

Accelerating Innovation



Sagarsoft®

26<sup>th</sup> ANNUAL  
REPORT  
2022



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## **Consolidated Financials**

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# BOARD OF DIRECTORS



**Sammidi Sreekanth Reddy**  
Chairman – Non-Executive Director



**Jagadeesh Manupati**  
Managing Director

AC CSRC



**K Pradeep Kumar Reddy**  
Executive Director & CFO



**Kalva Satish Chander Reddy**  
Non-Executive Director



**Nalamati Harimohan**  
Independent Director

AC NRC SRC CSRC



**Kondrella Roopesh**  
Non-Executive Director



**Keerthi Anantha**  
Independent Director

NRC SRC



**Neelima Kaushik**  
Independent Director

AC NRC SRC CSRC



**V. Venkat Ramana**  
Independent Director



**K. V. Ramananda Rao**  
Independent Director

Audit Committee ..... AC

Nomination and Remuneration Committee ..... NRC

Chairperson ●

Stakeholders' Relationship Committee ..... SRC

CSR Committee ..... CSRC

Member ●

## Board of Directors

<b>Shri S. Sreekanth Reddy</b>	Chairman - Non-Executive Director
<b>Shri M. Jagadeesh</b>	Managing Director
<b>Shri K. Pradeep Kumar Reddy</b>	Executive Director & CFO
<b>Shri K. Satish Chander Reddy</b>	Non-Executive Director
<b>Shri K. Prasad</b>	Independent Director (up to 04.02.2022)
<b>Shri N. Hari Mohan</b>	Independent Director
<b>Shri K. Rakesh Rao</b>	Independent Director (up to 06.10.2021)
<b>Shri K. Ganesh</b>	Independent Director (up to 04.02.2022)
<b>Smt. Neelima Kaushik</b>	Independent Director
<b>Shri Kondrella Roopesh</b>	Non-Executive Director (w.e.f 10.11.2021)
<b>Smt. Keerthi Anantha</b>	Independent Director (w.e.f 10.11.2021)
<b>Shri V. Venkat Ramana</b>	Independent Director (w.e.f 02.05.2022)
<b>Shri K. V. Ramananda Rao</b>	Independent Director (w.e.f 02.05.2022)

## Company Secretary

**Shri J.Raja Reddy**

## Auditors

**M/s. T Mohan & Associates**

Chartered Accountants (FR No.012482S)  
3-6-237, Flat #606  
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. KFin Technologies Limited**

Plot No. 31-32, Selenium Building  
Tower - B, Gachibowli, Financial District  
Nanakramguda, Serilingampally Mandal  
Hyderabad - 500 032. Telangana

# SAGARSOFT (INDIA) LIMITED

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

CIN: L72200TG1996PLC023823

## NOTICE

Notice is hereby given that the 26th Annual General Meeting of the Members of Sagarsoft (India) Limited will be held on Monday, the 20th day of June, 2022 at 4:30 p.m. thorough Video Conference (“VC”) / Other Audio Visual Means (“OAVM”), to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider, approve and adopt:
  - a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022, together with the Reports of the Board of Directors and the Auditors thereon and
  - b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022, together with the Report of the Auditors thereon.

In this regard to pass the following resolution as an ordinary resolution:

“Resolved that the audited stand-alone financial statements of the Company for the year ended 31st March 2022 together with the reports of the Auditors and Directors thereon and the audited consolidated financial statements of the company for the year ended 31st March, 2022 together with the report of the auditors thereon be and are hereby received, considered, approved and adopted.”

2. To declare dividend of Rs. 3.00 per share (30%) on the equity shares of the company for the financial year ended 31st March, 2022 and in this regard to pass the following resolution as an Ordinary Resolution:

“Resolved that a dividend of Rs.3.00 per share (30%) on the 63,92,238 equity shares of Rs.10/- each of the company be and is hereby declared for the financial year ended 31st March, 2022.

3. To re-appoint the retiring Director Shri S.Srekanth Reddy (DIN: 00123889), 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 S.Srekanth Reddy (DIN: 00123889), 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.Satish Chander Reddy (DIN: 02412539), 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.Satish Chander Reddy (DIN: 02412539), 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.”

5. To appoint Auditors of the company and to fix their remuneration and in this regard, to pass, the following resolution as an Ordinary Resolution:

“Resolved that pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, M/s. Walker Chandiook & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013) be and are hereby appointed as the statutory auditors of the company to hold office for a period of five consecutive years, from the conclusion of this Annual General Meeting of the Company to be held in the calendar year 2027, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the said Auditors.”

### SPECIAL BUSINESS

6. Re-appointment of Shri M.Jagadeesh (DIN: 01590689) as Managing Director of the Company

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

“Resolved that in accordance with Sec.196, 197, 203 and other applicable provisions of the Companies Act, 2013, the rules made there under as amended or re-enacted from time to time, read with its Schedule V and subject to approvals, if any, as may be required from the Central Government and other authorities concerned, approval of the members be and is hereby accorded to the re-appointment of Shri M.Jagadeesh (DIN: 01590689) as Managing Director of the Company, for a period of three (03) years with effect from 01<sup>st</sup> August, 2021 on the following terms:

<b>Tenure</b>	Three years with effect from 01 <sup>st</sup> August, 2021
Salary	Rs.6,00,000/- p.m.
Commission	@ 2% on the Net profit of the Company as calculated under applicable sections of the Companies Act, 2013, for each financial year or a part thereof
Other Terms	
Nature of Duties	The Managing Director (MD) shall devote his time and attention to the business of the company and, subject to the superintendence, control and directions of the Board of Directors (Board), perform in the best interest of the company, such duties and exercise such powers as may be entrusted/assigned to him by the Board and or by any of its committee from time to time.
Termination of the appointment	The appointment may be terminated by either party giving to other party six months notice of such termination.

**Resolved Further** that in the event of loss or inadequacy of profits in any financial year during the tenure of Shri M.Jagadeesh as Managing Director, the above said remuneration be paid to him as the minimum remuneration under Section II (A) of Part II of Schedule V to the Companies Act, 2013.

