall space of the customers mind. To that extent your company has re-organised its delivery team along the competencies retaining unified sales focus. This we hope will bring in more cross sell to existing customers base and upsell with improved competency depth. Further your Company seeks to work on leveraging the acquisition of Acuma group of companies by Saksoft offering its services to Acuma clients and Acuma offering more solutions that are Saksoft resource/service centric.

During the year, your company added 19 new clients and has 36 active clients as at the end of the year 2007-08. Your Company would focus on extending these relationships and developing them as reference customers.

The investments in the subsidiaries and offices will enable your company to source new business from these markets and increase proximity to existing customers to strengthen relationships and bid for new project work with these customers. Your Company plans to aggressively expand its marketing network in the coming months to achieve accelerated growth.

Internal control system

Adequate internal checks are built in to cover all monetary transactions.

Your company has independent internal auditors who have conducted regular audits. The findings of the audit are presented to the management and audit committee of the board of directors for review, recommendations and actions. The audit committee periodically reviews financial statements. The role and terms of reference of the audit committee cover the areas mentioned under clause 49 of the listing agreement with stock exchanges and Sec 292A of the Companies Act, 1956. We continually work on the recommendations and actions requested by the audit committee. Your Directors feel that the internal control system of the company is adequate.

Risk & Concerns

- Significant Variations in Revenues and Profits - Your Company has improved the revenue and profits this year with renewed approach to structure of costing and planning of revenue. However, given the size of the company and its dependence on few customers for major revenue, we still foresee variations in revenues and profit this year.

- Dependence on few customers - Your Company has taken measures to reduce the dependence on few customers for major revenue of the company but we expect this dependence to continue in the coming year too.
- Lack of growth in business from new customers - Your Company has acquired new customers last year but revenues from them have not been significant.
- Attrition – Your Company's efforts to reduce attrition has shown results but it is still an area of concern.
- Competitive Business - Your Company operates in the industry segment called BFSI, which has the highest IT spending and hence attracts the most competition.
- Termination of Contracts by Customer - Your Company's client contracts can usually be terminated without cause and with little or no notice or penalty, which could negatively impact its revenues and profitability.
- Economic Environment Changes - Your Company will have impact on account of economic environment changes such as Foreign exchange rate fluctuations.

Financial Performance

a. Results of operations

- Your Company's software exports aggregated Rs 3957.21 lakhs, an increase of 18.58% from Rs 3337.13 lakhs in the previous year. Europe region contributed for the increase in revenues with commencement of service offerings to Barclays Plc, United Kingdom (UK) from the current year. United States (US) region continues to contribute more than 27% of revenues of 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 decreased from Rs 1230.85 lakhs to 748.04 lakhs primarily due to foreign exchange fluctuation loss
- Interest and finance charges were higher due to borrowings from a group Company for part-funding the acquisition of Acuma group of companies in United Kingdom, which has resulted in reduction in Net profits from Rs 946.33 lakhs in the previous year to Rs 204.87 lakhs in the current year.
- Increase in net block of fixed assets from Rs 892040 lakhs in the previous year to Rs 901459 lakhs in the current year is primarily due to costs relating to ongoing implementation of Oracle ERP and Noida development centre expansion activities

b. Foreign exchange earnings and outgo

Foreign Exchange Earnings	: Rs. 3957.21 Lakhs
Foreign Exchange Outgo	: Rs. 2939.32 Lakhs

c. Dividend

Your Directors recommend a Final dividend of Re. 0.50 paise per share (5% on the face value of Rs.10). The total dividend for the year ended 31st March 2008 is Rs. 50.7 Lakhs. This dividend is subject to the approval of the shareholders in the ensuing Annual General Meeting.

d. Transfer to Reserves

We propose to transfer Rs. 50 Lakhs to general reserve. The balance in the profit and loss account as at 31st March 2008, after appropriations for dividend and dividend tax and transfer to general reserve is Rs.2,247.94 lakhs.

Human Resource Management

Employees are vital to your company. Your company has created a favorable work environment and encourages meritocracy. HR Policies have been designed to attract and retain talent. With significant hiring this year, your company has taken its total employee strength over 380 at the end of the year. Your company is confident that its hiring model is scalable to meet future growth targets. Employee quality and motivation is critical and your company significant efforts in training during the year 2007-08 and will continue the trend in the coming year too.

Employee Stock Options

Your 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 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.

As at the beginning of the year, your Company had granted 159,000 options to its employees. The Trustees have granted 240,000 options on 26th June 2007 and 85,000 options on 14th November 2007 to the employees of Saksoft and its subsidiaries at the rate of Rs.220.50 and Rs.135.00 per option respectively. During the year, 27,000 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.

Particulars	Year ended March 31, 2008	Year ended March 31, 2007
Options outstanding at the beginning of the year	133,000	133,000
Options granted during the year	325,000	26,000
Options exercised during the year	(1,000)	(26,000)
Options forfeited during the year	(110,000)	-
Options outstanding, end of the year	347,000	133,000

Quality

Saksoft's quality Management System, Optima was accredited with SEI-CMMI model at Level 5 in September 2006. This is the highest rating that every software company strives to achieve and Saksoft has successfully achieved this milestone in its very short history. External and Internal auditors regularly complete assessments to ensure that the certification remains valid and the Quality System is functioning effectively.

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. It features the word "SAKSOFT" in a bold, sans-serif font. A stylized, curved line or swoosh is positioned over the letters "A" and "K", starting from the top of the "A", arching over the "K", and ending under the "S".

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

Company's Philosophy on Corporate Governance:

The Company believes that the value of stakeholders can be enhanced on a long term basis only by having effective Corporate Governance Policy. Thus, corporate governance is a reflection of a Company's culture, policies, and its relationship with the stakeholders, and its commitment to values. Thus Board oversees the creation of the corporate governance philosophy and its conformance within the company. The corporate governance philosophy 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 governed 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. Autar Krishna	Chairman	Non-Executive
Mr. Aditya Krishna	Managing Director	Executive
Mr. V Ramanathan	Chief Executive Officer	Executive
Mr. S C Agarwal	Director	Non-Executive
Mr. R Rajagopalan	Director	Independent, Non-Executive
Mr. Amitava Mukherjee	Director	Independent Non-Executive
Mr. Suresh Subramanian #	Director	Independent Non-Executive

Mr. Suresh Subramanian has been co-opted as Director by the Board with effect from 16th May 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 Limited. 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 year 2007- 08, 5 Board Meetings were held on 24th April 2007, 16th June 2007, 23rd July 2007, 22nd October 2007, and 21st January 2008.

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. Autar Krishna	4/5	Yes	10	1	5
Mr. Aditya Krishna	5/5	Yes	12	-	-
Mr. V Ramanathan	3/5	Yes	-	-	-
Mr. S C Agarwal	5/5	Yes	3	-	3
Mr. Amitava Mukherjee	2/5	No	3	-	3
Mr. R Rajagopalan	5/5	Yes	4	3	4
Mr. Suresh Subramanian	NA	NA	1	-	1

BOARD PROCEDURE:

The Board meets at least once in a quarter and the interval between two meetings is not generally 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 3 non-executive directors of which 2 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	-	Independent Director	-	Member

During the year 2007-08, the Audit Committee met five times on 24th April 2007, 16th June 2007, 23rd July 2007, 22nd October 2007, and 21st January 2008. The interval between two meetings convened was generally not more than four months. All the members 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. During the year, the committee met three times on 27th September 2007, 14th November 2007 and 21st January 2008 and all the committee members have attended all the meetings.

