



SSIL:SEC:BSE:2019-20

August 10, 2019

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

**ScrifCode: 540143**

Dear Sir

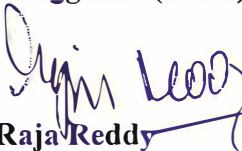
**S ub: Regulation 34(1) of the S EBI(LODR) Regulations 2015 - Filing of  
Annual Report for the year ended 31<sup>st</sup> March, 2019.**

We refer to our letter dated.29<sup>th</sup> June, 2019 forwarding soft copy of our Annual Report containing, inter-alia the audited annual accounts for the year ended 31<sup>st</sup> March, 2019, Directors Report, Auditors Report and Notice of the 23<sup>rd</sup> Annual General Meeting (AGM).

We wish to confirm that the audited annual accounts as contained in the above said report were later laid before our shareholders at their 23<sup>rd</sup> AGM held on 24<sup>th</sup> July, 2019 and adopted without any modification.

Thanking you

Yours faithfully  
for **S agarsoft(India) Limited**

  
**J Raja Reddy**  
Company Secretary

Encl.: as above

# 23rd Annual Report 2019



**S a g a r s o f t** <sup>TM</sup>

**SAGARSOFT (INDIA) LIMITED**

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**Board of Directors**

Shri S. Sreekanth Reddy	Chairman - Non-Executive
Shri M. Jagadeesh	Managing Director
Shri K. Pradeep Kumar Reddy	Executive Director & CFO
Shri K. Satish Chander Reddy	Non-Executive Director
Shri K. Prasad	Independent Director
Shri N. Hari Mohan	Independent Director
Shri K. Rakesh Rao	Independent Director
Shri K. Ganesh	Independent Director
Smt. Neelima Kaushik	Independent Director

**Company Secretary**

Shri J.Raja Reddy

**Auditors**

Lakshmi & Associates  
Chartered Accountants (FR No.012482S)  
3-6-237, Flat #602, 603,  
Lingapur La Builde Complex,  
Himayat Nagar, Hyderabad-500 029

**Bankers**

Axis Bank Ltd.,  
Banjara Hills Branch, Hyderabad

HDFC Bank Ltd.,  
Lakdikapool Branch, Hyderabad

**Registered Office**

Plot No.111, Road No.10  
Jubilee Hills, Hyderabad –500 033

**Corporate Identity Number**

L72200TG1996PLC023823

**Registrars and  
Share transfer agents**

M/s. Karvy Fintech Private Limited  
Plot No. 31-32, Karvy Selenium,  
Tower - B, Gachibowli, Financial District,  
Nanakramguda, Hyderabad - 500 032.

**SAGARSOFT (INDIA) LIMITED**  
CIN: L72200TG1996PLC023823

**NOTICE**

Notice is hereby given that the 23<sup>rd</sup> Annual General Meeting of the Members of Sagarsoft (India) Limited will be held on Wednesday, the 24<sup>th</sup> day of July, 2019 at 11.30 a.m. at Hotel Golkonda, Masab Tank, Hyderabad - 500 028, to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2019 together with the Reports of the Directors and Auditors thereon and in this regard to pass the following resolution as an ordinary resolution:

**“Resolved that** the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March 2019 together with the reports of the Directors and Auditors thereon be and are hereby received, considered, approved and adopted.”

2. To confirm the interim dividend already paid on the equity shares of the company and to declare a further dividend on the said shares for the financial year ended 31<sup>st</sup> March, 2019 and in this regard to pass the following resolutions as an Ordinary Resolutions:

**“Resolved that** the interim dividend of Rs.1.00 per share (10%) on the 55,60,000 equity shares of Rs.10/- each of the company already paid to the shareholders for the year ended 31<sup>st</sup> March, 2019 be and is hereby confirmed.

**“Resolved further that** a further dividend of Rs.1.50 per share (15%) on the said 55,60,000 equity shares of Rs.10/- each of the company as final dividend for the financial year ended 31<sup>st</sup> March, 2019 be and is hereby declared.

3. To re-appoint the retiring Director Shri M.Jagadeesh (DIN: 01590689), who retires by rotation and being eligible, offers himself for re-appointment and in this regard to pass the following resolution as an ordinary resolution:

**“Resolved that** Shri M.Jagadeesh (DIN: 01590689) who retires by rotation in accordance with section 152 of the Companies Act, 2013 be and is hereby re-appointed as a director liable to retire by rotation.”

4. To re-appoint the retiring Director Shri K.Pradeep Kumar Reddy (DIN:02598624), who retires by rotation and being eligible, offers himself for re-appointment and in this regard to pass the following resolution as an ordinary resolution:

**“Resolved that** Shri K.Pradeep Kumar Reddy (DIN: 02598624) who retires by rotation in accordance with section 152 of the Companies Act, 2013 be and is hereby re-appointed as a director liable to retire by rotation.”

**SPECIAL BUSINESS**

5. **Re-appointment of Shri K.Prasad as an Independent Director of the Company:**

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

**Resolved that** in accordance with Section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Act and the applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri K.Prasad (DIN 06678974) an

Independent Director of the Company whose current term expires on 23<sup>rd</sup> September, 2019 be and is hereby re-appointed as an independent director for a further term of five consecutive years with effect from 24<sup>th</sup> September, 2019.

**6. Re-appointment of Shri K.Ganesh as an Independent Director of the Company:**

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

**Resolved that** in accordance with Section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Act and the applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri K.Ganesh (DIN 05214864), an Independent Director of the Company whose current term expires on 23<sup>rd</sup> September, 2019 be and is hereby re-appointed as an independent director for a further term of five consecutive years with effect from 24<sup>th</sup> September, 2019.

**7. Re-appointment of Shri N.Hari Mohan as an Independent Director of the Company:**

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

**Resolved that** in accordance with Section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Act and the applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri N.Hari Mohan (DIN 01808491) an Independent Director of the Company whose current term expires on 23<sup>rd</sup> September, 2019 be and is hereby re-appointed as an independent director for a further term of five consecutive years with effect from 24<sup>th</sup> September, 2019.

**8. Re-appointment of Shri K.Rakesh Rao as an Independent Director of the Company:**

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

**Resolved that** in accordance with Section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Act and the applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri K.Rakesh Rao (DIN 02153899), an Independent Director of the Company whose current term expires on 23<sup>rd</sup> September, 2019 be and is hereby re-appointed as an independent director for a further term of five consecutive years with effect from 24<sup>th</sup> September, 2019.

By Order of the Board of Directors

Hyderabad,  
April 29, 2019

Sd/-  
**J.Raja Reddy**  
Company Secretary  
M.No. A31113

**Registered Office:**  
Plot No.111, Road No.10  
Jubilee Hills  
Hyderabad – 500 033, Telangana.

**NOTES:**

1. The Explanatory Statement setting out material facts concerning the business under Item No.5 to 8 in the Notice is given in the Annexure-1, which forms part of this Notice.
2. The details required to be given under Regulation 26(4) and 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), and Secretarial Standard on General meetings issued by the Institute of Company Secretaries of India, of the persons seeking re-appointment as directors are given in the Annexure-2.
3. A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint another person as a proxy to attend and vote on his behalf in the meeting and the proxy need not be a member of the company. The instrument appointing the proxy, duly completed and signed must be deposited at the Registered Office of the company not less than forty eight hours before the commencement of the meeting.
4. A person can act as a proxy on behalf of members upto and not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.
5. Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Company a duly certified copy of the Board Resolution authorising their representative(s) to attend and vote on their behalf at the Meeting.
6. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR Code and IFSC Code, mandates, nominations, power of attorney, change of address, change of name, email address, contact numbers etc to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records. Similarly, Members holding their shares in physical form are requested to inform the above changes to the Company or its Registrar and Share Transfer Agents (RTA), M/s. Karvy Fintech Private Limited (Karvy).

The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to Karvy.

7. To promote green initiative, members are requested to register their e-mail address through their Depository Participants for sending future communications to them by e-mail. Members holding the shares in physical form may register their e-mail addresses through the RTA, giving reference of their Folio Number.
8. Electronic copy of the Annual Report is being sent to all the members whose e-mail IDs are registered with the Company's RTA/Depository Participants, unless such members have requested for a hard copy of the same. For members, who have not registered their e-mail address, physical copies of the Annual Report are being sent through the permitted mode.
9. The Register of Members and Share Transfer Books of the Company will remain closed during the period from 18<sup>th</sup> July, 2019 to 24<sup>th</sup> July, 2019 (both days inclusive) for the purpose of determining members eligible for participation in voting on the resolutions contained in the Notice of the AGM and for dividend to be declared at the AGM.

10. Members may note that the Annual Report for the year 2018-19 will also be available on the Company's website [www.sagarsoft.in](http://www.sagarsoft.in) for their download.

**11. Voting through Electronic Means:**

Pursuant to Section 108 of the Companies Act, 2013, read with its relevant Rules, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means (Remote e-voting) for all the Resolutions proposed to be passed at the AGM. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 17<sup>th</sup> July, 2019, i.e. the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. The remote e-voting period will commence at 9.00 a.m. on 20<sup>th</sup> July, 2019, and will end at 5.00 p.m. on 23<sup>rd</sup> July, 2019. The Company has appointed B S S & Associates, Company Secretaries (Unique Code of Partnership Firm: P2012AP02600), as the 'Scrutinizer', to scrutinize the e-voting process and voting through ballot in a fair and transparent manner. The Members desiring to vote through remote e-voting may refer to the detailed procedure given hereinafter.

**PROCEDURE AND INSTRUCTIONS FOR e-VOTING**

- I. Remote e-voting: In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).
  - (A) In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participants (s)]:
    - i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
    - ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
    - iii. After entering these details appropriately, click on "LOGIN".
    - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc..). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
    - v. You need to login again with the new credentials.
    - vi. On successful login, the system will prompt you to select the "EVENT" i.e., "Sagarsoft (India) Limited"



- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under “FOR/AGAINST” or alternatively, you may partially enter any number in “FOR” and partially “AGAINST” but the total number in “FOR/AGAINST” taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.
  - viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
  - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
  - x. You may then cast your vote by selecting an appropriate option and click on “Submit”.
  - xi. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
  - xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email [bssass99@gmail.com](mailto:bssass99@gmail.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com). The scanned image of the above mentioned documents should be in the naming format “Corporate Name\_Event No.”
- (B) In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company/Depository Participants (s)]:
- i. E-Voting Event Number – XXXX (EVEN), User ID and Password is provided in the Attendance Slip.
  - ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.
- II. Voting at AGM: The Members, who have not cast their vote through Remote e-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. The facility for voting through electronic voting system (‘Insta Poll’) shall be made available at the Meeting. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting; however these Members are not entitled to cast their vote again in the Meeting.

A Member can opt for only single mode of voting i.e. through Remote e-voting or by sending assent /dissent through post or by voting at the AGM. If a Member casts votes by both electronic mode and through post, then the voting done through Remote e-voting shall prevail over the vote cast through post.

## **OTHER INSTRUCTIONS**

- a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com> (Karvy Website) or contact Mr.G.Ramesh Desai (Unit: Sagarsoft (India) Limited) of Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at [evoting@karvy.com](mailto:evoting@karvy.com) or phone no. 040 – 6716 1500 or call Karvy's toll free No. 1800-3454-001 for any further clarifications.
- b. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- c. The remote e-voting period commences on 20<sup>th</sup> July, 2019 (9.00 A.M. IST) and ends on 23<sup>rd</sup> July, 2019 (5.00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 17<sup>th</sup> July, 2019, may cast their votes electronically. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- d. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e.17<sup>th</sup> July, 2019.
- e. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e., 17<sup>th</sup> July, 2019, he/she may obtain the User ID and Password in the manner as mentioned below :
  - i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399  
  
Example for NSDL:  
MYEPWD <SPACE> IN12345612345678  
  
Example for CDSL:  
MYEPWD <SPACE> 1402345612345678  
  
Example for Physical:  
MYEPWD <SPACE> XXXX1234567890
  - ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
  - iii. Member may call Karvy's toll free number 1800-3454-001.
  - iv. Member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com). However, Karvy shall endeavor to send User ID and Password to those new Members whose mail ids are available.
  - v. The results will be declared on or after the AGM. The results along with the Scrutinizer's Report, will also be placed on the website of the Company.

## **PROCEDURE AND INSTRUCTIONS FOR WEB CHECK-IN/ATTENDANCE REGISTRATION**

1. **Web Check- in / Attendance Registration:** Members are requested to tender their attendance slips at the registration counters at the venue of the AGM and seek registration before entering the meeting hall. Alternatively, to facilitate hassle free and quick registration/entry at the venue of the AGM, the Company has provided a Web-Check in facility through Karvy's website. Web Check-in on the Karvy's website enables the Members to register attendance online in advance and generate Attendance Slip without going through the registration formalities at the registration counters.

### **Procedure of Web Check-in is as under:**

- a. Log on to <https://karisma.karvy.com> and click on "Web Check-in for AGM".
  - b. Select the name of the company: **Sagarsoft (India) Limited.**
  - c. Pass through the security credentials viz., DP ID/Client ID/Folio no. entry, PAN No & "CAPTCHA" as directed by the system and click on the submission button.
  - d. The system will validate the credentials. Then click on the "Generate my attendance slip" button that appears on the screen.
  - e. The attendance slip in PDF format will appear on the screen. Select the "PRINT" option for direct printing or download and save for the printing.
  - f. A separate counter will be available for the online registered Members at the AGM Venue for faster and hassle free entry and to avoid standing in the queue.
  - g. After registration, a copy will be returned to the Member.
  - h. The Web Check-in (Online Registration facility) is available for AGM during e-voting Period only i.e., 20<sup>th</sup> July, 2019 (9.00 A.M. IST) to 23<sup>rd</sup> July, 2019 (5.00 P.M. IST).
  - i. The Members are requested to carry their valid photo identity along with the above attendance slip for verification purpose.
12. The company has appointed B S S & Associates, Practicing Company Secretaries (Unique Code of Partnership Firm: P2012AP02600), as the 'Scrutinizer' to scrutinize the voting and remote e-voting process (including the Ballot Form received from the members who do not have access to the e-voting process) in a fair and transparent manner.
  13. The Scrutinizer shall within a period not exceeding 48 hours from the conclusion of e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and shall submit his report to the company after completion of the Scrutiny. The results of the voting will be announced on or after the date of the AGM. The results of the voting will also be posted on the company's website [www.sagarsoft.in](http://www.sagarsoft.in) within 48 hours of passing of the resolutions at the AGM of the Company and communicated to the BSE Ltd.
  14. In case a Member is desirous of obtaining a duplicate Ballot Form, he may send an e-mail to [einward.ris@karvy.com](mailto:einward.ris@karvy.com) by mentioning their Folio/DP ID and Client ID No. However, the duly completed Ballot Form should reach the Scrutinizer, B S S & Associates, Company Secretaries, Office: Parameswara Apartments, # 6-3-626, 5th

Floor, 5–A, Anand Nagar, Khairatabad, Hyderabad-500004 not later than 23<sup>rd</sup> July, 2019 (5.00 p.m. IST). Ballot Form received after this date will be treated as invalid.

15. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the company during normal business hours (9.30 a.m. to 6.00 p.m.) on all working days except Saturdays and Sundays, up to the date of the Annual General Meeting of the Company.
16. Section 72 of the Companies Act, 2013 provides for Nomination by the shareholders of the Company and the shareholders are requested to avail this facility.
17. The route map showing directions to reach the venue of the 23<sup>rd</sup> AGM is annexed.

By Order of the Board of Directors

Sd/-

**J.Raja Reddy**

Company Secretary

M.No. A31113

Hyderabad,  
April 29, 2019

**Registered Office:**

Plot No.111, Road No.10  
Jubilee Hills  
Hyderabad – 500 033, Telangana.

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**Annexure to the Notice of the 23<sup>rd</sup> Annual General Meeting**

**Annexure 1**

**Statement pursuant to Section 102 (1) of the Companies Act 2013**

As required by Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos.5 to 8 of the accompanying Notice dated 29<sup>th</sup> April, 2019.

**On Item No.5, 6, 7 and 8**

Pursuant to Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the stock exchange, Shri K.Prasad (DIN 06678974), Shri K.Ganesh (DIN 05214864), Shri N.Hari Mohan (DIN 01808491), and Shri K.Rakesh Rao (DIN 02153899) were appointed as Independent Directors of the Company by the members at the 18<sup>th</sup> AGM held on 24<sup>th</sup> September, 2014 to hold office for five consecutive years up to 23<sup>rd</sup> September, 2019 (first term).

Section 149(10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report.

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation and based on the experience and contributions made by them during their tenure as Independent Directors, has recommended re-appointment of Shri K.Prasad, Shri K.Ganesh, Shri N.Hari Mohan and Shri K.Rakesh Rao as Independent Directors for a second term of 5 (five) consecutive years on the Board of the Company with effect from 24<sup>th</sup> September, 2019.

The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considers that, given their background and experience and contributions made by them during their tenure, the continued

association of Shri K.Prasad, Shri K.Ganesh, Shri N.Hari Mohan and Shri K.Rakesh Rao would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly, it is proposed to re-appoint Shri K.Prasad, Shri K.Ganesh, Shri N.Hari Mohan and Shri K.Rakesh Rao as Independent Directors of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company with effect from 24<sup>th</sup> September, 2019.

Shri K.Prasad, Shri K.Ganesh, Shri N.Hari Mohan and Shri K.Rakesh Rao are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors. The Company has also received declarations from them stating that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

The Company has received notices in writing from a member under Section 160 of the Act proposing the candidature of Shri K.Prasad, Shri K.Ganesh, Shri N.Hari Mohan and Shri K.Rakesh Rao for the office of Independent Directors of the Company.

In the opinion of the Board, Shri K.Prasad, Shri K.Ganesh, Shri N.Hari Mohan and Shri K.Rakesh Rao fulfil the conditions for appointment as Independent Directors as specified in the Act and the Listing Regulations. Shri K.Prasad, Shri K.Ganesh, Shri N.Hari Mohan and Shri K.Rakesh Rao are independent of the management.

Except Shri K.Prasad, Shri K.Ganesh, Shri N.Hari Mohan and Shri K.Rakesh Rao, who are seeking re-appointment as Independent Directors, none of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives are in any way, concerned or interested, financially or otherwise in the Resolutions concerning their appointment proposed at Item Nos.5 to 8.

A Statement containing brief profile of the Directors proposed to be appointed is given in the annexure, which may also be regarded as a disclosure under SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

Your Directors recommend the resolutions for the approval of the shareholders.

By Order of the Board of Directors

Sd/-

**J.Raja Reddy**  
Company Secretary  
M.No. A31113

Hyderabad,  
April 29, 2019

**Registered Office:**  
Plot No.111, Road No.10  
Jubilee Hills  
Hyderabad – 500 033, Telangana.

**Annexure 2**  
(Pursuant to Regulation 26(4) and 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2)  
**Details of Directors seeking re-appointment at the Annual General Meeting**

S. No.	Particulars	Name of the Director						
		Shri. K.Prasad	Shri. K. Ganesh	Shri. N.Hari Mohan	Shri. K. Rakesh Rao	Shri M Jagadeesh	Shri K Pradeep Kumar Reddy	
1	DIN	06678974	05214864	01808491	02153899	01590689	02598624	
2	Date of birth	10.04.1971	03.04.1962	22.05.1973	13.04.1971	26.07.1971	03.05.1973	
3	Qualification	M.Com, ACA	Diploma in Mechanical Engineering	B.E.,	B.E.,	-	Bachelor's Degree in Technology and Masters in Business Management.	
4	Experience in specific functional areas	Vast experience in the field of accounts, and finance.	Cement Technologist	Business	Business	Has been on the Board since 13.06.2002 and appointed as Managing Director wef 31.10.2008. He has wide experience in Information Technology and Business Administration.	Has been on the Board since 06.11.2012 as Director (Operations) and appointed as Whole-time Director wef 06.11.2015. He has wide experience in Information Technology and Business Administration.	
5	Brief Resume	Shri.K.Prasad is a Chartered Accountant and has extensive experience in the field of Finance and Accounts.	Shri.K. Ganesh is a holder of diploma in Mechanical Engineering and has vast experience in Cement Technology.	Shri.N.Hari Mohan is an Engineering Graduate and has vast experience in the field of construction.	Shri.K.Rakesh Rao is an Engineering Graduate and has vast experience in the field of construction activity.	Shri. M. Jagadeesh is Managing Director of the company. He has wide experience in Information Technology and Business Administration.	Shri K Pradeep Kumar Reddy is Executive Director and CFO of the company. He has wide experience in Information Technology and Business Administration.	
6	Nature of Appointment	Re-Appointment	Re-Appointment	Re-Appointment	Re-Appointment	Retires by rotation and offers himself for Re-appointment.	Retires by rotation and offers himself for Re-appointment.	
7	Terms and Conditions of Reappointment	Terms and conditions of re-appointment are as per the resolution at Item No.5 of the Notice convening Annual General Meeting read with explanatory statement thereto	Terms and conditions of re-appointment are as per the resolution at Item No. 6 of the Notice convening Annual General Meeting read with explanatory statement thereto	Terms and conditions of re-appointment are as per the resolution at Item No.7 of the Annual General Meeting read with explanatory statement thereto	Terms and conditions of re-appointment are as per the resolution at Item No.8 of the Annual General Meeting read with explanatory statement thereto	Appointment as a Director subject to Retirement by Rotation	Appointment as a Director subject to Retirement by Rotation	

S. No.	Particulars	Name of the Director					
		Shri.K.Prasad	Shri. K. Ganesh	Shri.N.Hari Mohan	Shri. K. Rakesh Rao	Shri M Jagadeesh	Shri K Pradeep Kumar Reddy
8	Date of first appointment on the Board	04.11.2013	24.09.2014	15.04.2005	15.04.2005	13.06.2002	06.11.2012
9	Directorships in other Public Companies	Nil	Nil	Nil	Nil	Nil	Nil
10	Membership of Audit / Shareholders / Investors Grievances Committees of other Public Limited Companies	Nil	Nil	Nil	Nil	Nil	Nil
11	Shareholding in the Company	14559	Nil	51581	Nil	11,400	Nil
12	Number of Board Meetings attended	5	5	5	1	5	5
13	Details of Remuneration last drawn	An aggregate Sitting Fee of Rs.55,000/- was paid for attending the meetings of the Board and its committees during the financial year 2018-19	An aggregate Sitting Fee of Rs.55,000/- was paid for attending the meetings of the Board and its committees during the financial year 2018-19	An aggregate Sitting Fee of Rs.40,000/- was paid for attending the meetings of the Board and its committees during the financial year 2018-19	An aggregate Sitting Fee of Rs.5,000/- was paid for attending the meetings of the Board and its committees during the financial year 2018-19	As MD, was in receipt of a Remuneration of Rs.34.06 Lakhs during the financial year 2018-19	As ED, was in receipt of a Remuneration of Rs.43.22 Lakhs during the financial year 2018-19
14	Inter-se relationship with other directors, Managers Other Key managerial Personnel of the company	Nil	Nil	Nil	Nil	Nil	Nil

By Order of the Board of Directors

Sd/-  
**J.Raja Reddy**  
 Company Secretary  
 M.No. A31113

Hyderabad  
 April 29, 2019

**Registered Office:**  
 Plot No.111, Road No.10  
 Jubilee Hills, Hyderabad – 500 033, Telangana.

## DIRECTORS' REPORT AND MANAGEMENT DISCUSSION ANALYSIS REPORT

Dear Members

Your Directors are pleased to present their 23<sup>rd</sup> Annual Report together with the audited financial statements of the company for the year ended March 31, 2019.

### FINANCIAL RESULTS

The discussion on the financial condition and results of operations of your company should be read in conjunction with its audited financial statements and notes thereto for the year ended 31<sup>st</sup> March, 2019 which are summarized below:

(Rs.in Lakhs)

Particulars	Year ended	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Income from operations	<b>4096.98</b>	<b>3700.07</b>
Other Income	<b>87.45</b>	<b>32.71</b>
<b>Total Income</b>	<b>4184.43</b>	<b>3732.78</b>
Total Expenditure	<b>3202.35</b>	<b>2776.19</b>
<b>Profit before depreciation, interest and tax</b>	<b>982.07</b>	<b>956.59</b>
Depreciation	<b>99.92</b>	<b>100.09</b>
<b>Profit before tax</b>	<b>882.16</b>	<b>856.50</b>
Provision for Tax	<b>256.19</b>	<b>236.15</b>
Deferred Tax Asset / (Liability) for the year	<b>2.90</b>	<b>17.70</b>
Net Profit	<b>623.07</b>	<b>602.65</b>

### DIVIDEND

Dividend is recommended by your Board in the context of the company's overall profitability, free cash flow, capital requirements and other business needs as well as the applicable regulatory requirements.

Based on the improved performance, an interim dividend of Rs.1.00 (10%) per share on the 55,60,000 equity shares of Rs.10/- each was paid on 14<sup>th</sup> February, 2019 for the year 2018-19.

Your Board is pleased to recommend a further dividend of Rs.1.50 (15%) per share for the year 2018-19. The total dividend for the year 2018-19 would accordingly work out to Rs.2.50 (25%) per share involving a sum of Rs.167.29 Lakhs which includes a sum of Rs.28.30 Lakhs towards dividend tax.

### TRANSFER TO RESERVES

As no transfer to any reserve is proposed, the entire balance available in the Profit and Loss Account is retained in it.

### SHARE CAPITAL

The paid up capital of the company is Rs.5,56,00,000/- consisting of 55,60,000 equity shares of Rs.10/- each and there was no change in the share capital of your company during the year under report.

### VARIATIONS IN NET WORTH

The Net worth of the Company as at the Financial Year ending on March 31, 2019 is Rs.21.07 Crores as compared to Rs.17.01 Crores as at the end of previous financial year ended on March 31, 2018.



## MANAGEMENT DISCUSSION AND ANALYSIS

To avoid repetition in the Directors' Report and the Management Discussion and Analysis Report, the information under these reports is furnished below, as a composite summary of the performance of the various aspects of the business of your company.

## INDUSTRY REVIEW AND OVERVIEW

The global information technology industry which is on pace is expected to grow at a rate of 4% in 2019. Economies, jobs, and personal lives are becoming more digital, more connected, and increasingly more automated. Waves of innovation build over time, powering the technology growth engine that appears to be on the cusp of another major leap forward. The tech sector accounts for a significant portion of economic activity as compared to that of most other industries, including notable sectors such as retail, construction, and transportation. Spending is often correlated with factors such as population, GDP and market maturity.

There are number of taxonomies for depicting the information technology space. The traditional categories of hardware, software and services account for 53% of the global total. The other core category, telecom services, accounts for 30%. The remaining 17% covers various emerging technologies that either don't fit into one of the traditional buckets or span multiple categories, which is the case for many emerging 'as-a-service' solutions that include elements of hardware, software, and service, such as IoT, drones, and many automating technologies. Advances in cloud computing, edge, 5G, and other infrastructure technologies, will usher in the next wave of services and software.

Tech services and software account for nearly half of spending in the technology market; significantly higher than the rate in many other markets. Countries that are not quite as far along in these areas tend to allocate more spending to traditional hardware and telecom services. Building out infrastructure and developing a broad-based digital workforce does not happen overnight. Scenarios do exist, however, whereby those without legacy infrastructure – and the friction that often comes with transitioning from old to new, allows for an easier path to jump directly to the latest generation of technologies.

India is the world's largest sourcing destination, accounting for approximately 55 per cent of the market. India's highly qualified talent pool of technical graduates is one of the largest in the world and the country has a low-cost advantage by being 5-6 times inexpensive than other countries. Export revenue from digital segment forms about 20 per cent of the industry's total export revenue.