**Resolved Further** that any member of the Board of Directors of the Company or Company Secretary of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

#### 7. Re-appointment of Shri K.Pradeep Kumar Reddy (DIN: 02598624) as Whole-time Director of the Company

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

**“Resolved that** In accordance with Sec.196, 197, 203 and other applicable provisions of the Companies Act, 2013, the rules made there under as amended or re-enacted from time to time, read with its Schedule V and subject to approvals, if any, as may be required from the Central Government and other authorities concerned, approval of the members be and is hereby accorded to the re-appointment of Shri K.Pradeep Kumar Reddy (DIN: 02598624) as Whole-time Director of the Company, for a period of three (03) years with effect from August 01, 2021 on the following terms:

<b>Tenure</b>	Three years with effect from 01 <sup>st</sup> August, 2021
Salary	Rs.6,00,000/- p.m.
Commission	@ 2% on the Net profit of the Company as calculated under applicable sections of the Companies Act, 2013, for each financial year or a part thereof.
Other Terms	
Nature of Duties	The Whole Time Director (WTD) shall devote his time and attention to the business of the company and perform such duties and exercise such powers as may be entrusted/assigned to him by the MD and or by the Board of Directors (Board) in the best interest of the company from time to time, subject to the superintendence, control and directions of the Board and or by any of its committee from time to time.
Termination of the appointment	The appointment may be terminated by either party giving to other party six months notice of such termination.

**Resolved Further that** in the event of loss or inadequacy of profits in any financial year during the tenure of Shri K.Pradeep Kumar Reddy as Whole Time Director, the above said remuneration be paid to him as the minimum remuneration under Section II (A) of Part II of Schedule V to the Companies Act, 2013.

**Resolved Further that** any member of the Board of Directors of the Company or Company Secretary of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

**8. Appointment of Mr. K.Roopesh (DIN: 06967708) as Non-Executive Director of the company.**

To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

**“Resolved that** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 (hereinafter referred as “the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. K. Roopesh (DIN: 06967708), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the company and liable to retire by rotation with effect from 10<sup>th</sup> November, 2021.”

**9. Appointment of Mrs. Keerthi Anantha (DIN: 09379678) as an Independent Director of the company.**

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

**“Resolved that** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (hereinafter referred as “the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulations 16(1)(b), 25(2A) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mrs. Keerthi Anantha (DIN: 09379678), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company and as recommended by the Nomination and Remuneration Committee, be and is hereby appointed as an Independent Director, not liable to retire by rotation and to hold the said office for a term of five consecutive years with effect from 10<sup>th</sup> November, 2021.”

**10. Appointment of Sri.K.V.Ramananda Rao (DIN: 09170522) as an Independent Director of the Company**

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

**“Resolved that** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other

applicable provisions of the Companies Act, 2013 (hereinafter referred as “the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulations 16(1)(b), 25(2A) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Sri.K.V.Ramananda Rao (DIN: 09170522) who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company and as recommended by the Nomination and Remuneration Committee, be and is hereby appointed as an Independent Director, not liable to retire by rotation and to hold the said office for a term of five consecutive years with effect from 02nd May,2022.”

**11. Appointment of Sri.V.Venkat Ramana (DIN:09587429) as an Independent Director of the Company**

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

**“Resolved that** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (hereinafter referred as “the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulations 16(1)(b), 25(2A) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Sri V. Venkat Ramana (DIN:09587429), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company and as recommended by the Nomination and Remuneration Committee, be and is hereby appointed as an Independent Director, not liable to retire by rotation and to hold the said office for a term of five consecutive years with effect from 02nd May, 2022.”

**12. Appointment of and Remuneration payable to Mr. K.Roopesh as President of IT CATS LLC, USA, a wholly owned subsidiary of the Company.**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**“Resolved that** pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and in terms of Regulation 23 and other applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory amendment, modification or re-enactment

thereof), consent of the members of the Company be and is hereby accorded for appointment and payment of remuneration to Mr. K.Roopesh, Director of the Company holding DIN: 06967708, for holding office or place of profit as President of IT CATS LLC, USA, a wholly owned subsidiary of the Company, on such terms and conditions as may be decided by IT CATS LLC, USA, provided however that the aggregate amount of remuneration (inclusive of salary, perquisites, allowances, incentives, bonuses, retirement benefits, insurance, other facilities etc.) shall not exceed Rs.225.00 Lakhs (USD 3,00,000) per annum plus 2% Commission on the net profits of IT CATS LLC, USA.

**Resolved further that** the Board of Directors or Company Secretary be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.

By Order of the Board of Directors

Hyderabad  
May 20, 2022

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

**Registered Office:**

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

**NOTES:**

1. This AGM is convened through Video Conferencing ("VC")/Other Audio-Visual Means("OAVM") pursuant to General Circular number 14/2020 dated 08.04.2020, 17/2020 dated 13.04.2020, 20/20 dated 05.05.2020, 28/2020 dated 17.08.2020, 02/2021 dated 13.01.2021, 19/2021 dated 08.12.2021, 21/2021 dated 14.12.2021 and 02/2022 dated 05.05.2022 issued by the Ministry of Corporate Affairs (MCA) which allows the companies to hold the Annual General Meeting of companies through Video Conferencing or Other Audio Visual Means ("VC / OAVM"), without the physical presence of the Members at a common venue.
2. In compliance with applicable provisions of the Companies Act, 2013 ("Act") read with the MCA Circulars and SEBI Circulars, the 26th Annual General Meeting of the Company is being conducted through Video Conferencing or Other Audio Visual Means ("VC / OAVM") (hereinafter referred to as "AGM" or "e-AGM"). In accordance with the Secretarial Standard-2 on General Meeting issued by the Institute of Company Secretaries of India (ICSI) read with Guidance/Clarification dated 15th April, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the e-AGM.
3. e-AGM: The Company has appointed M/s KFin Technologies Limited ("KFIN"), Registrar and Transfer Agent of the Company, as the authorized agency to provide the VC/ OAVM facility for conducting AGM electronically and for voting through remote e-voting or through e-voting at the e-AGM.
4. Pursuant to the provisions of the Act, normally, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf who may or may not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Further as per the MCA Circulars and SEBI Circular the facility for appointment of proxies by the Members will not be available for the e-AGM.
5. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the e-AGM on its behalf and to vote either through remote e-voting or during the e-AGM. The said Resolution/ Authorization should be sent electronically through their registered email address to the Scrutinizer at [cs@bssandassociates.com](mailto:cs@bssandassociates.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com) and company's email id at [info@sagarsoft.in](mailto:info@sagarsoft.in)

6. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the special business under Item No's. 6 to 12 of the accompanying Notice, is given in the Annexure-1. The Board of Directors of the Company at its meeting held on 16th May, 2022 considered all the businesses mentioned in the notice of the AGM as being unavoidable, and needed to be transacted at the 26th AGM of the Company.
7. The relevant details required to be given under Regulation 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, in respect of directors seeking appointment / re-appointment at this AGM are given in the Annexure-2.
8. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) is KFin Technologies Limited having office at Selenium Building, Tower B, Plot number 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad, Telangana - 500032.
9. **Attendance at the e-AGM:** Member will be provided with a facility to attend the e-AGM through video conferencing platform provided by KFin Technologies Limited. Members may access the same at <https://evoting.kfintech.com> by clicking "e-AGM - Video Conference & Streaming" and access the shareholders' / members' login by using the remote e-voting credentials which shall be provided as per Note No.20 below. Kindly refer to Note No.19 below for detailed instructions for participating in the e-AGM through Video Conferencing.
10. The Members can join the e-AGM 15 minutes before the meeting or within 15 minutes after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice.
11. As per the MCA Circular, facility of joining the e-AGM through VC/OAVM shall be available for 1000 members on a first-come-first-served basis. However, this restriction shall not apply to large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.
12. A member's log-in to the Video Conferencing platform using the remote e-voting credentials shall be considered for record of attendance of such member for the e-AGM and such member attending the meeting will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
13. Remote e-Voting: Pursuant to the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of Listing Regulations, and the MCA Circulars, the Company is providing facility of remote e-voting to its Members through Company's Registrar and Transfer Agent KFin Technologies Limited. Kindly refer Note No.20 below for detailed instruction for remote-voting.
14. **Voting during the AGM:** Members who are present at the e-AGM through VC and have not cast their vote on resolutions through remote e-voting, may cast their vote during the e-AGM through the e-voting system provided by KFin Technologies Limited in the Video Conferencing platform during the e-AGM. Kindly refer Note No.21 below for instruction for e-voting during the AGM.
15. The Company has fixed 13<sup>th</sup> June, 2022 as the cut-off date for identifying the Members who shall be eligible to vote through remote e-voting facility or for participation and voting in the e-AGM. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date shall be entitled to vote on the resolutions through the facility of Remote e-Voting or participate and vote in the e-AGM.
16. The Register of Members and Transfer Book of the Company will be closed from 14th June, 2022 to 20th June, 2022 (both days inclusive).
17. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the e-AGM along with the Annual Report for the financial year ended on 31st March, 2022 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. The Notice calling the AGM and the Annual Report has been uploaded on the website of the Company at [www.sagarsoft.in](http://www.sagarsoft.in). The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The same is also available on the website of KFin Technologies Limited at their website address <https://evoting.kfintech.com>.
18. **Procedure for registering the email addresses and obtaining the Annual Report, e-AGM notice and e-voting instructions by the shareholders whose email addresses are not registered with the Depositories (in case of shareholders holding shares in Demat form) or with RTA (in case the shareholders holding shares in physical form).**
  - i. Those members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:
    - a. Members holding shares in demat form can get their e-mail ID registered by contacting their respective Depository Participant.
    - b. Members holding shares in physical form may register their email address and mobile number

with Company's Registrar and Share Transfer Agent, KFin Technologies Limited by sending an e-mail request at the email ID **einward.ris@kfintech.com** along with scanned copy of the duly signed request letter by first holder providing the email address, mobile number, self-attested PAN copy and copy of share certificate for registering their email address and receiving the Annual report, AGM Notice and the e-voting instructions.

- ii. Those members who have not registered their email and in consequence the Annual Report, Notice of e-AGM and e-voting notice could not be served, may temporarily get their email address and mobile number provided with the Company's Registrar and Share Transfer Agent, KFin Technologies Limited by clicking the link: <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx> for sending the same. Shareholders are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the Annual Report, Notice of e-AGM and e-voting instructions along with the User ID and Password. In case of any queries, shareholder may write to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).
- iii. Those members who have registered their e-mail address, mobile no., postal address and bank account details are requested to validate/update their registered details by contacting the Depository Participant in case of shares held in electronic form or by contacting KFin Technologies Limited, the Registrar and Share Transfer Agent of the Company, in case of shares held in physical form.

#### **19. Instructions to the Members for attending the e-AGM through Video Conference.**

- i. For attending the e-AGM: Member will be provided with a facility to attend the e-AGM through video conferencing platform provided by KFin Technologies Limited. Members may login into its website link <https://emeetings.kfintech.com> by using the remote e-voting credentials. After logging in, click on "Video Conference" option and the Name of the Company can be selected.
- ii. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the instructions provided in remote e-voting in Note No.20 below.
- iii. Members are encouraged to join the Meeting through Desktops, Laptops, Smart phones, Tablets and iPads with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22 for better experience.
- iv. Further, Members will be required to allow access to the Camera, if any, and are requested to use Internet with good speed to avoid any disturbance during the meeting.

v. Please note that participants using Mobile Devices or Tablets or Laptops or accessing the internet via "Mobile Hotspot" may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

vi. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first-come-first-served basis. Facility of joining AGM will be closed on expiry of 15 minutes from the schedule time of the AGM.

#### **vii. Submission of Questions / queries prior to e-AGM:**

- a) Members desiring any additional information with regard to Accounts/ Annual Reports or has any question or query are requested to write to the Company Secretary on the Company's investor email-id i.e., [info@sagarsoft.in](mailto:info@sagarsoft.in) and marking a copy to [evoting@kfintech.com](mailto:evoting@kfintech.com) mentioning their name, DP ID- Client ID/ Folio number atleast 2 days before the date of the e-AGM so as to enable the Management to keep the information ready. Please note that, members' questions will be answered only if they continue to hold the shares as of cut-off date.
- b) Alternatively, shareholders holding shares as on cut-off date can also post their questions by logging on to the link <https://emeetings.kfintech.com>, by mentioning their name, demat account number/folio number, email ID, mobile number. The window shall be activated during the remote e-voting period and shall be closed 24 hours before the time fixed for the e-AGM.

#### **viii. Speaker Registration before e-AGM:**

In addition to above, speaker registration may also be allowed during the remote e-voting period. Shareholder who wish to register as speakers are requested to visit <https://emeetings.kfintech.com> and click on 'Speaker Registration' during this period. Shareholders shall be provided with a 'queue number' before the e-AGM. Shareholders are requested to remember the same and wait for their turn to be called by the Chairman of the meeting during the Question Answer Session. Due to limitations of transmission and coordination during the e-AGM, the Company may have to dispense with or curtail the Speaker Session, hence shareholders are encouraged to send their questions etc. in advance as provided in Note No.19 (vii) above.

ix. Members who wish to inspect the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013, can send an email to [info@sagarsoft.in](mailto:info@sagarsoft.in).

## 20. Instructions for members for remote e-Voting:

In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Listing Regulations the Members are provided with the facility to cast their vote remotely on all resolutions set-forth in this notice through remote e-voting platform provided by KFin Technologies Limited ('remote e-voting'). Members attending the e-AGM who have not already cast their vote by remote e-voting shall be able to cast their vote electronically during the meeting (e-voting) when window for e-voting is activated upon instructions of the Chairman.

However, in pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-voting facility provided by Listed Companies", e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.

Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-voting facility.