The details of remuneration paid to the Managing Director and Chief Executive Officer of the Company for the year is as under:

Name	Salary	Allowances	Total
Aditya Krishna, Managing Director	Rs. 1,344,000	Rs. 1,294,977	Rs. 2,638,977
V Ramanathan, Chief Executive Officer	Rs. 3,360,000	Rs. 1,552,598	Rs. 4,912,598

REMUNERATION OF NON-EXECUTIVE DIRECTORS:

The Company pays sitting fees to all Non-Executive Directors at the rate of Rs.5000/- for each meeting of the Board and Committee thereof, attended by them. The sitting fees paid for the year ended 31st March 2008 to the directors is as follows:

1. Mr. Autar Krishna	-	Rs. 25,000/-
2. Mr. S C Agarwal	-	Rs. 85,000/-
3. Mr. Amitava Mukherjee	-	Rs. 60,000/-
4. Mr. R Rajagopalan	-	Rs. 85,000/-

SHAREHOLDERS' GRIEVANCES COMMITTEE:

The Board has constituted a shareholder/Investors grievance committee comprising Mr. R Rajagopalan, Mr. S C Agarwal and Mr. Amitava Mukherjee. The Committee looks into redressing shareholders' complaints like share transfers, non-receipt of dividend warrants etc. Mr. R Rajagopalan is the chairman of the Committee. Mr. V Swaminathan, the Company Secretary and Compliance Officer of the Company is the secretary of the committee. During the year, the committee met 4 times on 24.04.2007, 23.07.2007, 22.10.2007, 21.01.2008

The Company received 1 complaint 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 2007.

GENERAL BODY MEETINGS

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

Year	Location	Date	Time
2004-05	Sri Thyaga Brahma Gana Sabha 103, G.N.Chetty Road, T Nagar, Chennai – 600 017	28.07.2005	10.00 AM
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

(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 Annual General Meeting 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

(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 transactions have been disclosed in the notes forming part of the financial statements as required under Accounting Standard 18 issued by the Institute of Chartered Accountants 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 2008, the quarterly results were filed and published in the manner set forth below

Quarter	Date of Filing with the Stock Exchanges	Date of publication in English News paper	Date of publication in Vernacular daily
I	23 rd July 2007	24 th July 2007 – Economic Times	24 th July 2007 – Makkal Kural
II	22 nd October 2007	24 th October 2007– News Today	24 th October 2007 – Makkal Kural
III	21 st January 2008	22 nd January 2008 – News Today	22 nd January 2008 – 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 2008.

GENERAL SHAREHOLDER INFORMATION: (TENTATIVE)

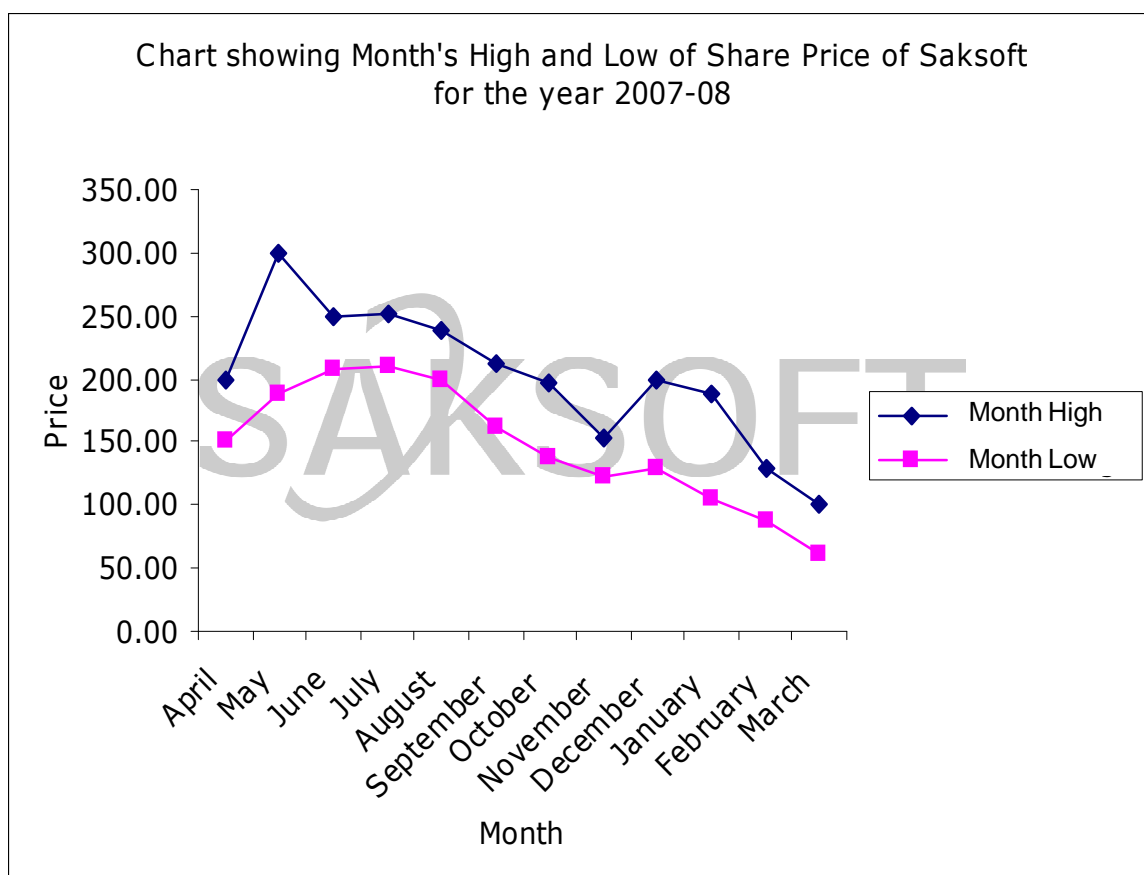
Particulars	Details
Annual General Meeting Date Time Venue	25 th September 2008 10.00 AM Naradha Gana Sabha Mini Hall, 314, T.T.K.Road, Chennai 600 018.
Financial Calendar Periodical results Results for I Quarter ending 30 th June 2008 Results for II Quarter ending 30 th September 2008 Results for III Quarter ending 31 st December 2008 Results for the year ending 31 st March 2009 *The schedule is tentative.	1 st April to 31 st March Last week of July 2008 Last week of October 2008 Last week of January 2009, Last week of May 2009
Book Closure Date	September 18 th 2008 to 25 th September 2008 (Both days inclusive)
Dividend Payment Date	October 8 th 2008.
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 b) DEMAT ISIN Number in NSDL and CDSL for Equity Shares.	SAKSOFT EQ 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 (in Rs.)	Price Low (in Rs.)
April 2007	199.95	152.00
May 2007	299.95	187.15
June 2007	250.10	208.50
July 2007	250.50	210.00
August 2007	239.00	198.00
September 2007	212.00	161.10
October 2007	196.25	138.10

November 2007	152.95	122.05
December 2007	200.00	128.50
January 2008	187.25	105.00
February 2008	130.00	87.00
March 2008	100.00	60.55

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 2008:

Shares	Share holders		Shareholding	
	No. of Share-holders	% of total shareholders	No. of Shares	% of total Shareholding
Up to 500	1,490	89.96	169,179	1.67
501-1000	74	4.47	56,948	0.56
1001-2000	28	1.69	42,184	0.42
2001-3000	17	1.03	41,859	0.41
3001-4000	7	0.43	23,725	0.23
4001-5000	2	0.12	9,113	0.09
5001-10000	11	0.66	83,509	0.82
10001 and above	27	1.63	9,713,483	95.80
Total	1,656	100	10,140,000	100

Pattern of Shareholding as on 31st March 2008

Category	No. of holders	No. of Shares	% holding
Promoters	4	4,355,600	42.96
Mutual Funds and UTI	3	433,264	4.27
Resident	1,487	870,360	8.59
FI	1	101,297	0.99
FII	2	859,695	8.48
NRI	23	10,593	0.10
Corporate Body	127	3,501,900	34.54
Clearing Member	7	2,291	0.02
Trust	2	5,000	0.05
Total	1656	10,140,000	100

Dematerialization of shares and liquidity

As at 31st March 2008, 68.21% 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.