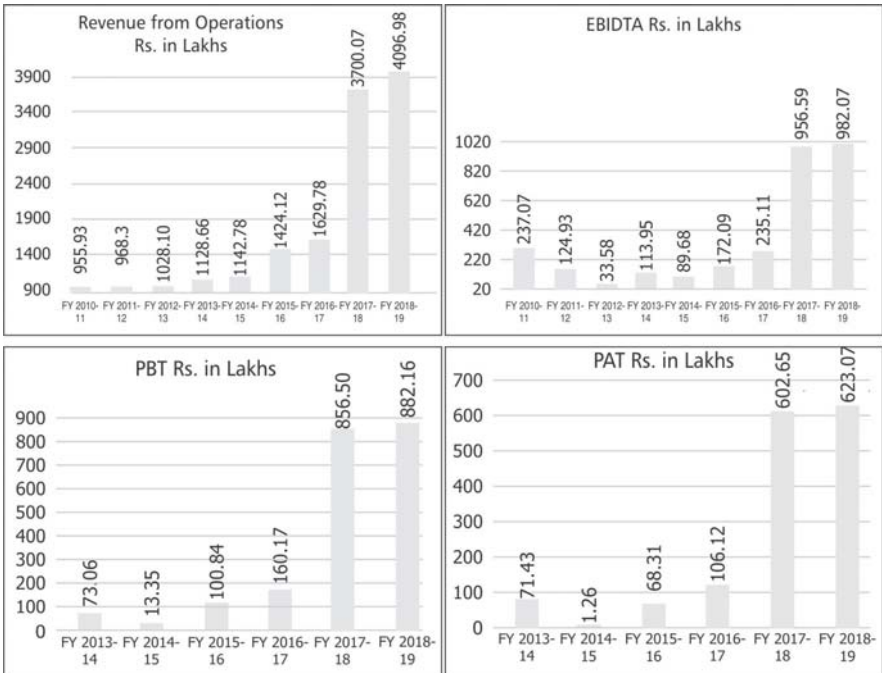
The IT industry's business models are changing from providing commoditized services to catering advanced requirements. Growing competition has forced Indian IT vendors to focus more on high-value services and to expand into newer geographies. As the IT companies intensify their focus on the digital technology space, revenue from the Indian IT industry is expected to increase steadily in both exports and domestic segments. However, pressure on billing rates and rising wages in the hunt for high quality resources, is likely to hit the profit margins.

Sagarsoft is an IT, Consulting, and next generation Digital Solutions provider, offering business, technology and related services to global enterprises. It has made decent progress in the recent years in consolidating its business in all service areas and in acquiring new clients in Cloud and other new age technologies.

## COMPANY'S PERFORMANCE

During the year, your company earned a revenue of Rs.4096.98 Lakhs as against Rs.3700.07 Lakhs in the previous year, which was higher by around 10.70%. Earnings before interest, tax, depreciation and amortization (EBITDA) was Rs.982.07 Lakhs against Rs.956.59 Lakhs in the previous year. Profit after tax (PAT) for the year was Rs.623.07 Lakhs as against Rs.602.65 Lakhs in the previous year.

## PERFORMANCE HIGHLIGHTS



## SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

The company has no subsidiaries, joint ventures or associate companies. During the Financial Year, no company ceased as Subsidiary, joint venture or associate of the company.

## OPPORTUNITIES AND THREATS

The IT Industry is constantly evolving itself with new technologies and rapid automation. The key to success is to be ahead of the game by identifying technologies that are going to have the maximum impact in the future, build capabilities to be future ready, reduce costs, and enhance efficiency through automation and innovation. We will look at garnering opportunities available in the industry especially in Social Computing, Mobility, analytics & Cloud to further catalyze your company's growth. Spending on technology products and services by our clients and prospective clients is subject to fluctuations depending on many factors, including both the economic and regulatory environment in the markets in which they operate.

Your company believes that its focus on niche areas gives it strength and competitive advantage to position itself as a leading IT services and solutions provider.

## OUR STRATEGY

Sagarsoft is focusing more on its core business objective, such as revenue growth, profitability and asset efficiency. The company's strategy for long term growth will continue to be strengthened with existing clients relationships through a customer centric approach and by further expanding its market in to newer businesses and services. It has successfully navigated through technology cycles, adapting each time to build relevant new capabilities and helping clients realise the benefits of that new technology.

Translating the Business first approach into solutions, services and Corporate messaging: At a very broad level, our focus areas are: Applications (+ platforms/ products), Infrastructure, Data (& Analytics) and Security. Bringing those 4 components together, we crafted a unique and holistic approach to Digital transformation which we call as Digital DAIS. Digital DAIS delivers Data and Technology services in a 'Business first' manner; amplifying Business capabilities of our customers and enabling enhanced Business Performance. Eco-system and Revenue vehicles, the areas where we have placed bets to achieve growth. The approach involves alliances building (eco-system development) and capabilities development for go-to-market portfolio.

## OUTLOOK

India is the topmost offshoring destination for IT companies across the world. Having proven its capabilities in delivering both on-shore and off-shore services to global clients, emerging technologies now offer an entire new gamut of opportunities for top IT firms in India. Export revenue of the industry is expected to grow 7-9 per cent year-on-year in FY 19.

There may not be a next big thing, but there is one very big thing that is as old as IT itself. Cyber security continues to rise in importance as business and daily life are increasingly digitized. Many businesses are increasing their security investments or elevating their security focus, but these actions often follow a defensive approach that utilizes technology tools such as firewalls and antivirus. More and more, firms will realize that they must be proactive in probing for weaknesses or detecting possible breaches. This will involve new skills such as penetration testing, vulnerability assessment, and security analytics. Beyond the technical aspects, organizations will also begin building business processes that enhance security, and they will implement end user training to mitigate human error. There is no doubt that companies are taking security more seriously, but now they must realize that modern security demands a different mentality rather than just more of the same.

The global artificial intelligence market is expected to experience massive growth in the coming years. The overall AI market includes a wide array of applications such as natural language processing, robotic process automation, and machine learning. There's both a significant consulting and hands-on talent gap in this space. We are taking on this head-on by building AI and Analytics capabilities and scale through senior hire and freshers training.

Other factors that influence revenue growth projections include currency effects, pricing, and product mix. The tech space is somewhat unique in that prices tend to fall, which may result in large numbers of units shipped, but modest revenue growth. In the year ahead, the product mix will be an especially important factor, as the high growth rates of emerging categories are expected to more than offset the slow growth mature categories. Growth expectations are in line with the global projection.

Your Board is cautiously optimistic about the future outlook taking into overall view of the above.

## **RISK MANAGEMENT**

Your Company attaches utmost importance to the assessment of internal risks and the management thereof in all its dealings. The Company is constantly on the lookout for identifying opportunities to enhance its enterprise value and keeping the need to minimize the risks associated with such efforts, every proposal of significant nature is screened and evaluated for the risks involved and then approved at different levels in the organisation before implementation.

Sagarsoft (India) Limited has identified a suitable approach and framework for risk management which meets its business, legal and regulatory requirements. The management has decided to adopt the same framework for entire organization. It has a Security Management Group with representatives from all functional team and a representative of the senior management team leads the group. Its steering committee meets at least once in 6 months to identify the risks throughout the organization.

Based on severity level of the risk, corrective action is identified and implemented with prior approval from the risk owners and Top Management, wherever applicable. Controls are identified in the Risk Assessment and Risk Treatment. The first step in risk assessment procedure is to identify the list of information and critical information assets in each function. After identification, these information assets are identified with the Owner and they are classified based on the functions. The steering committee or CISO meets and reviews the implementation status once in every 2 months. To conduct the review, at least one representative from each function is present.

Your company has adequate system to manage the financial risks of its operations. The system is implemented through imposition of checks and balances of customers, audits like internal audit, statutory and secretarial audit, all of which are periodically carried out through external firms and by adequate insurance coverage for the company's facilities.

## **INTERNAL CONTROL SYSTEM AND ITS ADEQUACY**

The Board of Directors are satisfied with the adequacy of the internal control system in force in all its major areas of operations of the Company. The Company has an external firm of Chartered Accountants as Internal Auditors to observe the Internal Controls, whether the work flows of organization is being done through the approved policies of the Company and similar matters. Internal Auditors present its report to the Audit Committee. The audit committee assists the board of directors in monitoring the integrity of the financial statements and the reservations, if any, expressed by the company's auditors including, the financial, internal and secretarial auditors and based on their inputs, the board is of the opinion that the company's internal controls are adequate and effective.

## **HUMAN RESOURCE DEVELOPMENT**

Your company continues to enjoy cordial relationship with its personnel at all levels and focusing on attracting and retaining competent personnel and providing a holistic environment where they get opportunities to grow and realise their full potential. Your company is committed to providing all its employees with a healthy and safe work environment.

Your company is organizing training programmes wherever required for the employees concerned to improve their skill. Employees are also encouraged to participate in the seminars organized by the external agencies related to the areas of their operations.

## **SEXUAL HARASSMENT**

Regarding the Sexual Harassment of Women at the work place (Prevention, Prohibition & Redressal) Act, 2013, the company has an Internal Complaints Committee. No complaints

were received or disposed off during the year under the above Act and no compliants were pending either at the beginning or at the end of the year.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgement and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for the period;
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors have prepared the annual accounts on a going concern basis;
- (v) The Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- (vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The term of office of Shri.K.Prasad, Shri.K.Ganesh, Shri.N.Hari Mohan and Shri.K.Rakesh Rao as Independent Directors of the company is expiring on 23<sup>rd</sup> September, 2019 and they have been re-appointed for a further period of 5 consecutive years as Independent Directors by your Board based on the recommendation of its Nomination and Remuneration Committee. Shareholders' approvals are being sought for the above said re-appointments.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Shri M.Jagadeesh and Shri K.Pradeep Kumar Reddy will be retiring by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Accordingly, resolutions seeking the approval of the members for the said re-appointment, have been included in the notice of the annual general meeting.

Except Shri S.Sreekanth Reddy, who is a director in Sagar Cements Limited and Sagar Cements (R) Limited, whose transactions with the company have been reported under the related parties disclosure under notes to the accounts and Shri.N.Hari Mohan and Shri.K.Prasad, to the extent of shares held by them, details of which have been given elsewhere as annexure to the report, none of the other non-executive/ Independent directors has had any pecuniary relationship or transactions with the company, other than the receipt of sitting fee for the meetings of the Board and Committees thereof attended by them.

#### **INDEPENDENT DIRECTORS DECLARATION**

The company has received the necessary declaration from each Independent Directors in accordance with Section 149 (7) of the Companies Act 2013, that they meets the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations. There has been no change in the circumstances affecting their status as an Independent Director during the year.

## **MEETING OF INDEPENDENT DIRECTORS**

The Independent Directors met on 24<sup>th</sup> January, 2019, without the attendance of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

## **AUDITORS**

M/s.Lakshmi & Associates, Chartered Accountants (Firm Registration No.012482S) were appointed as the statutory auditors of the Company by the shareholders at their 21<sup>st</sup> Annual General Meeting held on 22<sup>nd</sup> September, 2017, to hold office from the conclusion of the said Annual General Meeting till the conclusion of the 26<sup>th</sup> Annual General Meeting to be held in the year 2022.

## **AUDITORS' REPORT AND SECRETARIAL AUDITORS' REPORT**

### **AUDITORS' REPORT**

The auditors' report on the financial statements of the company which is part of this report does not contain any qualifications, reservations or any adverse remarks.

### **SECRETARIAL AUDITORS' REPORT**

In accordance with Section 204 (1) of the Companies Act, 2013, the report furnished by the Secretarial Auditors, who carried out the secretarial audit of the company under the said Section is given in the Annexure-1, which form part of this report. The said reports does not contain any qualifications, reservations or adverse remarks.

### **SECRETARIAL STANDARDS**

The Company has complied with all the applicable secretarial standards.

## **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

## **TRANSACTIONS WITH RELATED PARTIES**

None of the transactions with related parties falls under the scope of Section 188 (1) of the Act. Information on transactions with related parties pursuant to Section 134 (3) (h) of the Act read with rule 8 (2) of the Companies (Accounts) Rules, 2014 are given in Annexure-2 in Form AOC-2, which forms part of this report.

All related party transactions entered into during the financial year were on arm's length basis and in the ordinary course of business. There were no materially significant related party transactions entered into by the company with the promoters, key management personnel or other designated persons that may have potential conflict with the interests of the company at large. All related party transactions had prior approval of the Audit Committee and were later ratified by the Board.

## **EXTRACT OF ANNUAL RETURN**

As provided under Section 92 (3) of the Act, an extract of annual return in the prescribed Form MGT-9 is given in Annexure -3 which forms part of this report, a copy of which is also available on the company's website [www.sagarsoft.in](http://www.sagarsoft.in).

## NUMBER OF MEETINGS OF THE BOARD

Five Board meetings were held during the financial year 2018-19 and the gap between two consecutive meetings did not exceed one hundred and twenty days. These meetings were held on 14<sup>th</sup> May, 2018, 23<sup>rd</sup> July, 2018, 27<sup>th</sup> September, 2018, 27<sup>th</sup> October, 2018 and 24<sup>th</sup> January, 2019.

Attendance of directors at the Board Meetings held during financial year 2018-2019 is given below:

Name of the Director	Number of board meetings during the year 2018-19	
	Held	Attended
Shri. S Sreekanth Reddy	5	5
Shri. M Jagadeesh	5	5
Shri. K Pradeep Kumar Reddy	5	5
Shri. N Hari Mohan	5	5
Shri. K Rakesh Rao	5	1
Shri. K Satish Chander Reddy	5	3
Shri. K Prasad	5	5
Shri. K Ganesh	5	5
Smt. Neelima Kaushik	5	4

## SUB COMMITTEES OF THE BOARD

The Board has Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee.

## AUDIT COMMITTEE

The Company has an Audit Committee with power and role that are in accordance with Section 177 of the Companies Act, 2013 and with Listing Regulations. The Audit Committee oversees the accounting, auditing and overall financial reporting process of the Company. The Audit Committee acts as a link between the Management, the Statutory Auditors, Internal Auditors and the Board of Directors to oversee the financial reporting process of the Company.

### Composition of Audit Committee

- (1) Shri.K.Prasad – Chairman (Independent Director)
- (2) Shri.M.Jagadeesh – Member (Managing Director)
- (3) Shri.K.Ganesh – Member (Independent Director)

The Audit Committee which met four times during the year 2018-19, held its meetings on 14<sup>th</sup> May, 2018, 23<sup>rd</sup> July, 2018, 27<sup>th</sup> October, 2018 and 24<sup>th</sup> January, 2019.