- i. The remote e-voting facility will be available during the following period:
  - a) Day, date and time of commencement of remote e-voting 16th June, 2022 (9.00 A.M. IST) and ends on 19th June, 2022 (5.00 P.M. IST).
  - b) Day, date and time of end of remote e-voting beyond which remote e-voting will not be allowed 19th June, 2022 at 5:00 P.M.
- ii. Details of Website: <https://evoting.kfintech.com>

iii. The voting rights of the Members holding shares in physical form or in dematerialized form, in respect of e-voting shall be reckoned in proportion to their share in the paid-up equity share capital as on the cut-off date being Monday, 13th June, 2022. A person who is not a Member as on the cut-off date should treat Notice of this Meeting for information purposes only.

iv. The Company is sending through email, the AGM Notice and the Annual Report to the shareholders whose name is recorded as on 20th May, 2022 in the Register of Members or in the Register of Beneficial Owners maintained by the depositories. Any person who acquires Shares of the Company and becomes Member of the Company after 20th May, 2022 being the date reckoned for sending through email, the AGM Notice & Annual Report and who holds shares as on the cut-off date i.e. 13th June, 2022 may obtain the User Id and password in the manner as mentioned below:

- a) If the mobile number of the Member is registered against Folio No./ DPID Client ID, the Member may send SMS: MYEPWD <space> 'e-voting Event Number + Folio number or DPID Client ID to +91-9212993399.

Example for NSDL:

MYEPWD<SPACE>IN12345612345678

Example for CDSL:

MYEPWD<SPACE>1402345612345678

Example for Physical:

MYEPWD<SPACE>XXXX1234567890

- b) If e-mail address or mobile number of the Member is registered against Folio No./ DPID Client ID, then on the home page of <https://evoting.kfintech.com>, the Member may click "Forgot Password" and enter Folio No. or DPID Client ID and PAN to generate a password.
- c) Member may call KFin's Toll free number 1800-3094-001. Member may send an e-mail request to [evoting@kfintech.com](mailto:evoting@kfintech.com).

v. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by KFin Technologies Limited upon expiry of aforesaid period.

vi. **Details of persons to be contacted for issues relating to e-voting:**

Mr. K. Raj Kumar, Assistant Vice President - Corporate Registry, KFin Technologies Limited, Unit: Sagarsoft (India) Limited, Selenium Building, Tower B, Plot No 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032. Contact Toll Free No.: 1800-3094-001.

vii. **Details of Scrutinizer:** Shri S.Srikanth, Partner, representing M/s.B S S & Associates, Practicing Company Secretaries (Unique Code of Partnership Firm: P2012AP02600) has been appointed as the Scrutinizers to scrutinize the e-voting process in a fair and transparent manner.

viii. A Member can opt only for single mode of voting i.e., through remote e-voting or voting at the e-AGM. If a member casts votes by both modes, then voting done through remote e-voting shall prevail and vote at the e-AGM shall be treated as invalid.

ix. The procedure and instructions for remote e-voting facility for individual shareholders holding securities in demat mode are provided as follows:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p><b>1. User already registered for IDeAS facility:</b></p> <p>Visit URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> Click on the “Beneficial Owner” icon under “Login” under ‘IDeAS’ Section.</p> <p>On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-voting”</p> <p>Click on company name or e-voting service provider and you will be re-directed to e-voting service provider website for casting the vote during the remote e-voting period.</p>
	<p><b>2. User not registered for IDeAS e-Services</b></p> <p>To register click on link : <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> Select “Register Online for IDeAS” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https:// eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a> Proceed with completing the required fields. Follow steps given in point 1</p>
	<p><b>3. Alternatively by directly accessing the e-Voting website of NSDL</b></p> <p>Open URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> Click on the icon “Login” which is available under ‘Shareholder/Member’ Section.</p> <p>A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.</p> <p>Post successful authentication, you will requested to select the name of the company and the e-voting Service Provider name, i.e. KFinTech.</p> <p>On successful selection, you will be redirected to KFinTech e-voting page for casting your vote during the remote e-voting period.</p>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<p><b>1. Existing user who have opted for Easi / Easiest</b></p> <p>Visit URL: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></p> <p>Click on New System Myeasi</p> <p>Login with your registered user id and password.</p> <p>The user will see the e-voting Menu.</p> <p>The Menu will have links of ESP i.e. KFintech e-voting portal.</p> <p>Click on e-Voting service provider name to cast your vote.</p>
	<p><b>2. User not registered for Easi/Easiest</b></p> <p>Option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>Proceed with completing the required fields.</p> <p>Follow the steps given in point 1</p>
	<p><b>3. Alternatively, by directly accessing the e-Voting website of CDSL</b></p> <p>Visit URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></p> <p>Provide your demat Account Number and PAN No.</p> <p>System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account.</p> <p>After successful authentication, user will be provided links for the respective ESP, i.e KFintech where the e-voting is in progress.</p>
Individual Shareholder login through their demat accounts / Website of Depository Participant	<p>You can also login using the login credentials of your demat account through your DP registered with NSDL / CDSL for e-voting facility.</p> <p>Once logged-in, you will be able to see e-voting option.</p> <p>Once you click on e-voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-voting feature.</p> <p>Click on options available against company name or e-voting service provider - KFintech and you will be redirected to e-voting website of KFintech for casting your vote during the remote e-voting period without any further authentication.</p>

**Important note:** Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43

- x. The procedure and instructions for remote e-voting facility for shareholders other than individual shareholders holding securities in demat mode and shareholders holding shares in physical mode are provided as follows:
- a. Open your web browser during the remote e-voting period and navigate to '<https://evoting.kfintech.com>'.
  - b. Enter the login credentials (i.e. User ID and password mentioned in the email). Your Folio No. or DP ID /Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your vote.
  - c. After entering these details appropriately, click on "LOGIN".  
  
You will now reach password change menu wherein you are required to mandatorily change your login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (like \*, #, @, 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.
  - d. You need to login again with the new credentials.
  - e. On successful login, the system will prompt you to select the e-voting Event Number for Sagarsoft (India) Limited.
  - f. If you are holding shares in Demat form and had logged on to <https://evoting.kfintech.com> and casted your vote earlier for any other Company, then your existing login id and password are to be used.
  - g. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date i.e., 13<sup>th</sup> June, 2022 under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date.
  - h. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
  - i. Members holding multiple folios/ demat accounts shall choose the voting process separately for each of the folios/demat accounts.
  - j. 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.
  - k. You may then cast your vote by selecting an appropriate option and click on "Submit". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote.
  - l. During the voting period, Members can login any number of times till they cast their vote on the Resolution(s).
  - m. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRIs, 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 e-mail ID: [cs@bssandassociates.com](mailto:cs@bssandassociates.com) with a copy to [evoting@kfintech.com](mailto:evoting@kfintech.com) and [info@sagarsoft.in](mailto:info@sagarsoft.in) They may also upload the same in the e-voting module in their login. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name\_ EVENT NO."  
  