Office Locations:**Saksoft Limited**

Sri Ram Nivas
38, V.K.Iyer Road
Mandaveli, Chennai – 600 028
Ph: 044-24614501
Fax: +91-44-24614486

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.,

99 Waterloo Road,
London, SE1 8UL,
UK

Saksoft Investments Pvt. Ltd.,

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

Saksoft Pty Limited

22, Mansfield Way
Kellyville, NSW 2155
Australia

Address for Correspondence:

Saksoft Limited, Sri Ram Nivas
38, V.K.Iyer Road, Mandaveli, Chennai – 600 028.
Ph: 044-24614501 Fax: +91-44-24614486

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. V Swaminathan
Tel Nos : +91 – 44 - 24614501

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 2008.

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 2008.

For Saksoft Limited

Place: Chennai

Date : 16th May 2008

-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, 2008, as stipulated in clause 49 of the Listing Agreements of the said Company with National Stock Exchange.

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 Agreement.

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 : 16th May 2008**

**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 2008, 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 no 3(d) (i) of Schedule 17 – forming part of financial statements in respect of remuneration of Rs.19,12,598/- to a whole time director which is in excess of limits specified under clause C of part II of schedule XIII to Companies Act for which an application for approval has been made by the company to 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.

- 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 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2008 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, 2008
 - (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 : 16th May 2008**

**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 2008. 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 Service, as such clauses (a), (b) and (c) of paragraph (ii) is not applicable to the company.
- (iii) a) The company has granted unsecured loans during the year to a Company covered in the register maintained u/s 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 4 lakhs and the year-end balance of loans taken from the company is Rs. 4 lakhs.
 - b) 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.
 - c) The receipt of principal and interest are also regular.
 - d) There are no balances which is overdue for more than one lakh..
- (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) According to the information and explanation given to us there are no dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any disputes.
- (x) The Company has no accumulated losses as at 31.03.2008, nor has it incurred any cash losses during the financial 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 clause 4 (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 clause 4(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.

**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**

- (xvi) The company does not have any term loan. Accordingly, the provisions of clause (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 : 16th May 2008**

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

SAKSOFT LIMITED
BALANCE SHEET AS AT 31ST MARCH 2008

			(Amount in Rs. '000)
	Schedule	As at March 31, 2008	As at March 31, 2007
SOURCES OF FUNDS			
SHAREHOLDERS FUNDS			
Share capital	1	101,400	100,000
Reserves and surplus	2	332,407	285,359
LOAN FUNDS			
Secured loans	3	2,510	2,144
Unsecured loan	4	371,442	300,000
		<u>807,759</u>	<u>687,503</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
	5		
Gross block		97,219	76,120
Less: Accumulated depreciation and amortisation		55,249	47,844
Net block		<u>41,970</u>	<u>28,276</u>
Capital work-in-progress		-	9,765
		<u>41,970</u>	<u>38,041</u>
INVESTMENTS	6	449,182	448,671
DEFERRED TAX ASSET	17(3)(f)	2,101	2,602
CURRENT ASSETS, LOANS AND ADVANCES			
Sundry debtors	7	145,662	143,155
Cash and Bank balances	8	7,478	5,377
Other current assets	9	11,171	2,047
Loans and advances	10	262,625	109,313
		<u>426,936</u>	<u>259,892</u>
CURRENT LIABILITIES AND PROVISIONS			
Current liabilities	11	101,453	35,467
Provisions	12	10,977	26,236
		<u>112,430</u>	<u>61,703</u>
NET CURRENT ASSETS		<u>314,506</u>	<u>198,189</u>
		<u>807,759</u>	<u>687,503</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

Place : Chennai
Date : 16th May, 2008

Aditya Krishna
Managing Director

For and on behalf of the Board

V Ramanathan
Chief Executive Officer

V. Swaminathan
Company Secretary

SAKSOFT LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008**

(Amount in Rs. '000)

	Schedule	Year ended March 31, 2008	Year ended March 31, 2007
INCOME			
Software services			
- Overseas		395,721	333,713
- Domestic		48,440	32,561
Other income	13	7,297	5,447
		<u>451,458</u>	<u>371,721</u>
EXPENDITURE			
Employee costs	14	229,033	151,654
Operating and other expenses	15	158,593	103,997
Depreciation and amortisation	5	12,686	8,781
Interest and finance charges	16	27,375	6,364
		<u>427,687</u>	<u>270,796</u>
NET PROFIT BEFORE TAX		23,771	100,925
- Current tax (net of MAT credit entitlement - Rs 1,679 (previous year - Nil))		793	6,900
- Fringe benefit tax		1,794	1,650
- Deferred tax		501	(2,258)
NET PROFIT AFTER TAX		<u>20,683</u>	<u>94,633</u>
Profit brought forward from previous year		215,043	153,809
AMOUNT AVAILABLE FOR APPROPRIATION		<u>235,726</u>	<u>248,442</u>
APPROPRIATIONS:			
Proposed dividend		5,070	20,000
Dividend tax		862	3,399
Amount transferred to general reserve		5,000	10,000
Balance in profit and loss account		224,794	215,043
		<u>235,726</u>	<u>248,442</u>
Earnings per share			
Basic and diluted		2.05	9.46
Number of shares used in computing earnings per share			
Basic and diluted		10,096,393	10,000,000
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

Aditya Krishna
Managing Director

V Ramanathan
Chief Executive Officer

V. Swaminathan
Company Secretary

Place : Chennai
Date : 16th May, 2008

SAKSOFT LIMITED**CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2008**

(Amount in Rs. '000)

	Year ended March 31, 2008	Year ended March 31, 2007
Net profit before tax	23,771	100,925
Adjustments for:		
Depreciation	12,686	8,781
(Profit) / loss on sale of fixed assets, net	(81)	(128)
Interest and dividend income	(168)	(4,750)
Interest and finance charges	27,375	6,062
Exchange difference on translation of foreign currency cash and cash equivalents	52	76
Operating profit before working capital changes	63,635	110,966
Adjustments for:		
(Increase)/decrease in Sundry debtors	(2,507)	(37,600)
(Increase)/decrease in Other current assets, loans and advances	(38,322)	20,876
(Increase)/decrease in Current liabilities and provisions	77,630	10,599
Cash generated from operations	100,436	104,841
Taxes paid	(11,037)	(9,596)
Net cash from operating activities A	89,399	95,245
Cash flow from investing activities		
Purchase of fixed assets	(16,853)	(28,621)
Sale of fixed assets	320	219
Investment in a wholly owned subsidiary	(501)	(434,453)
Advance against share capital to a wholly owned subsidiary	(124,115)	(84,626)
Purchase of mutual fund units	(130,061)	(234,412)
Sale of mutual fund units	130,051	281,370
Interest and dividend income	168	4,750
Net cash used in investing activities B	(140,991)	(495,773)
Cash flow from financing activities		
Availment/(repayment) of loans	69,866	299,663
Proceeds from issue of share capital	32,711	-
Interest and finance charges	(25,433)	(6,062)
Dividend and dividend tax	(23,399)	(17,104)
Net cash from financing activities C	53,745	276,497
Exchange differences on foreign exchange translation adjustments	(52)	(76)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	2,101	(124,107)
Cash and cash equivalents at the beginning of the year	5,377	129,484
Cash and cash equivalents at the end of the year	7,478	5,377

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

Aditya Krishna
Managing Director

V Ramanathan
Chief Executive Officer

V. Swaminathan
Company Secretary

Place : Chennai
Date : 16th May, 2008

SAKSOFT LIMITED
SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Rs. '000)