Attendance of members at the Audit Committee meetings held during financial year 2018-2019 is given below:

Name of the Member	Number of Audit Committee meetings during the year 2018-19	
	Held	Attended
Shri K.Prasad	4	4
Shri M.Jagadeesh	4	4
Shri K.Ganesh	4	4

## NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee has been entrusted with role of formulating criteria for determining the qualifications, positive attributes and independence of the Directors as well as for identifying persons who may be appointed at senior management levels and also for devising a policy on remuneration of Directors, Key Managerial Personnel and other senior employees. The Committee has the power and role that are in accordance with Section 177 of the Companies Act, 2013 and with Listing Regulations.

### Composition of Committee

- (1) Shri.K.Prasad – Chairman (Independent Director)
- (2) Shri.N.Hari Mohan – Member (Independent Director)
- (3) Shri.K.Ganesh – Member (Independent Director)

The Committee which met once during the year 2018-19, held its meeting on 23<sup>rd</sup> July, 2018.

Attendance of members at the Nomination and Remuneration Committee meeting held during financial year 2018-2019 is given below:

Name of the Member	Number of Audit Committee meetings during the year 2018-19	
	Held	Attended
K Prasad	1	1
N.Hari Mohan	1	1
K Ganesh	1	1

## STAKEHOLDERS RELATIONSHIP COMMITTEE

Stakeholders' Relationship Committee ensures quick redressal of the complaints of the stakeholders and oversees the process of share transfer. The Committee also monitors redressal of Shareholders'/Investors' complaints/ grievances. In addition, the Committee also monitors other issues including status of Dematerialization/ Rematerialization of shares issued by the Company.

### Composition of Committee

- (1) Shri. K.Prasad – Chairman (Independent Director)
- (2) Shri. N.Hari Mohan – Member (Independent Director)
- (3) Shri. K.Rakesh Rao – Member (Independent Director)

The need for convening a meeting of the committee was not felt during the year 2018 -19.

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

CSR Committee of the Company has been constituted in line with the provisions of Section 135 of the Act.

The company is committed to operate and grow its business in a socially responsible way, while reducing the environmental impact of its operations and increasing its positive social impact. It aims to achieve growth in a responsible way by encouraging people to take small actions every day that will make a big difference.

During the year, one meeting of the CSR Committee was held on 24<sup>th</sup> January, 2019.



The composition of the CSR Committee and details of the meeting attended by its members are given below:

Name	Category	Number of meetings during the financial year 2018-19	
		Held	Attended
Shri. M.Jagadeesh	Managing Director	1	1
Shri. N.Hari Mohan	Independent Director	1	1
Smt.Neelima Kaushik	Independent Director	1	1

The brief outline of the Corporate Social Responsibility (CSR) Policy of the company along with the initiative taken by it are set out in Annexure-4 of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy is available on the website of the company, [www.sagarsoft.in](http://www.sagarsoft.in).

#### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS**

Under Section 178 (3) of the Companies Act, 2013, the Nomination and Remuneration Committee of the board has adopted a policy for nomination, remuneration and other related matters for directors and senior management personnel.

#### **BOARD EVALUATION**

The Board of directors have carried out annual evaluation of its own performance and of its committees as well as its individual directors on the basis of criteria such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, contribution at the meetings and otherwise, independent judgment, governance issues and functioning etc.,

#### **CHANGE IN THE NATURE OF BUSINESS**

There is no change in the nature of business of the Company.

#### **MATERIAL CHANGES AND COMMITMENTS**

There were no material changes or commitments between the end of the financial year and the date of this report and no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

#### **PARTICULARS OF EMPLOYEES**

The information required under Section 197 of the Act read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules are given below.

- a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Particulars	Ratio to Median Remuneration
<b>Non-Executive Directors*</b>	-
<b>Executive Directors</b>	
Shri. M.Jagadeesh, Managing Director	3.77
Shri. K.Pradeep Kumar Reddy, Executive Director & CFO	4.78

\*Non-Executive Directors are not paid any remuneration, other than sitting fee.

- b. The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:

<b>Director, Chief Executive Officer, Chief Financial Officer and Company Secretary</b>	<b>% increase in remuneration in the financial year</b>
Shri S.Sreekanth Reddy	These Directors were not paid any Remuneration, other than sitting fee.
Shri K.Satish Chander Reddy	
Shri K.Prasad	
Shri N.Hari Mohan	
Shri K.Rakesh Rao	
Shri K.Ganesh	
Smt. Neelima Kaushik	
Shri M.Jagadeesh, Managing Director	41.94
Shri K.Pradeep Kumar Reddy, Executive Director & CFO.	8.06
Shri J.Raja Reddy, Company Secretary	15.00

- c. The percentage increase in the median remuneration of employees in the financial year: 13.52%.

- d. The number of permanent employees on the rolls of Company: 204.

- e. Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average annual increase was around 12% for personnel other than managerial personnel.

Increase in the managerial remuneration for the year was 20.76%.

- f. Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms that the remuneration is as per the remuneration policy of the Company.

There are no employees drawing remuneration in excess of the limits set out in the Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### **VIGIL MECHANISM**

The company has formulated a Whistle Blower Policy to provide Vigil Mechanism for employees of the company to report genuine concerns. The provisions of this policy are in line with the provisions of the Section 177 (9) of the Act and the Listing Regulations.

#### **DEPOSITS FROM PUBLIC**

The company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

#### **INSURANCE**

All the properties of the Company have been adequately insured.

#### **INDUSTRIAL RELATIONS**

Industrial relations continued to be cordial throughout the year under review.

## CORPORATE GOVERNANCE

As stipulated vide regulation 15(2) of the SEBI (LODR) Regulations, 2015, the requirement of furnishing report on corporate governance is not applicable to your company as it's paid up capital and networth is below the threshold limit prescribed for the purpose.

## INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

Your Company has put in place adequate internal financial controls with reference to the financial statements. The Internal Audit of the Company is regularly carried out by an external firm of chartered accountants to review the internal control systems and processes. The internal Audit Reports along with recommendations contained therein and their implementations are periodically reviewed by Audit Committee of the Board.

## REPORTING OF FRAUDS BY AUDITORS

During the year, there were no instances of frauds reported by the Statutory Auditors under Section 143(12) of the Companies Act, 2013.

## MAINTENANCE OF COST RECORDS

The Central Government has not prescribed the maintenance of cost records under Section 148 of the Act, for any of the services rendered by the Company.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014:

### Conservation of Energy

The Company makes conscious efforts to reduce its energy consumption though its nature of operations are not energy-intensive. Some of the measures undertaken by the Company on a continuous basis during the year are stated below:

- (i) Steps taken or impact on conservation of energy:
  - i. Rationalization of usage of electrical equipments– air-conditioning system, office illumination, desktops.
  - ii. Regular monitoring of temperature inside the buildings and controlling the air-conditioning System.
- (ii) Steps taken for utilizing alternate sources of energy:
 

Usage of energy efficient illumination fixtures.
- (iii) Capital investment on energy conservation equipments: Nil
  - (a) Technology absorption, Adoption and Innovation : Nil
  - (b) Foreign Exchange Earnings and Outgo :

Details of foreign exchange earnings and outgo as per the Companies Act, 2013, are given below.

(Rs.in lakhs)

Foreign Exchange Earning and Outgo	2018-19	2017-18
Foreign Exchange earned	3621.82	3031.07
Foreign Exchange outflow	29.72	20.15

### CAUTIONARY STATEMENT

Statements in these reports describing company's projections statements, expectations and hopes are forward looking. Though, these expectations etc., are based on reasonable assumption, the actual results might differ.

### ACKNOWLEDGEMENT

Your Board take this opportunity to express the gratitude to all the Investors, clients / customers, Vendors, Bankers, Regulatory and Government Authorities and Business associates for their continues support and cooperation extended to the Company. Your Board also takes this opportunity to place on record its appreciation of the contributions made by its employees at all levels and last but not least, of the continued confidence reposed by you in the Management.

For and on behalf of the Board

Hyderabad  
April 29, 2019

Sd/-  
**S.Sreekanth Reddy**  
Chairman  
(DIN: 00123889)

Form No. MR-3

Secretarial Audit Report

For the Financial Year ended March 31, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members,  
Sagarsoft (India) Limited,  
Plot No.111, Road No.10,  
Jubilee Hills,  
Hyderabad-500033.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s.Sagarsoft (India) Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of **M/s. Sagarsoft (India) Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company, during the audit period covering the financial year ended on March 31, 2019, complied with the statutory provisions listed hereunder and also the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Sagarsoft (India) Limited** for the financial year ended on March 31, 2019 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 & the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - *Not applicable to the Company during the audit period;*

- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - *Not applicable to the Company during the audit period;*
  - e. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - *Not applicable to the Company during the audit period;*
  - f. Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - *Not applicable to the Company during the audit period;*
  - g. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - *Not applicable to the Company during the audit period;* and
  - h. Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - *Not applicable to the Company during the audit period;*
- 6) Laws specially applicable to the industry to which the Company belongs, as identified by the Management:
- a) Information Technology Act, 2000 and the rules made thereunder;
  - b) The Indian Copy Rights Act, 1957;
  - c) The Patents Act, 1970; and
  - d) The Trade Marks Act, 1999.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India;
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that** on examination of the relevant documents and records and based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of compliance reports by respective department heads / Company Secretary of the Company, in our opinion, there exist adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable general laws.

**We further report that** that the compliances by the Company of applicable financial laws, like direct and indirect tax laws, have not been reviewed in this audit since the same have been subject to review by internal auditors and other designated professionals.

**We further report that** the Board of Directors of the Company has been duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of Board of Directors during the period under review.

**We further report that** adequate notice was given to all directors to schedule the Board meetings and agenda with detailed notes thereon were sent to all the directors at least Seven days in advance, and a system exists for seeking and obtaining further information and clarifications as may be required on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous.

**We further report that** there are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that**, during the audit period no event has occurred which has a major bearing of the Company's affairs.

For **B S S & Associates**  
Company Secretaries

**S.Srikanth**  
Partner

ACS No.: 22119  
C P No.: 7999

Place: Hyderabad  
Date: 18.04.2019

This report is to be read with our letter of even date which is annexed as **Annexure-A** and forms an integral part of this report.

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**'Annexure A'**

To  
The Members,  
Sagarsoft (India) Limited,  
Plot No.111, Road No.10,  
Jubilee Hills,  
Hyderabad-500033.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verifications were done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, followed by the Company provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **B S S & Associates**  
Company Secretaries

**S.Srikanth**  
Partner

ACS No.: 22119  
C P No.: 7999

Place: Hyderabad  
Date: 18.04.2019

**Form No. AOC-2**

[ Pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

Sagarsoft (India) Limited has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2018-19.

**2. Details of material contracts or arrangements or transactions at arm's length basis:**

There were no material contracts or arrangements or transactions on related parties during the financial year 2018-19.

On behalf of the Board of Directors

Hyderabad  
April 29, 2019

**S.Sreekanth Reddy**  
Chairman  
(DIN: 00123889)



Form No.MGT-9

Extract of Annual Return  
as on the financial year ended on March 31, 2019

[ Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014 ]

I. Registration and other details

i.	CIN	:	L72200TG1996PLC023823
ii.	Registration Date	:	17 <sup>th</sup> April, 1996
iii.	Name of the Company	:	Sagarsoft (India) Limited
iv.	Category / Sub-Category of the Company	:	Company Limited by Shares / Indian Non-Government Company
v.	Address of the Registered Office and contact details	:	Plot No.111, Road No.10 Jubilee Hills, Hyderabad-500 033 Tel : 91 40 67191000 Fax: 91 40 23114607 Email: info@sagarsoft.in Website: www.sagarsoft.in
vi.	Whether listed company	:	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Karvy Fintech Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District Hyderabad -500032. Tel : 040-67162222 Fax : 040-23001153 e-mail: einward.ris@karvy.com Toll Free No: 1800-3454-001 Website: karvyfintech.com

II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover:

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the company
1	Computer Programming, Consultancy and related activities	620	100

III. Particulars of Holding, Subsidiary and Associate Companies

The company does not have Holding, Subsidiary or Associate Companies.