In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual for Members available at the download Section of <https://evoting.kfintech.com> or contact Mr. K.Raj Kumar, Assistant Vice President of KFin Technologies Limited at 1800-3094-001 (toll free).
  - n. The Scrutinizer's decision on the validity of the vote shall be final.
  - o. Once the vote on a resolution stated in this notice is cast by Member through remote e-voting, the Member shall not be allowed to change it subsequently and such e-vote shall be treated as final. The Members who have cast their vote by remote e-voting may also attend the e-AGM, however such Member shall not be allowed to vote again during the e-AGM.
  - p. The Scrutinizer after scrutinizing the votes cast by remote e-voting and e- voting during the e-AGM will make a consolidated Scrutinizer's Report and submit the same forthwith not later than 2 working days of conclusion of the e-AGM to the Chairman of the Company or a person authorised by him in writing, who shall countersign the same.
  - q. The Results declared along with the consolidated Scrutinizer's Report shall be hosted on the website of the Company i.e. [www.sagarsoft.in](http://www.sagarsoft.in) and on the website of KFin Technologies Limited i.e.

<https://evoting.kfintech.com>. The results shall simultaneously be communicated to BSE Limited, where the shares of the Company are listed. The result shall also be displayed on the Notice Board at the Registered Office of the Company.

- r. The Resolutions shall be deemed to be passed at the registered office of the Company on the date of the e-AGM, subject to receipt of the requisite number of votes in favour of the Resolutions.

#### **21. Instructions for members for Voting during the e-AGM session**

- i. The e-voting window shall be activated upon instructions of the Chairman of the meeting during the e-AGM.
- ii. e-voting during the AGM is integrate with the VC platform and no separate login is required for the same. The shareholders shall be guided on the process during the e-AGM.
- iii. Members / shareholders, attending the e-AGM through Video Conference, who have not cast their vote on resolutions through Remote e-voting alone shall be eligible to cast their vote through e-voting system available during the e-AGM.
- iv. Members who have voted through Remote e-voting will be eligible to attend the e-AGM. However, they shall not be allowed to cast their vote again during the e-AGM.

#### **GENERAL INSTRUCTIONS AND INFORMATION FOR SHAREHOLDERS**

- 22. As per the Central Board of Direct Taxes (CBDT), it is mandatory to link PAN with Aadhaar number by March 31, 2022. Post March 31, 2022 or any other date as may be specified by the CBDT, RTAs shall accept only valid PANs and the ones which are linked to the Aadhaar number. The folios in which PAN is / are not valid as on the notified cut-off date of March, 31, 2022 or any other date as may be specified by the CBDT, shall also be frozen.

- 23. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. 01st April, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof.

The shareholders are requested to update their PAN with the Company / KFin Technologies Limited (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to [info@sagarsoft.in](mailto:info@sagarsoft.in) by 5.00.p.m IST on 19th June, 2022. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to the RTA / Company. The aforesaid declarations and documents need to be submitted by the shareholders by 5.00.p.m IST on 19th June, 2022.

- 24. Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred, under Section 124 of the Companies Act, 2013, to the Investor Education and Protection Fund ("IEPF"), established under Section 125 of the Companies Act, 2013. Further, pursuant to the provisions of Section 124 of the Act and IEPF Rules, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

25. Members who have not yet encashed the dividend warrants in respect of the dividend declared for subsequent years as detailed below are requested to make their claims to the Company or Company's Registrar and Share Transfer Agents.

Year	Nature of Dividend	Rate of Dividend on share of par value of Rs.10/- each
2017-18	Final	25% (Rs.2.50 per share)
2018-19	Interim	10% (Rs.1.00 per share)
2018-19	Final	15% (Rs.1.50 per share)
2019-20	Final	15% (Rs.1.50 per share)
2020-21	Final	25% (Rs.2.50 per share)

26. The details of dividend lying unclaimed in respect of these years are available in the website of the Company at [www.sagarsoft.in](http://www.sagarsoft.in). Members are requested to contact KFin Technologies Limited, the Registrar and Share Transfer Agents of the Company at the address mentioned in Note No. 8 to claim the unclaimed /unpaid dividends.

It may be noted that once the unclaimed dividend is transferred to IEPF as above, no claim shall rest with the Company in respect of such amount.

27. The Company has fixed 13th June, 2022 as the 'Record Date' for determining entitlement of members to the dividend of Rs. 3/- (30%) per share for the financial year ended 31st March, 2022, if approved at the ensuing AGM.
28. The dividend(s), if any, approved by the Members or declared by the Board of Directors of the Company from time to time, will be paid to the eligible members as per the mandate registered with the Company or with their respective Depository Participants.
29. In the event the Company is unable to pay the dividend to any Member directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant/ Bankers' cheque/ demand draft as the case may be to such Member.
30. If the dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend will be made within 30 days from the date of AGM, subject to deduction of tax at source, as under:

- i. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of the close of

business hours on 13th June, 2022.

- ii. To all Members in respect of shares held in physical form after giving effect to valid transfer, transmission or transposition requests lodged with the Company as of the close of business hours on 13th June, 2022.

31. Updation of Members' details: Pursuant to the SEBI Circular No(s). SEBI/HO/MIRSD/MIRSD\_RTAMB/P/ CIR/2021/655 dated November 03, 2021, SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/23 dated February 24, 2022 and SEBI/HO/MIRSD/RTAMB/ CIR/P/2021/601 dated July 23, 2021, Company/ Registrars and Share Transfer Agents to record additional details of Members, including their PAN details, KYC details, Nomination details, bank mandate details for payment of dividend etc. Members holding shares in physical form are requested to furnish the above details to the Company or KFinTech, its Registrars and Share Transfer Agents. Members holding shares in electronic form are requested to furnish the details to their respective DP.

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 their 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 KFin Technologies Limited.

Members are requested to note that, in order to avoid any loss/ interception in postal transit and also to get prompt credit of dividend through National Electronic Clearing Service (NECS) / Electronic Clearing Service (ECS), they should update their NECS / ECS details with the Company's Registrar and Share Transfer Agents i.e., KFin Technologies Limited (for the shares held in physical form) and their respective Depository

Participants (for the shares held in electronic form).

Members who are holding the shares in physical form are requested to execute the ISR Form-1 & ISR Form-2 to update the changes, if any, in their registered address, signature, contact details, Bank Mandate etc., and to update their PAN number, Phone number, Email address, demat account details etc., and send to the Company's Registrar and Share Transfer Agents indicating their Folio number therein at the address mentioned in Note No. 8.