	As at March 31, 2008	As at March 31, 2007
1 SHARE CAPITAL		
Authorised:		
20,000,000 (Previous year 12,000,000) equity shares of Rs 10/- each	<u>200,000</u>	<u>120,000</u>
Issued, Subscribed and Paid-up		
10,140,000 (Previous year - 10,000,000) equity Shares of Rs.10/- each fully paid up	<u>101,400</u>	<u>100,000</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. During the current year, 140,000 shares were allotted on a preferential basis. Refer Note 3(j) of Schedule 17 for details of options in respect of equity shares.		
2 RESERVES AND SURPLUS		
General reserve		
As per last account	28,000	18,000
Add: Transfer from profit and loss account	5,000	10,000
Add: Gratuity transitional adjustment (refer Note 17 (3) (h))	986	-
	<u>33,986</u>	<u>28,000</u>
Securities premium		
As per last account	42,316	42,316
Add: Additions during the year	31,311	-
	<u>73,627</u>	<u>42,316</u>
Balance in Profit and loss account	224,794	215,043
	<u>332,407</u>	<u>285,359</u>
3 SECURED LOANS		
Finance lease obligations	2,510	2,144
	<u>2,510</u>	<u>2,144</u>
Finance lease obligations are secured by the hypothecation of assets acquired thereunder.		
4 UNSECURED LOAN		
From a Company	371,442	300,000
(interest accrued and due included - Rs 1,942 (previous year - Nil))	<u>371,442</u>	<u>300,000</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, 2007	Additions	Deletions	As at March 31, 2008	For the year	Deletions	As at March 31, 2008	As at March 31, 2007
Tangible assets								
Plant and Machinery	8,243	3,881	-	12,124	1,681	-	5,506	3,306
Computer Equipments	31,832	8,310	2,620	37,522	5,198	2,620	16,395	13,283
Office Equipments	2,090	229	75	2,244	439	75	1,038	1,248
Electrical Installations	7,488	2,387	-	9,875	1,392	-	4,266	3,271
Furniture and Fixtures	17,559	5,621	-	23,180	2,493	-	8,183	5,055
Vehicles	129	-	-	129	26	-	35	61
Intangible assets								
Intellectual property	4,500	-	-	4,500	-	-	-	-
Software costs	-	4,242	-	4,242	-	-	4,242	-
	71,841	24,670	2,695	93,816	11,229	2,695	39,665	26,224
Assets acquired under finance lease								
Vehicles	4,279	1,948	2,824	3,403	1,457	2,585	2,305	2,053
	76,120	26,618	5,519	97,219	12,686	5,280	41,970	28,277
Previous year	60,728	18,856	3,464	76,120	8,781	3,373	28,277	

SAKSOFT LIMITED
SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

6. INVESTMENTS

(Amount in Rs. '000)

	Balances at April 1, 2007		Additions		Sales / Redemption		Balances at March 31, 2008	
	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 <i>In Subsidiary Companies</i>								
Saksoft Inc, USA	195,000	9,240	-	-	-	-	195,000	9,240
Saksoft Pte Limited, Singapore	55,002	1,485	-	-	-	-	55,002	1,485
Saksoft GmbH, Germany	25,000	1,202	-	-	-	-	25,000	1,202
Sak Investments Private Limited, UK	5,001,000	434,453	-	-	-	-	5,001,000	434,453
Saksoft Pty Limited, Australia	-	-	15,000	501	-	-	15,000	501
	5,276,002	446,380	15,000	501	-	-	5,291,002	446,881
Current, Non-trade, unquoted, at the lower of cost and fair value <i>In Liquid mutual fund units</i>								
DWS Insta Cash Plus Fund - Regular	208,205	2,145	12,625,584	130,056	12,610,425	129,900	223,364	2,301
Reliance Liquid Fund	13,060	146	429	5	13,489	151	-	-
	221,265	2,291	12,626,013	130,061	12,623,914	130,051	223,364	2,301
Total	448,671		130,562		130,051			449,182

Aggregate market value of liquid mutual fund units - Rs 2,301 (previous year - Rs 2,291)

SAKSOFT LIMITED
SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	(Amount in Rs. '000)	
	As at March 31, 2008	As at March 31, 2007
7 SUNDRY DEBTORS (Unsecured)		
Debts outstanding for a period exceeding six months		
- Considered good	38,697	9,215
- Considered doubtful	770	-
	<u>39,467</u>	<u>9,215</u>
Other debts, Considered good	106,965	133,940
Less: Provision for doubtful debts	(770)	-
	<u>145,662</u>	<u>143,155</u>
Amounts receivable from wholly owned subsidiaries:		
Saksoft Inc, USA	34,974	67,965
Saksoft Pte Ltd, Singapore	29,002	21,288
Acuma Solutions Limited	41,351	11,840
8 CASH AND BANK BALANCES		
Cash on hand	8	18
Balances with scheduled banks		
In Current accounts	6,621	4,854
In Unclaimed dividend accounts	35	17
In Deposit accounts *	130	122
In Share application -Saksoft Refund a/c	196	238
Balances with a non scheduled bank		
In Current account with ICICI Bank UK Limited, London **	488	128
	<u>7,478</u>	<u>5,377</u>
* includes Rs 130 (Previous year - Rs 122) under lien with the customs authorities		
** maximum amount outstanding during the year - Rs 2,936 (Previous year - 133)		
9 OTHER CURRENT ASSETS		
Unbilled revenues	<u>11,171</u>	<u>2,047</u>
	<u>11,171</u>	<u>2,047</u>
10 LOANS AND ADVANCES (unsecured, considered good)		
Advances to wholly owned subsidiaries		
Saksoft Inc, USA	18,496	5,080
Saksoft Pte Ltd. Singapore	11,580	8,278
Acuma Solutions Limited, UK	5,115	-
Saksoft Pty Ltd - Australia	50	52

SAKSOFT LIMITED
SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Rs. '000)

	As at March 31, 2008	As at March 31, 2007
Advance towards share capital of Saksoft Investments Private Limited (GBP 2,516 - Previous year - 986)	208,740	84,625
Mat credit entitlement	1,679	-
Deposits *	4,070	3,600
Prepaid expenses	1,655	624
Advance tax and taxes deducted at source, net of provision for tax Rs 24,379 (Previous Year - 24,520)	7,739	786
Other advances	2,985	1,808
Loan to Saksoft Limited Employees Welfare Trust	491	4,435
Loan to Saksoft Limited Employees Gratuity Trust	25	25
	<u>262,625</u>	<u>1,09,313</u>

* 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.

11 CURRENT LIABILITIES

Sundry creditors		
- Micro and small enterprises	-	-
- Others	20,191	22,796
Unclaimed dividend	35	17
Share application money due for refund	196	238
Subsidiary Companies	81,031	12,416
	<u>101,453</u>	<u>35,467</u>

12 PROVISIONS

Proposed dividend	5,070	20,000
Corporate dividend tax	862	3,399
Provision for Gratuity	5,045	2,837
	<u>10,977</u>	<u>26,236</u>

SAKSOFT LIMITED
SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	(Amount in Rs. '000)	
	Year ended March 31, 2008	Year ended March 31, 2007
13 OTHER INCOME		
Dividend received on investment in liquid mutual funds	161	2,210
Interest received on deposits with banks	7	2,540
(Taxes deducted at source Nil (Previous year - Rs 712)		
Profit on sale of fixed assets	81	128
Provision for expenses written back	7,000	-
Exchange fluctuation gain, net	-	378
Miscellaneous income	48	191
	<u>7,297</u>	<u>5,447</u>
14 EMPLOYEE COSTS		
Salaries and allowances	213,961	140,624
Contribution to Provident and other funds	11,185	8,034
Staff welfare	3,887	2,996
	<u>229,033</u>	<u>151,654</u>
15 OPERATING AND OTHER EXPENSES		
Professional charges	68,329	19,755
Communication expenses	5,826	4,680
Travel and conveyance	44,217	40,792
Recruitment and training expenses	2,719	6,611
Power and fuel	6,409	4,625
Rent	11,112	8,957
Rates and taxes	850	349
Exchange fluctuation loss, net	10,090	-
Repairs and maintenance		
- Building	3,808	3,483
- Machinery	296	613
- Others	2,049	12,093
Printing and stationery	617	545
Insurance	399	345
Advertisement and business promotion expenses	714	844
Provision for doubtful debts	770	-
Sitting fees	255	245
Miscellaneous expenses	133	60
	<u>158,593</u>	<u>103,997</u>
16 INTEREST AND FINANCE CHARGES		
Interest on fixed period loan	26,899	6,062
Finance charges	476	302
	<u>27,375</u>	<u>6,364</u>

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

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%

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.

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

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.

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.