**IV. SHARE HOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)**  
**(i) Category-wise Shareholding**

Category of Shareholder	No. of shares held at the beginning of the year			No. of shares at the end of the year			% change during the year	
	Demat	Physical	Total	Demat	Physical	Total		% of total shares
(A) Shareholding of Promoter and Promoter Group <sup>2</sup>								
1 Indian								
(a) Individuals/Hindu Undivided Family	2898079	0	2898079	2905609	0	2905609	52.26	
(b) Central Government/ State Government(s)								
(c) Bodies Corporate								
(d) Financial Institutions/ Banks								
(e) Any Others(Specify)								
<b>Sub Total(A)(1)</b>	<b>2898079</b>	<b>0</b>	<b>2898079</b>	<b>2905609</b>	<b>0</b>	<b>2905609</b>	<b>52.26</b>	
2 Foreign							<b>0.14</b>	
a Individuals (Non-Resident Individuals/ Foreign Individuals)								
b Bodies Corporate								
c Institutions								
d Qualified Foreign Investors								
e Any Others(Specify)								
<b>Sub Total(A)(2)</b>								
<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>2898079</b>	<b>0</b>	<b>2898079</b>	<b>2905609</b>	<b>0</b>	<b>2905609</b>	<b>52.26</b>	
(B) Public shareholding								
1 Institutions								
(a) Mutual Funds								
(b) Financial Institutions/Banks	413300	0	413300	413136	0	413136	7.43	
							0	

Category of Shareholder	No. of shares held at the beginning of the year		No. of shares at the end of the year		% change during the year	
	Demat	Physical	Demat	Physical		Total
(c) Central Government/ State Government(s)						
(d) Venture Capital Funds						
(e) Insurance Companies						
(f) Foreign Institutional Investors/FOIs						
(g) Foreign Venture Capital Investors						
(h) Qualified Foreign Investors						
(i) Any Other (specify)						
<b>Sub-Total (B)(1)</b>	<b>413300</b>	<b>0</b>	<b>413300</b>	<b>413136</b>	<b>413136</b>	<b>7.43</b>
B2 Non-institutions						
(a) Bodies Corporate	437764	0	437764	13500	464309	8.35
(b) Individuals						
I Individual shareholders holding nominal share capital up to Rs 1 lakh	1015171	347455	1362626	980487	1251742	22.51
II Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	386567	20000	406567	460740	460740	8.29
(c) NRIs	8420	0	8420	28230	28230	0.50
(c-i) Foreign Corporate Body						
(c-ii) Hindu Undivided Families	25361	0	25361	33640	33640	0.61
(c-iii) Clearing Members	7883	0	7883	1094	1094	0.02
(c-iv) NBFC	0	0	0	1500	1500	0.03
<b>Sub-Total (B)(2)</b>	<b>1881166</b>	<b>367455</b>	<b>2248621</b>	<b>1956500</b>	<b>2241255</b>	<b>40.30</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>2294466</b>	<b>367455</b>	<b>2661921</b>	<b>2369636</b>	<b>2654391</b>	<b>47.74</b>
<b>TOTAL (A)+(B)</b>	<b>5192545</b>	<b>367455</b>	<b>5560000</b>	<b>5275245</b>	<b>5560000</b>	<b>100.00</b>
(C) Shares held by Custodians for GDRs & ADRs	0	0	0	0	0	0.00
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>5192545</b>	<b>367455</b>	<b>5560000</b>	<b>5275245</b>	<b>5560000</b>	<b>100.00</b>

**(ii) Shareholding of promoters**

Sl No.	Shareholder's name	Shareholding at the beginning of the year (01-04-2018)			Shareholding at the end of the year (31-03-2019)			% change in share holding during the year
		No. of Shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	No. of Shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	
1	S Sreekanth Reddy	1154500	20.76	Nil	1164450	20.94	Nil	0.18
2	S Rachana	622530	11.20	Nil	645559	11.61	Nil	0.41
3	Late S Veera Reddy	180200	3.24	Nil	180200	3.24	Nil	0
4	S Vanajatha	147100	2.65	Nil	147100	2.65	Nil	0
5	Dr. S Anand Reddy	177649	3.19	Nil	152200	2.74	Nil	-0.45
6	P Sucharitha Reddy	105200	1.89	Nil	105200	1.89	Nil	0
7	S Aruna	118400	2.13	Nil	118400	2.13	Nil	0
8	W Malathi	120900	2.17	Nil	120900	2.17	Nil	0
9	N Madhavi	116400	2.09	Nil	116400	2.09	Nil	0
10	M Radhika Reddy	55200	0.99	Nil	55200	0.99	Nil	0
11	P Sudershan Reddy	50000	0.90	Nil	50000	0.90	Nil	0
12	P Rajith Reddy	50000	0.90	Nil	50000	0.90	Nil	0
	<b>TOTAL</b>	<b>2898079</b>	<b>52.12</b>	<b>Nil</b>	<b>2905609</b>	<b>52.26</b>	<b>Nil</b>	<b>0.14</b>

**(iii) Change in Promoters' Shareholding**

Sl No.	Description	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of the total shares of the Company	No. of shares	% of the total shares of Company
	At the beginning of the year	2898079	52.12	2898079	52.12
	Acquired *	32979	0.59	2931058	52.72
	Sold *	25449	0.45	2905609	52.26
	At the end of the year			2905609	52.26

\* Shares of the Company are traded on a daily basis and hence the date wise increase or decrease in the shareholding is not furnished.

(iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs.**

Sl No.	Top 10 Shareholders	Shareholding at the beginning of the year 01-04-2018 *		Shareholding at the end of the year 31-03-2019 **	
		No. of shares	% of the total shares of the Company	No. of shares	% of the total shares of Company
1	The Madhavpura Mercantile Co-op. Bank Ltd.	399836	7.19	399836	7.19
2	Twinvest Financial Services Ltd	238306	4.29	251806	4.53
3	Savyasachi Constructions Pvt Ltd	51900	0.93	51900	0.93
4	Rajiv Verma	50500	0.91	50500	0.91
5	Zen Securities Ltd-HSE Clients A/C	40988	0.74	45446	0.82
6	Mita D. Doshi	41600	0.75	41600	0.75
7	M V S Ananthkrishnan	40800	0.73	40800	0.73
8	Vinaychand Dharamchand Shah	24200	0.44	25600	0.46
9	KSS Prasad Raju	24711	0.44	25000	0.45
10	M Kodanda Reddy	20700	0.37	20700	0.37

\* In the list of top 10 as on 1-4-2018.

\*\* In the list of top 10 as on 31-03-2019.

(v) **Shareholding of Directors and Key Managerial Personnel**

Sl. No.	For each of the Directors and KMP	Date	Reason	Shareholding at the beginning of the year 01-04-2018 *		Shareholding at the end of the year 31-03-2019 **	
				No. of shares	% of the total shares of the Company	No. of shares	% of the total shares of the Company
<b>Directors/KMP</b>							
1	S.Sreekanth Reddy	01.04.18	At the beginning of the year	1154500	20.76		
		31.03.19	At the end of the year			1164450	20.94
2	M.Jagadeesh	01.04.18	At the beginning of the year	13900	0.25		
		31.03.19	At the end of the year			11400	0.20
3	K.Pradeep Kumar Reddy	01.04.18	At the beginning of the year	Nil			
		31.03.19	At the end of the year			Nil	Nil

4	K. Satish Chander Reddy	01.04.18	At the beginning of the year	Nil		
		31.03.19	At the end of the year			Nil Nil
5	K.Prasad	01.04.18	At the beginning of the year	19957	0.36	
		31.03.19	At the end of the year			14559 0.26
6	N.Hari Mohan	01.04.18	At the beginning of the year	51581	0.93	
		31.03.19	At the end of the year			51581 0.93
7	K.Rakesh Rao	01.04.18	At the beginning of the year	Nil		
		31.03.19	At the end of the year			Nil Nil
8	K.Ganesh	01.04.18	At the beginning of the year	Nil		
		31.03.19	At the end of the year			Nil Nil
9	Neelima Kaushik	01.04.18	At the beginning of the year	Nil		
		31.03.19	At the end of the year			Nil Nil
10	J.Raja Reddy	01.04.18	At the beginning of the year	1200	0.02	
		31.03.19	At the end of the year			1200 0.02

## V. INDEBTEDNESS

Indebtedness of the company including interest outstanding / accrued but not due for payment

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
1	Indebtedness at the beginning of the year				
	i Principal Amount	Nil	Nil	Nil	Nil
	ii Interest due but not paid	Nil	Nil	Nil	Nil
	iii Interest accrued but not due	Nil	Nil	Nil	Nil
	<b>Total (i + ii + iii)</b>	Nil	Nil	Nil	Nil
	Change in the indebtedness during the financial year	Nil	Nil	Nil	Nil
	Addition	Nil	Nil	Nil	Nil
	Reduction	Nil	Nil	Nil	Nil
	Net Change	Nil	Nil	Nil	Nil
	Indebtedness at the end of the financial year	Nil	Nil	Nil	Nil
	i Principal Amount	Nil	Nil	Nil	Nil
	ii Interest due but not paid	Nil	Nil	Nil	Nil
	iii Interest accrued but not due	Nil	Nil	Nil	Nil
	<b>Total (i + ii + iii)</b>	Nil	Nil	Nil	Nil

## VI. Remuneration of Directors and Key Managerial Personnel

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(in Rs.)

Sl. No	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Shri M.Jagadeesh (Managing Director)	Shri K.Pradeep Kumar Reddy (Executive Director & CFO)	
1	<b>Gross Salary</b>			
	(a) Salary as per provisions contained in Section 17 (1) of the Income-tax Act, 1961	34,06,452	43,22,222	77,28,674
	(b) Value of perquisites u/s.17(2) of Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17 (3) of Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit	-	-	-
	- others, specify (arrears relating to previous year)	-	-	-
5	<b>Total (A)</b>	<b>34,06,452</b>	<b>43,22,222</b>	<b>77,28,674</b>
	Ceiling as per the Act (As minimum remuneration)*	<b>34,06,452</b>	<b>43,22,222</b>	<b>77,28,674</b>

In terms of the provisions of the Companies Act, 2013 and Schedule V Part II Section II, Remuneration of Directors is within the said limit.

### B. Remuneration to other Directors

(in Rs.)

Sl. No	Particulars of Remuneration	Fee for attending board/committee meetings	Commission	Others, please specify	Total
(1)	<b>Independent directors</b>				
	Shri K.Prasad	55,000	-	-	55,000
	Shri K.Ganesh	55,000	-	-	55,000
	Shri N.Hari Mohan	40,000	-	-	40,000
	Shri K.Rakesh Rao	5,000	-	-	5,000
	Smt.Neelima Kaushik	30,000	-	-	30,000
	<b>Total (1)</b>	<b>1,85,000</b>	<b>-</b>	<b>-</b>	<b>1,85,000</b>
(2)	<b>Other Non-Executive Directors</b>				
	Shri S.Srekanth Reddy	25,000	-	-	25,000
	Shri K.Satish Chander Reddy	10,000	-	-	10,000
	<b>Total (2)</b>	<b>35,000</b>	<b>-</b>	<b>-</b>	<b>35,000</b>
	<b>Total (B) = (1 + 2)</b>	<b>2,20,000</b>	<b>-</b>	<b>-</b>	<b>2,20,000</b>
	Total Managerial Remuneration	<b>2,20,000</b>	<b>-</b>	<b>-</b>	<b>2,20,000</b>
	Overall Ceiling as per the Act	-	-	-	-

Remuneration of Directors is within the limit of Schedule V Part II Section II of the Companies Act, 2013.

**C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD**

(in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	Total Amount
		Company Secretary	
1	<b>Gross Salary</b>		
	a. Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	20,73,900	20,73,900
	b. Value of perquisites u/s.17 (2) of Income-tax Act, 1961	-	-
	c. Profits in lieu of salary under Section 17 (3) of Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission As % of profit	-	-
	- Others, specify	-	-
5	Others, Allowances	-	-
	<b>Total</b>	<b>20,73,900</b>	<b>20,73,900</b>

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES**

There were no penalties, punishment or compounding of offences during the year ended March 31, 2019.



### Annual Report on CSR Activities

- 1. A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken is given below and the same is also available on the website of the company, [www.sagarsoft.in](http://www.sagarsoft.in).**

Sagarsoft is committed to operate and grow its business in a socially responsible way, while reducing the environmental impact of its operations and increasing its positive social impact.

It aims to achieve growth in a responsible way by encouraging people to take small every day actions that will impact a big difference. This SSIL CSR Policy is guided by the following principles:

1. To conduct its operations with integrity and responsibility keeping in view the interest of all its stakeholders.
2. It believes that growth and environment should go in hand and hand.
3. It looks formal collaboration with different stakeholders including Governments, NGOs, IGOs, Suppliers, Farmers and Distributors to tackle the challenges faced by the society.

The activities undertaken / to be undertaken by the company as CSR activities are not expected to lead to any additional surplus beyond what would accrue to the company in the course of normal operations.

In accordance with Section 135 (5) of the Companies Act, 2013, the company is committed to spend atleast 2% of the average net profit made during the three immediately preceding financial years in areas listed out in the Schedule VII of the Companies Act, 2013.

The company has a structured governance procedure to monitor its CSR activities, for which purpose, it has constituted a CSR Committee with an independent director as its Chairman.

- 2. The composition of the CSR Committee:**

The company has a CSR committee of directors comprising of Shri N.Hari Mohan, Chairman of the Committee, Shri.M.Jagadeesh and Smt.Neelima Kaushik as its members.

- 3. Average net profit/(Loss) of the company for last three financial years for the purpose of computation of CSR:** Rs.372.50 lakhs.
- 4. Prescribed CSR Expenditure (two per cent of the amount as in Item 3 above):** Rs.7.45 lakhs.
- 5. Details of CSR spent during the financial year:**
  - a. Total amount spent for the financial year: Rs.10.56 Lakhs.
  - b. Amount unspent: Nil
  - c. Manner in which the amount was spent during the financial year:

Sl. No	CSR Project or Activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where project or programme was undertaken	Amount Outlay (budget) Project or programme wise	Amount spent on the projects or programmes Subheads: (1) Direct Expenditure (2) Overheads	Cumulative Expenditure upto the Reporting Period	Amount Spent: Direct or through implementing agency
1	Preventive health care and promotion for safe drinking water	Preventive health care and promotion of sanitation and making available safe drinking water.	Ananthapur and Prakasam Districts of Andhra Pradesh and Hyderabad, Telangana	5,85,463	5,85,463	5,85,463	Direct
2	Training and educating	Promotion of Education and Infrastructure for it.	Ananthapur, Andhra Pradesh and Hyderabad, Telangana	3,16,317	3,16,317	3,16,317	Direct
3	Rural Development	Laying of Roads and related works	CM Relief Fund to Andhra Pradesh and Kerala	1,53,800	1,53,800	1,53,800	Direct
	<b>Total CSR spent</b>			<b>10,55,580</b>	<b>10,55,580</b>	<b>10,55,580</b>	

**6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:**

Not applicable.

**7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the company:**

We hereby declare that implementation and monitoring of the CSR policy are in compliance with the CSR objectives and the policy of the company.

