



SSIL:SEC:BSE:2020-21

June 27, 2020

**The Secretary  
BSE Limited  
P J Towers  
Dalal Street  
Mumbai – 400 001**

**Scrip Code: 540143**

Dear Sir

**Sub: Disclosure of material impact of CoVID-19 pandemic under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

With reference to SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020, and Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we furnish herewith a brief note on the impact of CoVID-19 on our business.

Please take the above information on record.

Thanking you

Yours faithfully  
for **Sagarsoft (India) Limited**

**J Raja Reddy  
Company Secretary**

## **Note on COVID-19**

The World Health Organization declared Novel Coronavirus disease (COVID-19) as a global pandemic. During the last weeks of March we started to see the impact of COVID-19. The Governments in several countries have imposed stringent lockdown in a bid to contain the spread of the COVID-19 pandemic which has disrupted demand and supply chains across industries, negatively impacting the business of companies and driving the global economy towards a recession. This in turn has forced companies to reconfigure how their employees work and how their core business processes are supported and delivered. These events could cause companies to pause and reprioritize their spending on technology and business process outsourcing, it is very likely that businesses will continue to spend on technology related initiatives with a greater focus on automation, remote working, cloud-based applications, optimization of legacy technology costs, etc.

## **Impact of the CoVID-19 pandemic on the business**

Our focus has been and remains the safety of our employees, the delivery of service to our clients, and the financial well-being of the Company. In keeping with its employee-safety first approach, the Company quickly instituted measures to trace all employees and be assured of their well-being. Our teams reacted with speed and efficiency, and quickly leveraged technology to shift the workforce to working from home or remote working. Policy changes related to working from home and IT infrastructure support were rolled out overnight to help our employees shift to this new work paradigm.

Most of the customers will review and may even revisit the previously proposed initiatives. They might even revisit their business models with more thrust on digital models. In this backdrop, we are strengthening our "business first approach" towards helping customers in addressing the current and near term business situation.

## **Ability to maintain operations including the units/office spaces functioning and closed down, Schedule, if any, for restarting the operations and Steps taken to ensure smooth functioning of operations**

We have successfully shifted to Work from Home model, thus achieving the operational stability to deliver on client commitments and ensuring our own business continuity. All our clients are extremely happy with our approach of managing services through WFH infrastructure, employee engagement, and work monitoring-reporting-review mechanisms. Sagarsoft highlights responsiveness on Pandemic disruption highlights need for operational resilience and enterprise adaptability and also looking for market share expansion.

## **Estimation of the future impact of CoVID-19 on operations**

The COVID-19 pandemic is a global humanitarian and health crisis. The actions taken by various governments to contain the pandemic, such as closing of borders and lockdown restrictions, resulted in significant disruption to people and businesses. Consequently, market demand and supply chains have been affected, significantly increasing the risk of a global economic recession. The pandemic has impacted, and may further impact, all of our stakeholders, employees, clients, investors and communities we operate. Restrictions on travel may impact our ability to assign and deploy people at required locations and times to deliver contracted services, thereby impacting our revenue and / or profitability.

**Details of impact of CoVID-19 on capital and financial resources, profitability, liquidity position, ability to service debt and other financial arrangements, assets, internal financial reporting and control, Supply Chain and demand for its products/services**

The Company's focus on liquidity, supported by a strong balance sheet and acceleration in cost optimization initiatives, would help in navigating any near-term challenges in the demand environment. The company does not foresee any impact of COVID-19 situation on internal financial controls.

**Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business**

Some of our clients' business operations may be negatively impacted due to the economic downturn – resulting in postponement, termination, suspension of some ongoing projects or reduced demand for our solutions and our ability to continue to deliver service delivery obligations while our employees work from home are sometimes constrained by contractual terms with our clients and are therefore dependent on receiving the requisite approvals from them in time.

The Company is well positioned to fulfil its obligations and does not foresee any significant impact on the business due to non-fulfilment of the obligations by any party.