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

- 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.

l. 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

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

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 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

Amount in Rs. '000)

Particulars	As at March 31, 2008	As at March 31, 2007
Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	80	8,186
Income-tax matters	-	3,020

The Company has undertaken to provide continued financial support to its subsidiaries Saksoft Pte Limited, Singapore and Saksoft Investments Pvt Limited, UK.

b. Finance lease

Amount in Rs. '000)

Particulars	As at March 31, 2008	As at March 31, 2007
Future obligations for assets taken on lease		
- Not later than 1 year	1,416	1,428
- Later than 1 year but not later than 5 years	<u>1,675</u>	<u>1,095</u>
	<u>3,091</u>	<u>2,523</u>
Less: Amounts representing future interest		
- Not later than 1 year	357	230
- Later than 1 year but not later than 5 years	<u>223</u>	<u>149</u>
	<u>580</u>	<u>379</u>
Present value of minimum lease rentals		
- Payable within 1 year	1,059	1,198
- Payable later than 1 year but not later than 5 years	<u>1,451</u>	<u>946</u>
	<u>2,510</u>	<u>2,144</u>

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

c. Investments in subsidiaries

Saksoft Pty Limited, Australia was incorporated on 25th January 2007 as a wholly owned subsidiary of Saksoft with an issued equity share capital of AUD 15,000 (15,000 shares of AUD 1 each). The allotment of share capital in the Australian subsidiary was completed during the current year on September 10, 2007.

d. Supplementary statutory information

(i) Managerial Remuneration

	<u>Year ended</u> <u>March 31, 2008</u>	Amount in Rs. '000) <u>Year ended</u> <u>March 31, 2007</u>
Basic salary	4,200	3,360
Contribution to Provident fund	504	403
Other allowances	2,848	2,564
Commission	-	1,085
	<u>7,552</u>	<u>7,412</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 1,912,598 has been paid to a whole-time director. An application has been 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 to the Act.

(ii) Commission to Managing director

	<u>Year ended</u> <u>March 31, 2008</u>	(Amount in Rs. '000) <u>Year ended</u> <u>March 31, 2007</u>
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Computation of net profit in accordance with section 198 read with section 349 of the Companies Act, 1956 and calculation of commission payable to Managing director

Net Profit after tax from ordinary activities	20,683	94,633
Add:-		
Whole time director's remuneration	7,552	7,412
Sitting fees	255	245
Provision for doubtful debts	770	-
Provision for tax	3,088	6,292
Depreciation as per books of account	12,686	8,781
Less:-		
Depreciation as envisaged under section 350 of the Companies Act*	12,686	8,781
Profit on sale of fixed assets	81	128
Profit on which commission is payable	<u>32,267</u>	<u>108,454</u>

* 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	<u>395,721</u>	<u>333,713</u>
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(iv) Expenditure in foreign currency (on cash basis)

Salaries, travel and other expenses	<u>29,393</u>	<u>30,249</u>
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(v) Auditors' remuneration (excluding service tax)

included in Professional charges in Schedule 15)

	Year ended March 31, 2008	Year ended March 31, 2007
Statutory audit	250	150
Tax audit	25	25
Other services	122	35
Out of pocket expenses	5	5
	<u>402</u>	<u>215</u>

(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.

e. 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
Acuma Solutions India Private Limited
Saksoft Limited employees welfare trust
Saksoft Limited employees gratuity trust

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

Key management personnel

Mr Aditya Krishna – Managing Director
Mr V Ramanathan – Whole time Director

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

Transactions entered during the year

(Amount in Rs. '000)

Description	Related party	Year ended March 31, 2008	Year ended March 31, 2007
Revenues	Associates	8,200	-
MKM	Wholly owned subsidiaries	224,193	197,797
Professional charges	Wholly owned subsidiaries	61,795	10,046
Rent expense	Associates	5,268	4,674
Interest on loan	Associates	26,899	6,062
Reimbursable expenses, net charged to	Associates	239	1,354
Advance against share capital given	Wholly owned subsidiaries	124,115	84,626
Borrowings, net	Associates	69,500	300,000
Investment	Wholly owned subsidiaries	501	434,453
Loans and advances (repaid)/given, net	Associates	(3,393)	(1,011)
Loans and advances, net, given	Wholly owned subsidiaries	21,831	43,468

Year end balances pertaining to related parties

(Amount in Rs. '000)

Description	Related party	As at March 31, 2008	As at March 31, 2007
Advance against share capital	Wholly owned subsidiaries	208,740	84,625
Investments	Wholly owned subsidiaries	446,881	446,380
Loans and advances	Associates	1,557	4,309
	Wholly owned subsidiaries	35,241	13,410
Receivables	Wholly owned subsidiaries	105,327	101,093
Accounts payable	Wholly owned subsidiaries	81,031	12,416
Borrowings	Associates	369,500	300,000

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

f. Income taxes

(Amount in Rs. '000)

	As at March 31, 2008	As at March 31, 2007
Deferred tax assets		
Arising from timing differences in respect of:		
Retirement benefits	1,715	620
Other tax disallowances	386	2,379
	<u>2,101</u>	<u>2,999</u>

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

Deferred tax liabilities

Arising from timing differences in respect of:

Depreciation	-	397
	-	<u>397</u>
Net deferred tax asset	<u>2,101</u>	<u>2,602</u>

g. 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

	Year ended March 31, 2008	(Amount in Rs. '000) Year ended March 31, 2007
India	48,440	32,561
Rest of the world	395,721	333,713
	444,161	366,274

h. Gratuity plan

Reconciliation of benefit obligation and plan assets

The Company has adopted the revised Accounting Standard – AS 15 Employee benefits with effect from April 1, 2007. Pursuant to the adoption, the transitional adjustment of Rs 986,000 has been transferred to the general reserves.

Particulars	Year ended March 31, 2008	(Amount in Rs. '000) Year ended March 31, 2007
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	3,823	
Current service cost	2,070	
Interest cost	302	
Actuarial losses / (gain)	1,059	
Benefits paid	(367)	
Closing Defined Benefit Obligation	<u>6,887</u>	<u>3,823</u>
Change in Fair value of assets		
Opening fair value of plan assets	1,972	
Expected return on plan assets	177	
Actuarial gain/(losses)	60	
Benefits paid	(367)	
	<u>1,842</u>	<u>1,972</u>
Liability recognised in the balance sheet	<u>5,045</u>	<u>1,851</u>
Assumptions		
Discount rate	7.55%	8.25%
Expected rate of return on assets	7.50%	7.50%

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

The Company has adopted the revised Accounting Standard - AS 15 Employee benefits with effect from April 1, 2007. Pursuant to the adoption, the transitional adjustment of Rs. 986 has been transferred to the general reserves.

Expense recognized in the Profit and loss account

Particulars	(Amount in Rs. '000)	
	Year ended March 31, 2008	Year ended March 31, 2007
Current service cost	2,070	NA
Interest cost on defined benefit obligation	302	NA
Expected return on plan assets	(177)	NA
Net Actuarial losses / (gains) recognised in a year	999	NA
	3,194	
Actual return on plan assets	237	NA

i. 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 31.03.2008. There are no overdue principal amounts and therefore no interest is paid or payable.

j. 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	(Amount in Rs. '000)	
	Year ended March 31, 2008	Year ended March 31, 2007
Options outstanding at the beginning of the year	133,000	133,000
Options granted during the year	325,000	26,000
Options exercised during the year	(1,000)	(26,000)
Options forfeited during the year	(110,000)	-
Options outstanding, end of the year	347,000	133,000

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

For and on behalf of the Board

S Ganesan
Partner,
Membership No: 018525

Aditya Krishna
Managing Director

V Ramanathan
Chief Executive Officer

V. Swaminathan
Company Secretary

Place : Chennai
Date : 16th May, 2008

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	2008
	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	1,400

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

<u>Total Liabilities</u>	<u>Total Assets</u>
807,759	807,759

Sources of Funds

<u>Paid-Up Capital</u>	<u>Reserves & Surplus</u>
101,400	332,407
<u>Secured Liabilities</u>	<u>Unsecured Loans</u>
2,510	371,442