**M.Jagadeesh**  
Managing Director  
DIN. 01590689

**N.Hari Mohan**  
Chairman  
Corporate Social Responsibility Committee  
DIN. 01808491

Hyderabad,  
29th April, 2019

## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
**Sagarsoft (India) Limited**  
Hyderabad

### Opinion

We have audited the accompanying individual financial statements of M/s. Sagarsoft (India) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), and the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the individual financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid individual financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the individual financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Individual Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the individual financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the individual financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the individual financial statements of the current period. These matters were addressed in the context of our audit of the individual financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matter	Auditor's Response
1	<p><b>Adoption of Ind AS 115 Revenue from Contracts with Customers (<i>new revenue accounting standard</i>)</b> The application of the new revenue accounting standard involves certain key Judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period.</p>	<p>The company is engaged in business of software maintenance in &amp; Outside India. We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> <li>Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.</li> </ul>

<p>2</p>	<p><b>Payroll sheet generation</b></p> <p>The employee attendance is recorded through biometric. Based on the biometric attendance report and the confirmation of paid leave or LOP by the HR department, accounts department prepares the payroll sheet manually in the excel sheet.</p> <p>There are around 200 employees and the preparation of payroll manually in excel spreadsheet is risky and prone to errors.</p>	<ul style="list-style-type: none"> <li>• Selected a sample of continuing and other contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price.</li> <li>• Selected a sample of continuing and other contracts and performed the following procedures:           <ul style="list-style-type: none"> <li>○ We have verified the time sheets maintained by the company of allocation of employees for each projects in maintenance of customer software and Confirmations from clients for work performed by the company.</li> <li>○ We also verified transaction price charged by the company based on the terms of the contracts.</li> <li>○ We also verified recognition of revenue on timely basis and historic trend of collections from the customers.</li> </ul> </li> </ul> <p><b>Principal Audit Procedures</b></p> <p>Based on the biometric attendance report, we have verified the leaves availed and the gross pay with necessary breakup, the deductions and the net pay in respect of each employee and for all the months in the year. No material discrepancies were found.</p>
<p>3</p>	<p><b>Refund of ITC</b></p> <p>Software exports are subject to Zero rated Tax under GST and the company is eligible to claim refund of GST paid on inputs subject to filing of Form RFD – 01on GST portal.</p>	<p><b>Principal Audit procedures</b></p> <p>We have verified the relevant forms and documents prepared by the company for claiming GST refund and the company is in the process of filing the same through Form RFD – 01 on GST portal</p>

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report and Management discussion and analysis report including Annexures, Corporate Governance and Shareholder's information but does not include the individual financial statements and our auditor's report thereon.

Our opinion on the individual financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the individual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the individual financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Individual Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these individual financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the individual financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the individual financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Individual Financial Statements**

Our objectives are to obtain reasonable assurance about whether the individual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these individual financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a. Identify and assess the risks of material misstatement of the individual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- e. Evaluate the overall presentation, structure and content of the individual financial statements, including the disclosures, and whether the individual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the individual financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the individual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016, ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with in this report are in agreement with the books of account.
- d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. Based on the Written Representation received from the directors as on March 31, 2019, and taken on record by the Board of Directors, we report that none of the directors are

disqualified as on March 31, 2019 from being appointed as a director in terms of Sub-section 2 of Section 164 of the Act.

- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”; Our report expresses an unmodified opinion on the adequacy and the operating effectiveness of the Company’s internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has no pending litigations on its financial position in its financial statements.
  - ii. There is no requirement for any provision as required by any act or Indian Accounting Standards for material foreseeable losses, if any, on long term contracts including derivative contracts.
  - iii. There are no amounts which are required to be transferred to Investor Education and protection fund.

For **LAKSHMI & ASSOCIATES.,**  
Chartered accountants,  
F.R.No.012482S

**MOHAN REDDY T**

Partner

Membership No: 239635

Place: Hyderabad  
Date: April 29, 2019

### Annexure-A to the Auditor's Report

**Annexure referred to in paragraph under 'Report on Other Legal and Regulatory Requirements' section of our report of the Independent Auditor's Report of even date of Sagarsoft (India) Limited, on the financial statements for the year ended March 31, 2019**

In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state the following:

- i.
  - (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The company has verified fixed assets at regular intervals. There were no material discrepancies noticed on such verification.
  - (c) According to information and explanation given to us, the company has no immovable property. Thus, paragraph 3 (i)(c) of the Order is not applicable to the company.
- ii. The Company is rendering software and related consultancy services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- iii. The company has granted loan to a body corporate covered in the register maintained under Section 189 of the Act.
  - (a) In our opinion, the rate of interest and other terms and conditions on which the loan had been granted to the body corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the company.
  - (b) In the case of the loan granted to the body corporate listed in the register maintained under Section 189 of the Act, the borrower has been regular in the payment of the principal and interest as stipulated.
  - (c) There is no overdue amount in respect of the loan granted to a body corporate listed in the register maintained under Section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.
- v. The company has not accepted any deposits, within the meaning of provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Thus, paragraph 3(v) of the Order is not applicable to the company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- vii.
  - (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is regular in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, and other material statutory dues as applicable with the appropriate authorities.



- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, and other material statutory dues in arrears as at March 31, 2019 for the period of more than six months from the date they became payable.
  - (c) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, and other material statutory dues as applicable which have not been deposited on account of any dispute.
- viii. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.
  - ix. The company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the reporting period. The company has not availed any term loans during the financial year.
  - x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
  - xi. According to information and explanation given to us, the company has provided managerial remuneration in accordance with Section 197 read with schedule V to the Companies Act, 2013
  - xii. In our opinion, the company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable for the company.
  - xiii. In our opinion and according to information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 and the details of such transactions have been disclosed in the Ind AS Financial statements of the company as required by applicable Accounting Standards.
  - xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
  - xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
  - xvi. In our opinion, the company is not required to be registered under section 45IA of Reserve Bank of India Act 1934. Thus, paragraph 3(xv) of the Order is not applicable to the company.

For **LAKSHMI & ASSOCIATES.,**  
Chartered accountants,  
F.R.No.012482S

**MOHAN REDDY T**  
Partner  
Membership No: 239635

Place: Hyderabad  
Date: April 29, 2019

## **Annexure - B to the Auditor's Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Sagarsoft (India) Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **LAKSHMI & ASSOCIATES.**,  
Chartered accountants,  
F.R.No.012482S

**MOHAN REDDY T**  
Partner

Membership No: 239635

Place: Hyderabad  
Date: April 29, 2019

**Balance Sheet as at March 31, 2019**

All amounts in Rs.

Particulars	Note	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>Non Current Assets</b>			
(a) Property, Plant and Equipment	3	4,18,75,318	4,80,01,166
(b) Financial Assets			
(i) Loans and Advances	4	63,83,801	20,27,051
(c) Deferred Tax Asset (net)		17,69,946	75,57,402
(d) Advance Income Tax		2,45,00,000	1,45,00,000
<b>Total Non Current Assets</b>		<b>7,45,29,065</b>	<b>7,20,85,618</b>
<b>Current Assets</b>			
(a) Financial Assets			
(i) Trade Receivables	5	9,40,77,797	8,18,26,263
(ii) Cash and Cash Equivalents	6	6,44,63,006	4,33,64,918
(iii) Other Financial Assets	7	7,50,732	4,00,532
(b) Other Current Assets	8	1,80,29,038	1,44,78,755
<b>Total Current Assets</b>		<b>17,73,20,573</b>	<b>14,00,70,468</b>
<b>TOTAL ASSETS</b>		<b>25,18,49,638</b>	<b>21,21,56,086</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	9	5,56,00,000	5,56,00,000
(b) Other Equity	10	15,51,25,296	11,44,71,163
<b>Total Equity</b>		<b>21,07,25,296</b>	<b>17,00,71,163</b>
<b>Non Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	11	10,15,710	14,64,259
(b) Long Term Provisions	12	15,29,490	38,34,676
<b>Total Non Current Liabilities</b>		<b>25,45,200</b>	<b>52,98,935</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Trade Payables	13	29,38,316	54,55,939
(b) Other Current Liabilities	14	3,38,258	15,41,644
(c) Provisions	15	3,53,02,568	2,97,88,405
<b>Total Current Liabilities</b>		<b>3,85,79,142</b>	<b>3,67,85,988</b>
<b>Total Liabilities</b>		<b>4,11,24,342</b>	<b>4,20,84,923</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>25,18,49,638</b>	<b>21,21,56,086</b>

 Corporate Information and  
 significant accounting policies **1 & 2**

See accompanying notes to the financial statements

As per our report of even date

 For **LAKSHMI & ASSOCIATES**

Chartered Accountants (F.R.No.012482S)

**MOHAN REDDY T**

Partner

Membership No. 239635

Place : Hyderabad

Date : 29th April, 2019

For and on Behalf of the Board

**M JAGADEESH**

Managing Director

DIN. 01590689

**K PRADEEP KUMAR REDDY**

Executive Director &amp; CFO

DIN. 02598624

**J RAJA REDDY**

Company Secretary

M.No. A31113

**Statement of Profit and Loss for the year ended March 31, 2019**

All amounts in Rs.

Particulars	Note	For the year ended 31.03.2019	For the year ended 31.03.2018
<b>I. Revenue from Operations</b>	<b>16</b>	<b>40,96,98,083</b>	37,00,06,788
<b>II. Other Income</b>	<b>17</b>	<b>87,44,894</b>	32,71,415
<b>III. Total Income</b>		<b>41,84,42,977</b>	<b>37,32,78,203</b>
<b>IV. Expenses</b>			
Employee Benefits Expenses	18	25,93,09,365	20,36,76,690
Depreciation	3	99,91,566	1,00,09,803
Other Expenses	19	6,09,26,151	7,39,42,062
<b>Total Expense</b>		<b>33,02,27,082</b>	<b>28,76,28,555</b>
<b>V. Profit before tax (I-II)</b>		<b>8,82,15,895</b>	<b>8,56,49,648</b>
<b>VI. Tax expense</b>			
(a) Current tax	20	2,56,18,744	2,36,14,637
(b) Deferred tax	20	2,89,945	17,70,101
<b>Total Tax Expense</b>		<b>2,59,08,689</b>	<b>2,53,84,738</b>
<b>VII. Profit after tax</b>		<b>6,23,07,206</b>	6,02,64,910
<b>VIII. Other comprehensive income</b>			
A. (i) items that will not be classified to profit & loss		-	-
(a) remeasurment of the defined benefit plans		25,03,487	12,25,955
(b) equity instruments through other comprehensive Income		-	-
(ii) income tax relating to items that will not be reclassified to profit or loss		(6,96,470)	(3,37,751)
		<b>18,07,017</b>	8,88,204
<b>IX. Total comprehensive income for the year</b>		<b>6,41,14,223</b>	<b>6,11,53,114</b>
<b>X. Earnings per share (of Rs.10) each in Rs.</b>			
Basic		11.53	11.00
Diluted		11.53	11.00
Corporate Information and significant accounting policies	<b>1 &amp; 2</b>		

See accompanying notes to the financial statements

As per our report of even date

For **LAKSHMI & ASSOCIATES**  
Chartered Accountants (F.R.No.012482S)

**MOHAN REDDY T**  
Partner  
Membership No. 239635

Place : Hyderabad  
Date : 29th April, 2019

For and on Behalf of the Board

**M JAGADEESH**  
Managing Director  
DIN. 01590689

**K PRADEEP KUMAR REDDY**  
Executive Director & CFO  
DIN. 02598624

**J RAJA REDDY**  
Company Secretary  
M.No. A31113

## Statement of changes in equity for the year ended March 31, 2019

### A. Equity Share Capital

Particulars	Amount
Balance as at April 1 , 2017	5,56,00,000
Changes in equity share capital during the year	-
Balance as at 31st March, 2018	5,56,00,000
Changes in equity share capital during the year	-
Balance as at 31st March, 2019	5,56,00,000

### B. Other Equity

Particulars	Reserves and Surplus		Items of other comprehensive income		Total other Equity
	Securities premium account	Retained Earnings	Equity instruments through other comprehensive income	Other items of Other comprehensive income	
Balance as at April 01, 2017	4,56,00,000	1,05,56,159	-	(23,38,111)	5,33,18,048
Profit for the year	-	6,02,64,910	-	-	6,02,64,910
Other comprehensive income for the year	-	-	-	8,88,204	8,88,204
Balance as at March 31, 2018	4,56,00,000	7,08,21,069	-	(19,49,906)	11,44,71,163
Profit for the year	-	6,23,07,206	-	-	6,23,07,206
Other comprehensive income for the year	-	-	-	18,07,017	18,07,017
Less: Dividend (Including of Dividend Tax)	-	(2,34,60,089)	-	-	(2,34,60,089)
Balance as at March 31, 2019	4,56,00,000	10,96,68,186	-	(1,42,889)	15,51,25,296

See accompanying notes to the financial statements

As per our report of even date

For **LAKSHMI & ASSOCIATES**  
Chartered Accountants (F.R.No.012482S)

**MOHAN REDDY T**  
Partner  
Membership No. 239635

Place : Hyderabad  
Date : 29th April, 2019

For and on Behalf of the Board

**M JAGADEESH**  
Managing Director  
DIN. 01590689

**K PRADEEP KUMAR REDDY**  
Executive Director & CFO  
DIN. 02598624

**J RAJA REDDY**  
Company Secretary  
M.No. A31113

All amounts in Rs.

Cash flow statement for the year ended	31.03.2019	31.03.2018
<b>Cash flow from operating activities</b>		
Net profit before taxation	8,82,15,895	8,56,49,648
<b>Adjustment for: Non operating expenses/items</b>		
Provision for tax	(2,59,08,689)	(2,53,84,738)
Profit on sale of asset	-	52,678
Depreciation	99,91,566	1,00,09,803
Provision for employee benefits	18,07,017	8,88,204
<b>Operating profit before working capital changes</b>	<b>7,41,05,789</b>	<b>7,11,10,239</b>
Trade receivables	(1,22,51,534)	(5,60,25,474)
Other financial assets	(1,24,69,779)	(4,48,744)
Trade payables	(25,17,623)	38,87,191
Other financial liabilities	20,05,591	2,38,02,919
<b>Cash generated from operating activities</b>	<b>4,88,72,443</b>	<b>4,32,23,619</b>
<b>Cash flow from investing activities</b>		
Sale of Fixed Assets	-	1,00,000
Purchase of fixed assets and Adjustments	(38,65,718)	(3,38,34,596)
<b>Net cash flow from investing activities</b>	<b>(38,65,718)</b>	<b>(3,37,34,596)</b>
<b>Cash flow from financing activities</b>		
Repayment of vehicle loan	(4,48,549)	8,19,823
Payment of dividend	(2,34,60,089)	-
<b>Net cash from in financing activities</b>	<b>(2,39,08,638)</b>	<b>8,19,823</b>
Net increase in cash and cash equivalents	2,10,98,088	1,03,08,846
Cash and equivalents as at 01-04-2018	4,33,64,918	3,30,56,072
<b>Cash and equivalents as at 31-03-2019</b>	<b>6,44,63,006</b>	<b>4,33,64,918</b>

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **LAKSHMI & ASSOCIATES**  
Chartered Accountants (F.R.No.012482S)

**MOHAN REDDY T**  
Partner  
Membership No. 239635

Place : Hyderabad  
Date : 29th April, 2019

For and on Behalf of the Board

**M JAGADEESH**  
Managing Director  
DIN. 01590689

**K PRADEEP KUMAR REDDY**  
Executive Director & CFO  
DIN. 02598624

**J RAJA REDDY**  
Company Secretary  
M.No. A31113

## Notes forming part of the Financial Statements for the year ended 31.03.2019

### 1. CORPORATE INFORMATION & SIGNIFICANT ACCOUNTING POLICIES

#### (a) Corporate Information

SAGARSOFT (INDIA) LIMITED ('the company') was incorporated under the Companies Act, 1956 as a public limited company on 17.04.1996. The company is engaged in the business of software development. The company is listed in BSE Ltd.