Members can execute the Form No. SH-13, Form ISR-3 & Form No. SH-14 in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 and SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 03, 2021 for registration of nomination, declaration Form for opting-out of Nomination and cancellation or variation of nomination respectively and send to the Company's Registrar and Share Transfer Agents indicating their Folio number therein at the address mentioned in Note No. 8.

The requisite ISR Forms and nomination forms can be downloaded from the website of the Company at [www.sagarsoft.in](http://www.sagarsoft.in) & also from the website of its Registrar and Share Transfer Agents i.e., KFin Technologies Limited at <https://ris.kfintech.com/clientservices/isc/default.aspx>.

Members holding shares in electronic form are therefore, requested to furnish their details to their respective Depository Participant ("DP") with whom they are maintaining their demat accounts for updating their PAN, KYC details, Nomination and Bank mandate details etc.

32. The members / investors may send their complaints/queries, if any to the Company's Registrar and Share Transfer Agents' e-mail id: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) or to the Company's official E-mail id: [info@sagarsoft.in](mailto:info@sagarsoft.in)
33. The information/documents referred to in the Notice and the Explanatory statement with regard to the accounts or any other matter to be placed at the AGM are available for inspection up to the date of AGM and members are also requested to write to the Company on or before 13th June, 2022 through email to [info@sagarsoft.in](mailto:info@sagarsoft.in) for seeking information, If any, and the same will be replied by the Company suitably.
34. As per Regulation 40 of Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, 1st April, 2019, except in case of request received for transmission or transposition and relogged transfers of securities. Further, SEBI vide its circular no. SEBI/HO/

MIRSD/RTAMB/CIR/ P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgment of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode.

35. To enhance ease of dealing in securities markets by investors, SEBI has decided that listed companies shall henceforth issue the securities in dematerialized form only (vide Gazette Notification no. SEBI/LADNRO/GN/2022/66 dated January 24, 2022) while processing the service request mentioned in the above notification (viz., Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, Transmission and Transposition etc). In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. The Members who are desirous to convert their physical holdings into dematerialized form, may contact the Depository Participant of their choice for dematerializing the same. Members may also contact the Company or its Registrars and Transfer Agents, KFin Technologies Limited (KFIN) for assistance in this regard.
36. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making the requisite changes.
37. In compliance with the aforesaid MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, Notice of the AGM along with the Annual Report 2021-2022 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report for 2021-22 are also available on the Company's website [www.sagarsoft.in](http://www.sagarsoft.in), website of the Stock Exchange i.e., BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of e-voting agency, M/s.KFin Technologies Limited at <https://evoting.kfintech.com>.
38. Members may note that the Annual Report for the year 2021-22 is also available on the Company's website [www.sagarsoft.in](http://www.sagarsoft.in) for their download.
39. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of Listing Regulations read with MCA Circulars and SEBI Circular, the Company is providing remote e-voting facility to its Members in respect of the business to be transacted at the 26th AGM and facility

for those Members to participate in the AGM to cast vote through e-voting system during the AGM.

40. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date shall be entitled to avail the facility of remote e-voting or casting vote through e-Voting system during the meeting.
41. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the e-AGM.
42. During the 26th AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the e-AGM, formally propose to the Members participating through VC/OAVM Facility to vote on the resolutions as set out in the Notice of the AGM and announce the start of the casting of vote through the e-voting system. After the Members participating through VC/OAVM

Facility, eligible and interested to cast votes, have cast the votes, the e-voting will be closed with the formal announcement of closure of the e-AGM.

43. The transcript of this meeting, shall be made available on the website of the Company.
44. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at [www.sagarsoft.in](http://www.sagarsoft.in) and on the website of KFin Technologies Limited immediately after the declaration of Results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to the BSE Limited, Mumbai, where the shares of the company are listed.
45. Since the AGM will be held through VC / OAVM, the Route Map, proxy form and attendance slip are not annexed to this Notice.

By Order of the Board of Directors

Place: Hyderabad  
Date: May 20, 2022

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

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

# Annexure to the Notice of the 26<sup>th</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 12 of the accompanying Notice dated 20th May, 2022.

#### On Item No. 5

This explanatory statement is in terms of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), however, the same is strictly not required as per Section 102 of the Act.

M/s. T. Mohan & Associates, Chartered Accountants, the present statutory auditors of the company will be holding their office till the conclusion of the 26<sup>th</sup> Annual General Meeting of the company and completing their term as auditors, pursuant to Section 139 of the Companies Act 2013, and the rules made thereunder.

Based on the recommendations of the Audit Committee, the board, based on the market standing, technical knowledge and clientele served by it, has considered the appointment of M/s. Walker Chandiook & Co LLP, Chartered Accountants (ICAI Firm Registration Number 001076N/N500013) as the statutory auditors of the Company, for a term of five consecutive years, commencing from the conclusion of the 26<sup>th</sup> Annual General Meeting of the Company till the conclusion of the 31<sup>st</sup> Annual General Meeting to be held in the year 2027.

Disclosure under Regulation 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1.	Proposed Fee Payable	Rs. 27,50,000/- plus applicable taxes and out of pocket expenses for the FY 2022-23.
2.	Terms of appointment	M/s. Walker Chandiook & Co LLP, Chartered Accountants, will hold office from the conclusion of the 26 <sup>th</sup> Annual General Meeting till the conclusion of the 31 <sup>st</sup> Annual General Meeting to conduct the audit of accounts of the Company for the financial years 2022-23 to 2026-27.
3.	Any material Change in the fee payable to auditor from that paid to the outgoing auditor along with the rationale for such change	M/s. Walker Chandiook & Co LLP having 85 years of experience in providing audit, tax and advisory services, considering the above experience and proposal on the payment of fees received from auditors, the Board accorded for payment of Rs.27.5 lakhs which is subject to approval of shareholders.  The amount which is been paid to M/s. T Mohan & Associates (outgoing auditors) is Rs. 2,25,000/-
4.	Basis of recommendation for appointment including the details in relation to and credentials of the statutory auditor (s) proposed to be appointed.	M/s. Walker Chandiook & Co LLP, Chartered Accountants, established in the year 1935 and having firm registration number 001076N/N500013 and having its office at UnitNo-1, 10th Floor, My Home Twitza, Hyderabad Knowledge City, Raidurg, Hyderabad- 500 081.  They are having more than 85 years of experience in India providing audit, tax and advisory services. Having 14 offices in all over India and has 1750+ staff and 55 partners.

M/s. Walker Chandiook & Co LLP, Chartered Accountants has given their consent and confirmed their eligibility for appointment as auditors of the company.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the Members.

None of the Directors or the Key Managerial Personnel (KMP) of the company or the relatives of Directors and KMPs is concerned or interested, financially or otherwise in the Resolution proposed in Item No.5.