Application of Funds

<u>Net Fixed Assets</u>	<u>Investments</u>
41,970	449,182
<u>Net Current Assets</u>	<u>Misc.Expenditure</u>
314,506	NIL
<u>Accumulated Losses</u>	<u>Deferred Tax Assets</u>
NIL	2,101

Performance of Company(Amount in Rs. Thousands)

<u>Turn Over*</u>	<u>Total Expenditure</u>
451,458	427,687
<u>Profit /Loss before tax</u>	<u>Profit/Loss after tax</u>
23,771	20,683

* including 'Other Income'

Earnings per Share in Rs.
2.05

Dividend rate %
5

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

Item Code Number
(ITC)

Product Description

NA
Software Development Services
Software Project Assignments
Software Product Management

Aditya Krishna
Managing Director

V Ramanathan
Chief Executive Officer

V Swaminathan
Company Secretary

Place: Chennai
Date: 16th May 2008

SAKSOFT

CONSOLIDATED FINANCIAL STATEMENTS
2007 - 08

**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

1. We have audited the attached consolidated Balance Sheet of Saksoft Limited and its subsidiaries ('the group') as at 31st March, 2008 and the related consolidated Profit and Loss Account and consolidated Cash Flow Statement for the year ended on that date annexed thereto. 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 financial statements based on our audit.

2. 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 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.

3. We did not audit the financial statements of subsidiaries, whose financial statements reflect the total assets of Rs. 950.32 millions as at 31st March, 2008 and the total revenues of Rs.1044.28 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.

4. 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, issued by the Institute of Chartered Accountants of India.

5. 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, 2008;

(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 : 16th May 2008**

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

SAKSOFT LIMITED
SAKSOFT LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2008

(Amount in Rs. '000)

	Schedule	As at March 31, 2008	As at March 31, 2007
SOURCES OF FUNDS			
SHAREHOLDERS FUNDS			
Share capital	1	101,400	100,000
Reserves and surplus	2	328,120	271,562
LOAN FUNDS			
Secured loans	3	2,510	2,144
Unsecured loan	4	670,280	632,692
		<u>1,102,310</u>	<u>1,006,398</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross block		1,022,360	997,884
Less: Accumulated depreciation and amortisation		120,901	105,844
Net block		901,459	892,040
Capital work-in-progress		-	9,765
		<u>901,459</u>	<u>901,805</u>
INVESTMENTS	6	2,301	2,291
DEFERRED TAX ASSET	17(3)(e)	2,161	2,602
CURRENT ASSETS, LOANS AND ADVANCES			
Sundry debtors	7	216,071	308,856
Cash and bank balances	8	52,538	54,344
Other current assets	9	23,219	2,494
Loans and advances	10	42,581	20,558
		<u>334,409</u>	<u>386,252</u>
CURRENT LIABILITIES AND PROVISIONS			
Current liabilities	11	127,043	260,316
Provisions	12	10,977	26,236
		<u>138,020</u>	<u>286,552</u>
NET CURRENT ASSETS		<u>196,389</u>	<u>99,700</u>
Notes to accounts	17	<u>1,102,310</u>	<u>1,006,398</u>

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

Aditya Krishna
Managing Director

V Ramanathan
Chief Executive Officer

V. Swaminathan
Company Secretary

Place : Chennai
Date : 16th May, 2008

SAKSOFT LIMITED**SAKSOFT LIMITED AND ITS SUBSIDIARIES****CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008**

(Amount in Rs. '000)

	Schedule	Year ended March 31, 2008	Year ended March 31, 2007
INCOME			
Software sales and services		1,201,002	955,837
Other income	13	22,036	5,425
		<u>1,223,038</u>	<u>961,262</u>
EXPENDITURE			
Employee costs	14	705,945	520,770
Operating and other expenses	15	442,289	317,407
Depreciation and amortisation	5	20,337	12,897
Interest and finance charges	16	28,572	19,887
		<u>1,197,143</u>	<u>870,961</u>
NET PROFIT BEFORE TAX		25,895	90,301
- Current tax (net of MAT credit entitlement - Rs 1,679 (previous year - Nil))		1,401	11,096
- Fringe benefit tax		1,794	1,650
- Deferred tax		441	(2,237)
NET PROFIT AFTER TAX		<u>22,259</u>	<u>79,792</u>
Profit brought forward from previous year		209,180	162,787
AMOUNT AVAILABLE FOR APPROPRIATION		<u>231,439</u>	<u>242,579</u>
APPROPRIATIONS:			
Proposed dividend		5,070	20,000
Dividend tax		862	3,399
Amount transferred to general reserve		5,000	10,000
Balance in profit and loss account		220,507	209,180
		<u>231,439</u>	<u>242,579</u>
Earnings per share			
Basic and diluted		<u>2.20</u>	<u>7.98</u>
Number of shares used in computing earnings per share			
Basic and diluted		10,096,393	10,000,000
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

S Ganesan
Partner,
Membership No: 018525

Place : Chennai
Date : 16th May, 2008

Aditya Krishna
Managing Director

For and on behalf of the Board

V Ramanathan
Chief Executive Officer

V. Swaminathan
Company Secretary

SAKSOFT LIMITED**SAKSOFT LIMITED AND ITS SUBSIDIARIES****CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2008**

(Amount in Rs. '000)

	Year ended March 31, 2008	Year ended March 31, 2007
Net profit before tax	25,895	90,301
<i>Adjustments for:</i>		
Depreciation	20,337	12,897
Profit on sale of fixed assets, net	(81)	(128)
Interest and dividend income	(881)	(4,750)
Interest and finance charges	28,572	19,887
Loss on sale of subsidiary	-	3,360
Exchange difference on translation of foreign currency cash and cash equivalents	201	788
Operating profit before working capital changes	74,043	122,355
<i>Adjustments for:</i>		
(Increase)/decrease in Sundry debtors	92,785	(27,546)
(Increase)/decrease in Other current assets, loans and advances	(28,307)	4,816
(Increase)/decrease in Current liabilities and provisions	(133,274)	(3,146)
Cash generated from operations	5,247	96,479
Taxes paid	(14,441)	(17,658)
Net cash from operating activities A	(9,194)	78,821
Cash flow from investing activities		
Consideration for purchase of Acuma group of companies	-	(794,863)
Income from sale of Acuma Solutions (India) Private Limited	-	86
Purchase of fixed assets	(20,230)	(33,434)
Sale of fixed assets	320	219
Purchase of mutual fund units	(130,061)	(234,412)
Sale of mutual fund units	130,051	281,370
Interest and dividend income	881	4,750
Net cash used in investing activities B	(19,039)	(776,284)

SAKSOFT LIMITED
SAKSOFT LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2008

	Year ended March 31, 2008	Amount in Rs. '000) Year ended March 31, 2007
Cash flow from financing activities		
Availment/(repayment) of loans	36,012	632,355
Proceeds from issue of share capital	32,711	-
Dividend and dividend tax	(23,399)	(17,104)
Interest and finance charges	(26,630)	(19,887)
Net cash from financing activities	18,694	595,364
Exchange differences on foreign exchange translation adjustments	7,733	(8,722)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(1,806)	(110,821)
Cash and cash equivalents at the beginning of the year	54,344	165,165
Cash and cash equivalents at the end of the year	52,538	54,344
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