#### (b) Basis of preparation of financial statements

These financial statements have been prepared in accordance with Indian Accounting Standards (IND AS) under the historical cost convention on the accrual basis, the provisions of the Companies Act, 2013 ('the ACT') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI).

The company has been preparing its financial statements in accordance with Indian GAAP which includes standards notified under the companies (Accounting Standard) Rules, 2006 up to the year ended 31st March 2017. On and from 1st April 2017, the company is required to prepare its financial statements as per IND AS.

The company has adopted all the IND AS standards and the adoption was carried out in accordance with IND AS 101, First-Time Adoption of Indian Accounting Standards. The details of the first time adoption, the details of the impact of transition from previous GAAP to IND AS of the company's financial position, financial performance and cash flows are given in note.

#### (c) Use of estimates

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets and fair value measurement of financial instruments, these are discussed below. Key sources of estimation of uncertainty in respect of revenue recognition, employee benefits and provisions and contingent liabilities have been discussed in their respective policies.

#### (d) Revenue Recognition

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11.



The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

**(e) Foreign Currency Transactions:**

Foreign currency transactions are initially recorded at the exchange rates prevailing on the transaction date. All revenues denominated in foreign currency are translated at the exchange rate prevailing on the date of inward remittance. The consequent exchange gains/ losses arising there from are transferred to the statement of profit and loss. All foreign currency denominated monetary assets are translated at the exchange rate prevailing at the Balance Sheet date and the exchange gains/losses resulting there from are transferred to the statement of profit and loss.

**(f) Employee Benefits**

**Short term benefits:**

Short term employee benefits are charged off at the undiscounted amount in the year in which the related services are rendered. Long term benefits: Payments to the defined contribution retirement benefit schemes are charged as an expense as they fall due.

**Gratuity:**

Under defined benefit scheme, Company provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees. In accordance with the Payment of Gratuity Act, 1972, the Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The company has taken a master policy with Life Insurance Corporation of India under group gratuity scheme. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as of the balance sheet date, based upon which, the Company contributes all the ascertained liabilities to the Life Insurance Corporation of India

**Employee Leave Encashment:**

The leave encashment payable to the employees is provided based on the actuarial valuation carried out in accordance with the Ind AS 19 and is not funded.

**Provident fund:**

The company has a defined contribution plan for Provident Fund under which the company contributes the fund to the Regional Provident Fund Commissioner.

**(g) Taxes on income**

**Current Tax**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws

**Deferred Tax**

Deferred tax charge or credit reflects the tax effects due to 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 recognized using the tax rates that have been enacted or substantially enacted by the balance sheet

date. Deferred tax assets are recognized only to the extent there is reasonable certainty that assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed 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 realized.

#### **Minimum Alternate Tax Credit**

MAT credit entitlement represents the amounts paid in a year under Section 115JB of the Income Tax Act 1961 (IT Act) which is in excess of the tax payable, computed on the basis of normal provisions of the IT Act. Such excess amount can be carried forward to set off in future periods in accordance with the relevant provisions of the IT Act. Since such credit represents a resource controlled by the Company as a result of past events and there is evidence as at the reporting date that the Company will pay normal income tax during the specified period, when such credit would be adjusted, the same has been disclosed as “MAT credit entitlement”, in the balance sheet with a corresponding credit to the profit and loss account, as a separate line item.

#### **Impairment**

The carrying value of assets/cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting period is no longer exists or may have decreased, such reversal of impairment loss is recognized in the statement of profit and loss.

#### **(h) Earnings per share:**

The basic earnings per share ('EPS') is computed by dividing the net profit after tax for the year by weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit after tax for the year and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

#### **(i) Property, Plant and Equipment**

Property, plant and equipment are stated at cost net of recoverable taxes, discounts and rebates and includes all costs incurred till the asset is ready for the intended use, less accumulated depreciation and impairment loss, if any.

Property, plant and equipment is depreciated under straight line method after considering the useful life's and residual values at the time of acquisition and reviewed at end of each financial year. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss.

#### **(j) Cash flow statements**

Cash flows are reported using the indirect method, where by profit/(loss) before tax is adjusted for the effects of transactions of a non- cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

## **(k) Financial Instruments**

### **(i) Initial Recognition**

Financial assets and liabilities are recognized when the company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

### **(ii) Subsequent Measurement**

- a. Financial Assets carried at amortized cost: a financial asset is subsequently measured at amortized cost is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- b. Financial assets at fair value through other comprehensive income: A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair.
- c. Financial assets at fair value through profit or loss: A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.
- d. Financial liabilities: Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Note: the above measurements are applied wherever applicable

### **(iii) De-recognition of financial assets and liabilities:**

- a. Financial assets:

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized

in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

b. Financial liabilities:

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Note: the above principles are applied wherever applicable

**Provisions**

Provisions are recognised when, as a result of a past event, the Company has a legal or constructive obligation; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. The amount so recognized is a best estimate of the consideration required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

**(I) Impairment of assets**

a. Financial assets:

Financing component is measured at an amount equal to lifetime Expected Credit Loss (ECL). For all other financial assets, ECL are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables. As a practical expedient, the company uses a provision matrix to determine impairment loss of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. The ECL loss allowance (or reversal) during the year is recognized in the statement of profit and loss.

b. Non-financial assets:

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a

change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation).

## 2. Related Party disclosure

S.No	Nature of Relationship	Name of the Parties
1.	Key Management Personnel	1. Shri S.Sreekanth Reddy 2. Shri M Jagadeesh 3. Shri K.Pradeep Kumar Reddy
2.	Enterprises where key managerial personnel along with their relatives exercise significant influence	1. Sagar Priya Housing and Industrial Enterprises Limited 2. Savyasachi Constructions Pvt Ltd 3. Sapplica Info Technologies Pvt Ltd 4. Sagar Cements Limited 5. Sagar Cements (R) Limited 6. RV Consulting Services Pvt Ltd 7. Sagar Power Limited 8. Sagarsoft Inc 9. Dr. S Anand Reddy 10. Smt. S Vanajatha

Transaction with related parties during the year ended 31<sup>st</sup> March, 2019

Rs.in Lakhs

Nature of Transaction	Key Management Personal	Enterprises where key managerial personnel along with their relatives exercise significant influence	Balance as on 31.03.2019
<b>Remuneration Paid</b>			
1. Shri M Jagadeesh	34.06		—
2. Shri K Pradeep Kumar Reddy	43.22		—
<b>Loan &amp; Advances</b>			
1. Sagar Priya Housing and Industrial Enterprises Limited		—	—
2. RV Consulting Services Pvt. Ltd.		—	—
<b>Rent Paid</b>			
1. Dr. S Anand Reddy		54.75	4.92
2. Smt. S Vanajatha		54.75	4.92
3. Shri S Sreekanth Reddy		54.75	4.92
<b>Trade Receivables</b>			
Sagarsoft Inc.		3,839.77	816.51
<b>Consultancy Services</b>			
1. Sagar Cements Limited		28.32	2.16 Dr.
2. Sagar Cements (R) Limited		14.16	1.14 Dr.
<b>Maintenance Charges paid</b>			
Savyasachi Constructions Pvt Ltd		42.38	3.47 Cr

3. The disclosures required under Ind AS 19 “Employee Benefits” are given below:

- a) Reconciliation of opening and closing balance of Defined benefit obligation:

Amount in Rs.

Description	Year ended Gratuity	
	March 31, 2019	March 31, 2018
Defined benefit obligation at the beginning of the year	1,16,30,643	1,01,71,630
Current service cost	23,97,178	23,39,918
Interest cost	9,00,170	7,64,057
Actuarial (gain) / loss	(25,53,225)	(6,44,906)
Benefits paid	(4,72,169)	(10,00,056)
Defined benefit obligation at the year end	1,22,70,261	1,16,30,643

- b) Reconciliation of opening and closing balances of fair value of plan assets:

Amount in Rs.

Description	Year ended Gratuity	
	March 31, 2019	March 31, 2018
Fair value of plan assets at the beginning of the Year	93,88,229	60,15,016
Expected return on plan assets	8,42,457	4,54,987
Actuarial gain / (loss)	-	-
Employer contribution	37,20,738	39,50,000
Benefits paid	(4,72,169)	(10,00,056)
Fair value of plan asset at the year end	1,31,33,176	93,88,229

- c) Reconciliation of fair value of assets and obligations:

Amount in Rs.

Description	Year ended Gratuity	
	March 31, 2019	March 31, 2018
Fair value of plan assets	1,31,33,176	93,88,229
Present value of obligations	1,22,70,261	1,16,30,643
Amount to be recognized in the Balance sheet	(8,62,915)	22,42,414

- d) Expenses recognized during the year:

Amount in Rs.

Description	Year ended Gratuity	
	March 31, 2019	March 31, 2018
Current service cost	23,97,178	23,39,918
Interest cost	9,00,170	7,64,057
Expected return on plan assets	(8,42,457)	(4,54,987)
Actuarial (gain) / loss	(18,39,482)	(6,13,189)
Net cost	6,15,409	20,35,799

e) Reconciliation of Leave Encashment:

Amount in Rs.

Description	Year ended Leave Encashment	
	March 31, 2019	March 31, 2018
Present Value of Obligation as at the end of the year	18,26,354	19,02,939
Value of fund as at the end of the year	-	-
Funded Status	(18,26,354)	(19,02,939)
Unrecognized Actuarial (gains)/Losses	-	-
Net Asset/(Liability) Recognized in Balance Sheet	(18,26,354)	(19,02,939)

f) Investment details:

100% invested in LIC Group gratuity (cash accumulation policy)

g) Actuarial assumptions

Mortality table (LIC) 2012-14 (ultimate)

Discounting rate – 7.65%

Expected rate of return on plan asset – 8.25%

Rate of escalation in salary – 5%

4. Estimated amount of contracts remaining to be executed on capital account and provided for is Rs.Nil.

5. Contingent Liabilities: Nil (Previous Year: Nil)

6. Segmental Reporting: As the company was engaged only in software development and Consultancy during the year, business segment reporting is not applicable. Geographic revenue is allocated based on the location of the customer:

In Rs.

S.No	Geographic Segments	2018-19	2017-18
01	Exports	40,09,34,683	36,19,32,872
02	Domestic	87,63,400	80,73,916
	Total	40,96,98,083	37,00,06,788

7. The Company has during the year sent out letters seeking confirmations from its suppliers whether they fall under the category of micro, small and medium enterprises as mentioned under the Micro, Small and Medium Enterprises Development Act, 2006. Based on the information available with the Company, the Company believes that it does not have any outstanding dues to micro, small and medium enterprises. Further, the Company has not paid any interest to the micro, small and medium enterprises.

8. Balances due to or due from the parties are subject to confirmation.

9. Figures of previous year have been regrouped / reclassified wherever necessary to conform to the current year's presentation / classification.

10. Figures are rounded off to nearest rupee.

As per our report of even date

For **LAKSHMI & ASSOCIATES**

Chartered Accountants (F.R.No.012482S)

**MOHAN REDDY T**

Partner

Membership No. 239635

Place : Hyderabad

Date : 29th April, 2019

For and on Behalf of the Board

**M JAGADEESH**

Managing Director

DIN. 01590689

**K PRADEEP KUMAR REDDY**

Executive Director & CFO

DIN. 02598624

**J RAJA REDDY**

Company Secretary

M.No. A31113

**3. Property, Plant & Equipment**

All figures in Rs.

PARTICULARS	As at	As at
	31st March, 2019	31st March, 2018
Computers	70,65,467	78,64,581
Office Equipment	54,28,861	54,45,263
Furnitures & Fixtures	2,48,87,392	2,90,88,893
Vehicles	44,93,598	56,02,429
<b>TOTAL</b>	<b>4,18,75,318</b>	<b>4,80,01,166</b>

**For the Year 2018-19**

PARTICULARS	Gross Block			Depreciation			Net block		
	Opening balance 01.04.2018	Additions	Disposals	Balance as at 31st March, 2019	As on 01.04.2018	For the year	Eliminated on disposal of assets	Balance as at 31st March, 2019	As at 31st March, 2018
Computers	7,13,97,151	25,86,132	-	7,39,83,283	6,35,32,569	33,85,247	-	6,69,17,816	78,64,581
Office Equipment	2,38,63,790	12,79,586	-	2,51,43,376	1,84,18,527	12,95,988	-	1,97,14,515	54,45,263
Furnitures & Fixtures	4,45,98,462	-	-	4,45,98,462	1,55,09,569	42,01,501	-	1,97,11,070	2,90,88,893
Vehicles	84,05,060	-	-	84,05,060	28,02,632	11,08,830	-	39,11,462	56,02,429
<b>TOTAL</b>	<b>14,82,64,463</b>	<b>38,65,718</b>	<b>-</b>	<b>15,21,30,181</b>	<b>10,02,63,297</b>	<b>99,91,566</b>	<b>-</b>	<b>11,02,54,863</b>	<b>4,80,01,166</b>
Carrying value as on 31.03.2018	11,53,76,307	3,38,34,596	9,46,440	14,82,64,463	9,11,52,612	1,00,09,803	8,99,118	10,02,63,297	4,80,01,166



All figures in Rs.