#### On Item No. 6

Mr. M. Jagadeesh has been re-appointed as Managing Director of the company in the year 2018 and his tenure has come to an end on 30th October, 2021. With a view to continue availing his services, the Board in its meeting held on July 26, 2021, on the recommendation of its Nomination and Remuneration Committee, has re-appointed him as Managing Director for a period of three years with effect from August 01, 2021 on a revised remuneration as recommended by the said committee as detailed in the resolution. Shri M.Jagadeesh has been

associated with the company since inception and his business acumen and qualities of leadership have contributed in an immense measure to the growth and stability of the company. The Board is of the firm view that it would be in the interest of the company that he be re-appointed as Managing Director and accordingly it commends the special resolution for approval of the Members.

The statement containing information required to be furnished under Section II of Part II of Schedule V to the Companies Act, 2013 read with Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 is given below:

I General Information						
	(1)	Nature of Industry	Software			
	(2)	Date of commencement of commercial operations	18.04.1996			
	(3)	In case of new companies, expected date of commencement activities as per project approved by financial institutions appearing in the prospectus	Not applicable			
	(4)	Financial performance based on given indicators	Description	Rs. in Lakhs		
				<b>2021-22</b>	<b>2020-21</b>	
				Income	5061.02	4186.99
				Profit before Interest Depreciation & Tax	959.45	941.51
			Profit after Tax	<b>524.49</b>	<b>535.02</b>	
	(5)	Export performance and net foreign exchange earnings	Foreign Exchange earned for the year 2021-22 is Rs. 4414.09 Lakhs			
	(6)	Foreign investments or collaborators, if any	Foreign Investments held in the company as on 31.03.2022 are as under:			
			Particulars	No. of Equity Shares of Rs.10/- each		
			Foreign Portfolio Investors	Nil		
			NRIs	7,04,823 Shares		
			Total (% of the paid-up capital)	11.03%		
			There are no foreign collaborators			
II Information about the appointee						
	(1)	Background details	Shri M. Jagadeesh has been associated with the Company since inception. He has contributed to the Company in the area of general administration, marketing and HR. Currently as Managing Director, he is looking after the overall day to day affairs of the Company, subject to superintendence and control of Board of Directors.			
	(2)	Past remuneration	The MD was entitled to the following remuneration in his current tenure:			
			Salary	Consolidated Salary of Rs.4,00,000/- p.m.		
	(3)	Recognition or awards	-			

	(4)	Job profile and suitability	The MD devotes his whole time and attention to the business of the company and carries out such duties as may be entrusted to him by the Board of Directors from time to time and exercises such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interest of the company. Currently, as a Managing Director, he is looking after the overall day to day affairs of the company along with other whole-time director of the company.
			<p><b>Suitability:</b></p> <p>Shri M.Jagadeesh has been associated with the company since inception. He has helped the company to come out of the difficult situations and has been a part of the organization throughout its business cycles so far. He has been instrumental in the revival of the business of the company and its subsequent growth. Under his able leadership, the company, despite the cyclical ups and downs, has had a track record of good performance</p>
	(5)	Remuneration proposed	As detailed in the resolution
	(6)	Comparative remuneration profile with respect to Industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The remuneration being proposed to be paid to Shri M. Jagadeesh is more or less on par with the remuneration prevailing in the companies of similar size in the software industry and in the event of loss or inadequacy of profit in any financial year during his tenure, the same would be paid in accordance with Schedule V of the Companies Act, 2013 as the minimum remuneration
	(7)	Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel or other director, if any	Apart from being the Managing Director of the company and holding 11,400 shares in it in his personal capacity, he does not have any other pecuniary relationship with the company.
<b>III</b>	<b>Other Information</b>		
	(1)	Reasons for loss or inadequate profits	<p>The company did not incur any loss in the years 2020-21 &amp; 2021-22 and barring unforeseen circumstances, there is no likelihood of the company incurring any loss during his proposed tenure as the Managing Director.</p> <p>However as a measure of caution, in the unlikely event of there being loss or inadequacy of profit in any of the financial year during his term as Managing Director, it is proposed to pay the remuneration mentioned in Sl.No.5 as the minimum remuneration.</p>
	(2)	Steps taken or proposed to be taken for improvement	The company has undertaken steps for continued business development and collaborative activities for the improvement
	(3)	Expected increase in productivity and profits in measurable terms	The software industry is expected to get further boost in the coming years with the continuous thrust to these sectors. These will hopefully further increase the demand for IT sector and put the performance of the company on a stronger position.
<b>IV</b>	<b>Additional information as required under Secretarial Standard-2 notified under Section 118 (10) of the Companies Act, 2013 and Regulation 36(3) of SEBI Listing Regulations, 2015</b>		This has been provided in the Annexure-2 to the Notice of the AGM

As the Resolution is for the re-appointment of Shri M.Jagadeesh as Managing Director and payment of remuneration to him, to that extent he may be deemed to be interested in the resolution.

None of the other directors or Key Managerial Personnel (KMP) of the company or the relatives of Directors and KMPs is, in any way, concerned or interested, financially or otherwise, in the Resolution. Your Directors commend the special resolution for approval of the shareholders.

## On Item No. 7

Mr. K. Pradeep Kumar Reddy has been appointed as Executive Director of the company in the year 2018 and his tenure has come to an end on 05th November, 2021. With a view to continue availing his services, the Board in its meeting held on July 26, 2021, on the recommendation of its Nomination and Remuneration Committee, has re-appointed him as Executive Director for a period of three years with effect from August 01, 2021 on a revised remuneration as recommended by the said committee as detailed in the resolution. Shri K.Pradeep Kumar Reddy has been associated with the company since 1999.

The company has immensely benefited from his Technical Knowledge and Leadership qualities. The Board is of the firm view that it would be in the interest of the company that he be re-appointed as Executive Director and accordingly it commends the special resolution for approval of the Members

The statement containing information required to be furnished under Section II of Part II of Schedule V to the Companies Act, 2013 read with Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 is given below:

I General Information				
(1)	<b>Nature of Industry</b>	Software		
(2)	<b>Date of commencement of commercial operations</b>	18.04.1996		
(3)	<b>In case of new companies, expected date of commencement activities as per project approved by financial institutions appearing in the prospectus</b>	Not applicable		
(4)	<b>Financial performance based on given indicators</b>	Description	Rs. in Lakhs	
			<b>2021-22</b>	<b>2020-21</b>
		Income	5061.02	4186.99
		Profit before Interest Depreciation & Tax	959.45	941.51
		Profit after Tax	<b>524.49</b>	<b>535.02</b>
(5)	<b>Export performance and net foreign exchange earnings</b>	Foreign Exchange earned for the year 2021-22 is Rs. 4414.09 Lakhs		
(6)	<b>Foreign investments or collaborators, if any</b>	Foreign Investments held in the company as on 31.03.2022 are as under:		
		Particulars	No. of Equity Shares of Rs.10/- each	
		Foreign Portfolio Investors	Nil	
		NRIs	7,04,823 Shares	
		Total (% of the paid-up capital)	11.03%	
		There are no foreign collaborators		