Place : Chennai
Date : 16th May, 2008

Aditya Krishna
Managing Director

For and on behalf of the Board

V Ramanathan
Chief Executive Officer

V. Swaminathan
Company Secretary

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

	(Amount in Rs. '000)	
	As at March 31, 2008	As at March 31, 2007
1 SHARE CAPITAL		
Authorised:		
20,000,000 (Previous year 120,00,000) equity shares of Rs 10/- each	<u>200,000</u>	<u>120,000</u>
Issued, Subscribed and Paid-up		
10,140,000 (Previous year - 10,000,000) equity Shares of Rs.10/- each fully paid up	<u>101,400</u>	<u>100,000</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. During the current year, 140,000 shares were allotted on a preferential basis. Refer Note 3(g) of Schedule 17 for details of options in respect of equity shares.		
2 RESERVES AND SURPLUS		
General reserve		
As per last account	28,000	18,000
Add: Transfer from profit and loss account	5,000	10,000
Add: Gratuity transitional adjustment	986	-
	<u>33,986</u>	<u>28,000</u>
Securities premium		
As per last account	42,316	42,316
Add: Additions during the year	31,311	-
	<u>73,627</u>	<u>42,316</u>
Balance in Profit and loss account	<u>220,507</u>	<u>209,180</u>
Foreign currency translation reserve	-	(7,934)
	<u>328,120</u>	<u>271,562</u>
3 SECURED LOANS		
Finance lease obligations	<u>2,510</u>	<u>2,144</u>
	<u>2,510</u>	<u>2,144</u>
Finance lease obligations are secured by the hypothecation of assets acquired thereunder.		
4 UNSECURED LOAN		
From group companies	<u>670,280</u>	<u>632,692</u>
(interest accrued and due included - Rs 1,942 (previous year - Nil))	<u>670,280</u>	<u>632,692</u>

SAKSOFT LIMITED
SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in Rs. '000)

Description	GROSS BLOCK					ACCUMULATED DEPRECIATION / AMORTISATION				NET BLOCK	
	As at April 1, 2007	On acquisition	Additions	Deletions	As at March 31, 2008	As at April 1, 2007	On acquisition	for the year	Deletions	As at March 31, 2008	As at March 31, 2007
Tangible assets											
Goodwill on consolidation	851,377	-	-	-	851,377	-	-	-	-	851,377	851,377
Plant and Machinery	8,243	-	3,881	-	12,124	4,937	-	1,681	-	5,506	3,306
Computer Equipments	63,943	-	11,687	2,620	73,010	43,504	-	9,664	2,620	22,462	20,439
Office Equipments	2,251	-	229	75	2,405	964	-	439	75	1,077	1,287
Electrical Installations	7,488	-	2,387	-	9,875	4,217	-	1,392	-	4,266	3,271
Furniture and Fixtures	55,674	-	5,621	-	61,295	45,428	-	5,678	-	10,189	10,246
Vehicles	129	-	-	-	129	68	-	26	-	35	61
Intangible assets											
Intellectual property	4,500	-	-	-	4,500	4,500	-	-	-	-	-
Software costs	-	-	4,242	-	4,242	-	-	-	-	4,242	-
	993,605	-	28,047	2,695	1,018,957	103,618	-	18,880	2,695	899,154	889,987
Assets acquired under finance lease											
Vehicles	4,279	-	1,948	2,824	3,403	2,226	-	1,457	2,585	2,305	2,053
	997,884	-	29,995	5,519	1,022,360	105,844	-	20,337	5,280	901,459	892,040
Previous year	61,435	65,890	875,046	4,487	997,884	42,875	53,957	12,897	3,885	892,040	-

[68]

[68]

SAKSOFT LIMITED
SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

6. INVESTMENTS

(Amount in Rs. '000)

		Balances at April 1, 2007		Additions		Sales / Redemption		Balances at March 31, 2008	
	Face Value	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									
<i>In Liquid mutual fund units</i>									
DWS Insta Cash Plus Fund - Regular	Rs 10/ unit	208,205	2,145	12,625,584	130,056	12,610,425	129,900	223,364	2,301
Reliance Liquid Fund	Rs 10/ unit	13,060	146	429	5	13,489	151	-	-
		221,265	2,291	12,626,013	130,061	12,623,914	130,051	223,364	2,301

Aggregate market value of liquid mutual fund units - Rs 2,301 (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, 2008	As at March 31, 2007
7 SUNDRY DEBTORS		
Debts outstanding for a period exceeding six months		
- Considered good	9,801	3,239
- Considered doubtful	2,179	720
	11,980	3,959
Other debts, Considered good	206,270	305,617
	218,250	309,576
Less: Provision for doubtful debts	(2,179)	(720)
	<u>216,071</u>	<u>308,856</u>
8 CASH AND BANK BALANCES		
Cash balance on hand	49	34
Balances with scheduled banks		
In current accounts	6,621	4,854
In unclaimed dividend accounts	35	17
In deposit accounts *	130	122
In share application -Saksoft Refund a/c	196	238
Balances with non scheduled banks		
In current accounts **		
ICICI Bank UK, London, United Kingdom	716	1,002
Citibank NA, Newyork	22,435	19,978
Citibank NA, Singapore	2,580	1,827
Dresdner Bank, Germany	1,496	296
Citibank NA, Australia	472	-
HSBC, Manchester, United Kingdom	17,808	24,528
In deposit accounts - Dresdner Bank, Germany	-	1,448
	<u>52,538</u>	<u>54,344</u>
* includes Rs 122 (Previous year - Rs.295) under lien with the customs authorities		
** maximum balance outstanding during the year		
ICICI Bank UK, London, United Kingdom	3,753	746,835
Citibank NA, Newyork, USA	26,613	55,706
Citibank NA, Singapore	13,624	13,270
Dresdner Bank, Germany	1,957	2,778
Citibank NA, Australia	585	-
HSBC, Manchester, United Kingdom	34,827	35,484

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

(Amount in Rs. '000)

	As at March 31, 2008	As at March 31, 2007
9 OTHER CURRENT ASSETS		
Unbilled revenues	23,219	2,494
	<u>23,219</u>	<u>2,494</u>
10 LOANS AND ADVANCES (unsecured, considered good)		
Mat credit entitlement	1,679	-
Deposits	6,971	4,939
Prepaid expenses	17,592	4,753
Advance tax and taxes deducted at source, net of provision for tax - Rs 25,297 (Previous year - 30,173)	10,225	3,196
Other advances	6,114	7,670
	<u>42,581</u>	<u>20,558</u>
11 CURRENT LIABILITIES		
Sundry creditors	-	-
Micro and small enterprises	-	-
Others	126,812	260,061
Unclaimed dividend	35	17
Share application money due for refund	196	238
	<u>127,043</u>	<u>260,316</u>
12 PROVISIONS		
Proposed dividend	5,070	20,000
Corporate dividend tax	862	3,399
Provision for Gratuity	5,045	2,837
	<u>10,977</u>	<u>26,236</u>

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

	(Amount in Rs. '000)	
	Year ended March 31, 2008	Year ended March 31, 2007
13 OTHER INCOME		
Dividend received on investment in liquid mutual funds	161	2,210
Interest received on deposits with banks	720	2,540
(Taxes deducted at source Rs Nil (Previous year - Rs. 712)		
Write-back of interest payable	12,363	-
Provision for expenses written back	7,000	-
Profit on sale of fixed assets	81	128
Exchange fluctuation gain, net	1,622	-
Miscellaneous income	89	547
	<u>22,036</u>	<u>5,425</u>
14 EMPLOYEE COSTS		
Salaries and allowances	683,104	509,364
Contribution to Provident and other funds	11,185	8,034
Staff welfare	11,656	3,372
	<u>705,945</u>	<u>520,770</u>
15 OPERATING AND OTHER EXPENSES		
Education and support costs	76,671	39,534
License costs	48,245	12,364
Professional charges	99,653	114,727
Communication expenses	17,137	9,499
Travel and conveyance	117,599	71,058
Recruitment and training expenses	7,147	6,975
Power and fuel	6,447	4,639
Rent	33,496	25,049
Rates and taxes	4,982	3,051
Repairs and maintenance		
- Building	5,081	3,483
- Machinery	296	787
- Others	5,132	9,987
Printing and stationery	2,397	1,588
Insurance	8,511	6,222
Advertisement and business promotion expenses	6,534	4,584
Sitting fees	255	245
Provision for doubtful debts	1,514	-
Exchange fluctuation loss, net	-	255
Loss on sale of subsidiary	-	3,360
Miscellaneous expenses	1,192	-
	<u>442,289</u>	<u>317,407</u>
16 INTEREST AND FINANCE CHARGES		
Interest on fixed period loans	26,899	19,245
Finance charges	1,673	642
	<u>28,572</u>	<u>19,887</u>

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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	Country of incorporation ownership	Percentage of interest
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 under AS 21 – Consolidated Financial Statements prescribed by the Institute of Chartered Accountants of India. 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 cost 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)

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.