PARTICULARS	As at			
	31st March, 2019	31st March, 2018		
<b>4. Loans and Advances</b>				
<b>Financial Assets</b>				
<b>Non current</b>				
Loans and Advances	63,83,801	20,27,051		
<b>Total</b>	<b>63,83,801</b>	<b>20,27,051</b>		
<b>5. Trade Receivables</b>				
Unsecured considered good	9,48,49,386	8,18,26,263		
Less: Expected Credit Loss	7,71,589	-		
<b>Total</b>	<b>9,40,77,797</b>	<b>8,18,26,263</b>		
<b>6. Cash and Cash equivalents</b>				
(a) Cash in hand	20,973	9,252		
(b) Deposits with banks				
- Maturity less than 12 months	5,00,00,000	-		
(c) Balance with banks - in current accounts	1,31,36,761	4,33,55,666		
(d) Balance with banks - in unpaid dividend account 2017-18	13,05,272	-		
<b>Total</b>	<b>6,44,63,006</b>	<b>4,33,64,918</b>		
<b>7. Other Financial Assets</b>				
Deposits	3,26,832	4,00,532		
Prepaid Rent	4,23,900	-		
<b>Total</b>	<b>7,50,732</b>	<b>4,00,532</b>		
<b>8. Other Current Assets</b>				
(a) Interest Receivable	6,92,699	29,89,552		
(b) GST input	1,25,08,656	81,60,882		
(c) Balance with Tax authorities	26,03,898	24,67,175		
(d) Others	22,23,785	8,61,146		
<b>Total</b>	<b>1,80,29,038</b>	<b>1,44,78,755</b>		
<b>9. Equity Share Capital</b>				
Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares	Amount	No. of Shares	Amount
AUTHORISED :				
70,00,000 Equity Shares of Rs. 10/- each	70,00,000	7,00,00,000	70,00,000	7,00,00,000
<b>Total</b>	<b>70,00,000</b>	<b>7,00,00,000</b>	<b>70,00,000</b>	<b>7,00,00,000</b>
(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period				
Opening Balance	55,60,000	5,56,00,000	55,60,000	5,56,00,000
Shares issued during the year	-	-	-	-
Closing Balance	55,60,000	5,56,00,000	55,60,000	5,56,00,000

(b) Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subjected to the approval of the shareholders in the ensuing Annual General Meeting.

(c) Details of shareholders holding more than 5% shares in the company

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Sreekanth Reddy Sammidi	1164450	20.94	1154500	20.76
Rachana Sammidi	645559	11.61	622530	11.20
The Madhavpura Mercantile Co-op Bank	399836	7.19	399836	7.19

**10. Other Equity**

All figures in Rs.

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Share premium account	4,56,00,000	4,56,00,000
Retained earnings	10,95,25,296	6,88,71,163
<b>Total</b>	<b>15,51,25,296</b>	<b>11,44,71,163</b>
<b>Movement in other equity is as follows:</b>		
<b>Securities Premium Account</b>	<b>4,56,00,000</b>	4,56,00,000
<b>Retained earnings</b>		
Opening balance	6,88,71,163	77,18,048
Profit for the year	6,23,07,206	6,02,64,910
Other comprehensive income	18,07,017	8,88,204
	<b>13,29,85,385</b>	<b>6,88,71,163</b>
Less: Dividend for the year 2017-18	1,39,00,000	-
Interim Dividend for the year 2018-19	55,60,000	-
Tax on above Dividends	40,00,089	-
Closing balance	<b>10,95,25,296</b>	<b>6,88,71,163</b>
<b>11. Financial Liabilities</b>		
Non Current Vehicle Loans	10,15,710	14,64,259
<b>Total Non current Liabilities</b>	<b>10,15,710</b>	<b>14,64,259</b>
<b>12. Long Term Provisions</b>		
Non Current Provision for Gratuity	-	22,42,413
Provision for Leave Encasment	15,29,490	15,92,263
<b>Total</b>	<b>15,29,490</b>	<b>38,34,676</b>
<b>13. Trade Payables</b>		
Trade Payables	29,38,316	54,55,939
<b>Total</b>	<b>29,38,316</b>	<b>54,55,939</b>
<b>14. Other Current Liabilities</b>		
Accrued salaries and benefits	3,38,258	15,41,644
<b>Total Current Liabilities</b>	<b>3,38,258</b>	<b>15,41,644</b>

All figures in Rs.

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
<b>15. Provisions</b>		
Provision for expenses	40,24,802	26,49,897
Short term Provision for Leave Enchasmment	2,96,864	3,10,676
Unclaimed Dividend	13,05,272	-
TDS Payable	40,56,886	32,13,195
Provision for income tax	2,56,18,744	2,36,14,637
<b>Total</b>	<b>3,53,02,568</b>	<b>2,97,88,405</b>

All figures in Rs.

PARTICULARS	For the year ended March, 2019	For the year ended March, 2018
<b>16. Revenue from Operations</b>		
Revenue from Software development	40,96,98,083	37,00,06,788
<b>Total Revenue from operations</b>	<b>40,96,98,083</b>	<b>37,00,06,788</b>
<b>17. Other Income</b>		
Interest income	28,51,541	19,91,180
Interest income on financial assets carried at amortized cost	6,24,701	7,41,773
Other income	-	52,678
Foreign Exchange Fluctuation Gain	52,68,652	4,85,784
<b>Total Revenue from operations</b>	<b>87,44,894</b>	<b>32,71,415</b>
<b>18. Employee benefit expenses</b>		
Salaries, Wages and other benefits	24,91,14,907	19,39,62,842
Welfare Expenses	77,39,567	70,64,860
Gratuity	24,54,891	26,48,988
<b>Total</b>	<b>25,93,09,365</b>	<b>20,36,76,690</b>
<b>19. Other Expenses</b>		
Postage and Telephone charges	6,53,402	5,40,684
Internet Charges	10,91,611	9,06,580
Overseas Travel expenses	72,07,324	59,45,177
Travelling and Conveyance	19,97,587	13,96,776
Vehicle Hire Charges	43,28,308	27,85,726
Electricity Charges	16,79,714	11,64,052
Vehicle Maintenance	3,16,084	2,77,043
Printing and Stationery	4,15,973	2,92,264
Office Maintenance	54,41,639	64,43,565
Auditors Remuneration	1,50,000	1,25,000
Rent	1,74,88,900	1,33,86,774
Rates and Taxes	11,73,878	28,29,912
Interest and Bank Charges	2,66,628	4,87,809
Professional and Consultancy charges	1,63,30,384	2,77,61,294
Advertisement charges	72,471	84,386
Donations and Contributions	10,55,580	66,116
Insurance	2,48,215	1,84,900

All figures in Rs.

PARTICULARS	For the year ended March, 2019	For the year ended March, 2018
General Expenses	2,36,864	1,25,389
Debit Balances written off	-	91,38,615
Expected Credit Loss	7,71,589	-
<b>Total</b>	<b>6,09,26,151</b>	<b>7,39,42,062</b>
<b>20. Tax Expense</b>		
Income tax recognised in the statement of profit and loss in respect of current year in respect of prior years	<b>2,56,18,744</b> -	2,36,14,637 -
Total Current Tax	<b>2,56,18,744</b>	<b>2,36,14,637</b>
<b>Deferred Tax</b> in respect of current year	<b>2,89,945</b>	17,70,101
Total Deffered Tax	<b>2,89,945</b>	<b>17,70,101</b>
<b>Total Tax expense</b>	<b>2,59,08,689</b>	<b>2,53,84,738</b>

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**SAGARSOFT (INDIA) LIMITED**

**Registered Office:** Plot No.111, Road No.10, Jubilee Hills, Hyderabad-500 033  
 CIN – L72200TG1996PLC023823  
 Tel.No.: +91-40-67191000, Fax No.: +91-40-23543811  
 E-mail: info@sagarsoft.in Website: www.sagarsoft.in

**ATTENDANCE SLIP**

23<sup>rd</sup> ANNUAL GENERAL MEETING ON WEDNESDAY, THE 24<sup>th</sup> July, 2019 AT 11.30 A.M. AT HOTEL GOLKONDA, MASAB TANK, HYDERABAD-500 028

Folio No.	DP ID No.	Client ID No.
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I/We hereby record my/our present at the Twenty Third Annual General Meeting of the Company at Hotel Golkonda, Masab Tank, Hyderabad, at 11.30 a.m. on Wednesday, the 24<sup>th</sup> July, 2019.

Name of the Member : \_\_\_\_\_ Signature : \_\_\_\_\_

Name of the Proxyholder : \_\_\_\_\_ Signature : \_\_\_\_\_

- Notes:**
1. Only Member / Proxyholder can attend the Meeting.
  2. Please complete the Folio No./DP ID No., Client ID No. and name of the Member / Proxyholder, sign this Attendance Slip and hand it over, duly signed at the entrance of the Meeting hall.
  3. A Member / Proxyholder attending the meeting should bring his/her copy of the Annual Report for reference at the meeting.

**SAGARSOFT (INDIA) LIMITED**

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 E-mail: info@sagarsoft.in Website: www.sagarsoft.in

**PROXY FORM**

(Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member (s) : \_\_\_\_\_

Registered address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_

Folio No. / Client ID No. : \_\_\_\_\_ DP ID No. \_\_\_\_\_

I/We, being the member(s) holding \_\_\_\_\_ shares of Sagarsoft (India) Limited, hereby appoint:

1. Name: \_\_\_\_\_ Email ID: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 \_\_\_\_\_ Signature \_\_\_\_\_ or failing him;

2. Name: \_\_\_\_\_ Email ID: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 \_\_\_\_\_ Signature \_\_\_\_\_ or failing him;

3. Name: \_\_\_\_\_ Email ID: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 \_\_\_\_\_ Signature \_\_\_\_\_

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Third Annual General Meeting of the Company to be held on Wednesday, the 24<sup>th</sup> July, 2019 at 11.30 a.m. at Hotel Golkonda, Masab Tank, Hyderabad-500 028 and at any adjournment thereof in respect of such resolutions as are indicated below:

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Sl. No.	Description of Resolution
1	Adoption of audited financial statements, report of the directors and auditors for the year ended 31st March, 2019.
2.	Confirmation of the Interim Dividend already paid and declaration of further Dividend as detailed in the notice.
3.	Reappointment of Shri M.Jagadeesh, who retires by rotation and is eligible for re-appointment, as Director.
4.	Reappointment of Shri K.Pradeep Kumar Reddy, who retires by rotation and is eligible for re-appointment, as Director.
5	Reappointment of Shri K. Prasad as an Independent Director of the Company.
6.	Reappointment of Shri K. Ganesh as an Independent Director of the Company.
7.	Reappointment of Shri N. Hari Mohan as an Independent Director of the Company.
8.	Reappointment of Shri K. Rakesh Rao as an Independent Director of the Company.

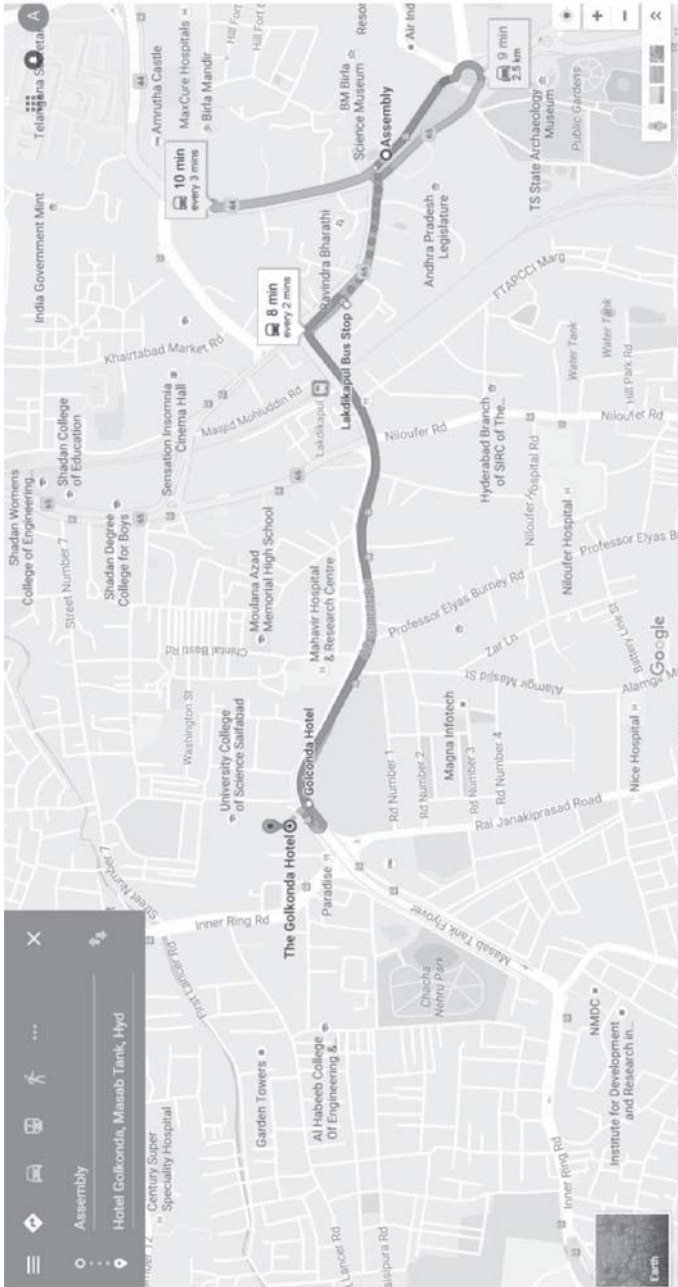
Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Please affix Re.1/- Revenue Stamp
--

Signature of shareholder \_\_\_\_\_ Signature of Proxyholder(s) \_\_\_\_\_

- Note:**
1. This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at Plot No.111, Road No.10, Jubilee Hills, Hyderabad-500 033, not less than 48 hours before the commencement of the Meeting.
  2. A proxy need not be a member of the Company.
  3. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 23<sup>rd</sup> Annual General Meeting of the Company.

## ROUTE MAP FOR AGM







**Sagarsoft (India) Limited**

Plot No. 111, Road No. 10, Jubilee Hills  
Hyderabad - 500 033

Ph : +91-40-67191000

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