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)

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 financial statements of integral foreign operations are translated into Indian Rupees as follows:

- Monetary assets and liabilities are translated at the closing rate
- Non-monetary assets (such as fixed assets and investments) and liabilities which are carried at historical cost denominated in a foreign currency are translated at the exchange rate on the date of the transaction
- Income and expense items are translated at the average exchange rate for the period.

Consequent to the acquisition of SIPL in the UK, during the current year, the group comprehensively evaluated the nature of operations of all its foreign operations. Based on such evaluation, the group has determined that its foreign operations form an integral part of the Parent Company. Accordingly, the exchange differences in respect of monetary items which were earlier accumulated in the translation reserve (on the basis that the foreign operations were 'non-integral') are now recorded in the profit and loss account. As a result of this change, the Company has recorded foreign exchange gain arising on translation of its foreign operations as at March 31, 2008, amounting to Rs 124.92 lakhs in the Profit and loss account. Had the group considered its foreign operations as non-integral in the current year, the profits for the year would have been lower by Rs 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

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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.

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

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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 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

(Amount in Rs. '000)

Particulars	As at March 31, 2008	As at March 31, 2007
Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	80	8,186
Income-tax matters	-	3,020

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

b. Finance lease

(Amount in Rs. '000)

Particulars	As at March 31, 2008	As at March 31, 2007
Future obligations for assets taken on lease		
- Not later than 1 year	1,416	1,428
- Later than 1 year but not later than 5 years	<u>1,675</u>	<u>1,095</u>
	<u>3,091</u>	<u>2,523</u>
Less: Amounts representing future interest		
- Not later than 1 year	357	230
- Later than 1 year but not later than 5 years	<u>223</u>	<u>149</u>
	<u>580</u>	<u>379</u>
Present value of minimum lease rentals		
- Payable within 1 year	1,059	1,198
- Payable later than 1 year but not later than 5 years	<u>1,451</u>	<u>946</u>
	<u>2,510</u>	<u>2,144</u>

c. Investments in subsidiaries

Saksoft Pty Limited, Australia was incorporated on 25th January 2007 as a wholly owned subsidiary of Saksoft with an issued equity share capital of AUD 15,000 (15,000 shares of AUD 1 each). The allotment of share capital in the Australian subsidiary was completed during the current year on September 10, 2007.

d. 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 Private Limited
Saksoft Limited employees welfare trust
Saksoft Limited employees gratuity trust

Key management personnel

Mr Aditya Krishna – Managing Director
Mr V Ramanathan – Whole time Director

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The following are the details of transactions with related parties.

Transactions entered during the year

Description	Related party	(Amount in Rs. '000)	
		Year ended March 31, 2008	Year ended March 31, 2007
Revenues	Associates	8,200	-
Rent expense	Associates	5,268	4,674
Reimbursable expenses, net charged to	Associates	239	1,354
Interest on loan	Associates	26,899	6,062
Write-back of interest on loan	Associates	12,363	-
Loans and advances (repaid)/given, net	Associates	(3,393)	(1,011)
Borrowings	Associates	69,500	632,692

Year end balances pertaining to related parties

Description	Related party	(Amount in Rs. '000)	
		As at March 31, 2008	As at March 31, 2007
Loans and advances	Associates	1,557	4,309
Borrowings	Associates	668,338	632,692

e. Income taxes

	(Amount in Rs. '000)	
	<u>As at March 31, 2008</u>	<u>As at March 31, 2007</u>
<u>Deferred tax assets</u>		
Arising from timing differences in respect of:		
Retirement benefits	1,715	620
Other tax disallowances	446	2,379
	<u>2,161</u>	<u>2,999</u>
<u>Deferred tax liabilities</u>		
Arising from timing differences in respect of:		
Depreciation	-	397
	<u>-</u>	<u>397</u>
Net deferred tax asset	<u>2,161</u>	<u>2,602</u>

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**f. 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.

Segment revenues by geographic location of customers

	Year ended March 31, 2008	(Amount in Rs. '000) Year ended March 31, 2007
India	48,440	32,561
Rest of the world	<u>1,152,562</u>	<u>923,276</u>
	<u>1,201,002</u>	<u>955,837</u>

g. 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 March 31, 2008	Year ended March 31, 2007
Options outstanding at the beginning of the year	133,000	133,000
Options granted during the year 325,000	26,000	
Options exercised during the year	(1,000)	(26,000)
Options forfeited during the year (110,000)	-	
Options outstanding, end of the year	347,000	133,000

h. Prior year comparatives have been regrouped / reclassified, wherever necessary, to conform to the current year's presentation. Results for the current year includes the results of Acuma group of Companies acquired during the current year and hence current year's figures are not strictly comparable.

As per our report attached of even date.

**For Suri & Co.
Chartered Accountants**

**S Ganesan
Partner,
Membership No: 018525**

**Place : Chennai
Date : 16th May, 2008**

**Aditya Krishna
Managing Director**

For and on behalf of the Board

**V Ramanathan
Chief Executive Officer**

**V. Swaminathan
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, 2008	March 31, 2008	March 31, 2008	March 31, 2008	March 31, 2008
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	50010000 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 dealt with in the accounts of the Holding Company:					
(a) For the Financial Year ended March 31, 2008 (in Rs. '000).	543.23	(344.59)	693.05	(87,021.48)	(94.74)
(b) For the previous financial years of the Subsidiary since it became a subsidiary.	4,040.763	(1,550.20)	(918.09)	(16,370.40)	(42.91)
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, 2008 (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

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[81]

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 31.03.2008	Saksoft Pte Limited Singapore (In Rs.) As at 31.03.2008	Saksoft GmbH Germany (In Rs.) As at 31.03.2008	Saksoft Investments Private Limited (In Rs.) As at 31.03.2008	Saksoft Pty Limited Australia (In Rs.) As at 31.03.2008
Issued and Subscribed Capital	7,790.25	1,591.75	1,576.00	404,430.87	549.30
Reserves	12,516.89	(2,888.35)	937.72	(172,289.78)	(144.64)
Loans	-	-	-	-	-
Total Assets	79,511.60	46,132.96	3,640.11	826,087.05	488.03
Total Liabilities	59,204.46	47,429.56	1,126.39	596,497.12	83.38
Details of Investments	-	-	-	-	-
	Year ended 31.03.2008	Year ended 31.03.2008	Year ended 31.03.2008	Year ended 31.03.2008	Year ended 31.03.2008
Turnover	329,626.55	122,103.36	1,975.36	581,896.38	27.863
Profit before Taxation	1,011.03	(344.59)	773.79	(87,021.48)	(94.741)
Provision for Taxation	467.80	-	80.739	-	-
Profit after Taxation	543.23	(344.59)	693.05	(87,021.48)	(94.74)
Proposed Dividend	-	-	-	-	-

SAKSOFT

SAKSOFT LIMITED

(Regd. Office No.38, V.K. Iyer Road, Mandaveli, Chennai - 600 028.

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*	
Client ID*	

* Applicable to investors holding shares in electronic form.

I hereby record my presence at the **NINTH ANNUAL GENERAL MEETING** held at Naradha Gana Sabha Mini Hall, No.314, T.T.K. Road, Alwarpet, Chennai - 600 018 on **Thursday, the 25th September 2008 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

(Regd. Office No.38, V.K. Iyer Road, Mandaveli, Chennai - 600 028.

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.		No. of Shares held	
D.P. ID*			

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 Ninth Annual General Meeting of the Company to be held on Thursday, the 25th September 2008 at 10.00 A.M and at any adjournment thereof.

Signed this Day of 2008

Affix
30 Paise
Revenue
Stamp
Signature