II		Information about the appointee	
(1)	<b>Background details</b>	Shri K. Pradeep Kumar Reddy has been with the company since 1999. He holds Bachelor of Technology and Masters in Business Management (Finance & Marketing) degrees. He has contributed in the areas of Project Delivery, Finance, HR, identifying new lines of business, and IT Infrastructure Management. Currently he is the Executive Director (ED) of the Company	
(2)	<b>Past remuneration</b>	The ED was entitled to the following remuneration in his current tenure:	
		Salary	Consolidated Salary of Rs.4,00,000/- p.m.
(3)	<b>Recognition or awards</b>	-	
(4)	<b>Job profile and suitability</b>	The ED devotes his whole time and attention to the business of the company and carries out such duties as may be entrusted to him by the Board of Directors from time to time and exercises such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interest of the company. Currently, as a Managing Director, he is looking after the overall day to day affairs of the company along with other whole-time director of the company.	
		<p><b>Suitability:</b></p> <p>Shri K.Pradeep Kumar Reddy has been associated with the company for the past 20 Years. He has established several practice areas including RPO, Support &amp; Maintenance and was instrumental in expanding company services into new generation services including Social media and Mobile development. He took lead in formulating and implementing operational strategies to institute effective cost controls, Financial Management, staffing reductions and revenue improvements.</p>	
(5)	<b>Remuneration proposed</b>	As detailed in the resolution	
(6)	<b>Comparative remuneration profile with respect to Industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)</b>	The remuneration being proposed to be paid to Shri K.Pradeep Kumar Reddy is more or less on par with the remuneration prevailing in the companies of similar size in the software industry and in the event of loss or inadequacy of profit in any financial year during his tenure, the same would be paid in accordance with Schedule V of the Companies Act, 2013 as the minimum remuneration	
(7)	<b>Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel or other director, if any</b>	Apart from being the Executive Director & CFO of the company and holding 365 shares in it in his personal capacity, he does not have any other pecuniary relationship with the company.	

III Other Information		
(1)	<b>Reasons for loss or inadequate profits</b>	The company did not incur any loss in the year 2021-22 and barring unforeseen circumstances, there is no likelihood of the company incurring any loss during his proposed tenure as the Executive Director & CFO.  However as a measure of caution, in the unlikely event of there being loss or inadequacy of profit in any of the financial year during his term as Managing Director, it is proposed to pay the remuneration mentioned in Sl. No. 5 as the minimum remuneration.
(2)	<b>Steps taken or proposed to be taken for improvement</b>	The company has undertaken steps for continued business development and collaborative activities for the improvement
(3)	<b>Expected increase in productivity and profits in measurable terms</b>	The software industry is expected to get further boost in the coming years with the continuous thrust to these sectors. These will hopefully further increase the demand for IT sector and put the performance of the company on a stronger position.
<b>IV Additional information as required under Secretarial Standard-2 notified under Section 118 (10) of the Companies Act, 2013 and Regulation 36(3) of SEBI Listing Regulations, 2015</b>		This has been provided in the Annexure-2 to the Notice of the AGM

As the Resolution is for the re-appointment of Shri K.Pradeep Kumar Reddy as Executive Director and payment of remuneration to him, to that extent he may be deemed to be interested in the resolution.

None of the other directors or Key Managerial Personnel (KMP) of the company or the relatives of Directors and KMPs is, in any way, concerned or interested, financially or otherwise, in the Resolution. Your Directors commend the special resolution for approval of the shareholders.

## On Item No. 8

In terms of Sections 149, 150, 152 of the Companies Act, 2013 ("the Act") and other applicable provisions of the said Act and under applicable Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") or any amendment thereto or modification thereof, based on the recommendations made by the Nomination and Remuneration Committee and subject to the approval of the shareholders, the Board of Directors has appointed Mr. K.Roopesh (DIN: 06967708) as Non-Executive Director with effect from 10th November, 2021.

The Company has received from the above director (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014 ('Appointment Rules') and (ii) intimation in Form DIR-8 in terms of the Appointment Rules to the effect that he is not disqualified under Sub-section (2) of Section 164 of the Act. The Company has received a notice under Section 160 of the Act proposing his appointment as a Director of the Company.

A brief profile of Mr. K.Roopesh is given in Annexure 2, forming part of the Notice. Keeping in view his expertise and knowledge, it would be in the interest of the company, to approve his appointment as a director.

As the Resolution is for the appointment of Mr. K.Roopesh as a Director, to that extent he may be deemed to be interested in the resolution.

None of the other directors or Key Managerial Personnel (KMP) of the company or the relatives of Directors and KMPs is, in any way, concerned or interested, financially or otherwise, in the Resolution. Your Directors commend the resolution for approval of the shareholders.

## On Item No. 9

In terms of Section 149, 150, 152 read with Schedule IV of the Companies Act, 2013 ("the Act") and other applicable provisions of the said Act and under applicable Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") or any amendment thereto or modification thereof, based on the recommendations made by the Nomination and Remuneration Committee and subject to the approval of the shareholders, the Board of Directors has appointed Mrs. Keerthi Anantha as an Independent Director for a term of 5 consecutive years with effect from 10th November, 2021.

In terms of Regulation 25(2A) of the Listing Regulations approval of the Members by way of Special Resolution is sought for the said appointment.

The Company has received from the above director (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014 ("Appointment Rules"), (ii) intimation in Form DIR-8 in terms of the Appointment Rules to the effect that she is not disqualified under Sub-section (2) of Section 164 of the Act, and (iii) a declaration to the effect that she meets the criteria of independence as provided in Sub-section (6) of Section 149 of the Act and as per the Listing Regulations. The Company has received a notice under Section 160 of the Act proposing her appointment as Independent Directors of the Company.

In the opinion of your Board, the above said Director fulfills the conditions specified in the Act, the Rules made there

under and in the Listing Regulations for her appointment as an Independent Directors and she is independent of the management of the Company. In the opinion of the board, the above said director meets the criteria and has the necessary knowledge and experience for being appointed as an Independent Director.

A brief profile of Mrs. Keerthi Anantha is given in Annexure 2, forming part of the Notice. Keeping in view her expertise and knowledge, it would be in the interest of the company, to approve her appointment as an independent director.

Accordingly, the approval of the shareholders is being sought for the above appointment as contemplated in Clause IV of the Schedule IV to the Companies Act, 2013.

Except Mrs. Keerthi Anantha, who may be deemed to be interested in the resolution No.9 as the resolution relates to her appointment, none of the other Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.9 of the Notice.

Copy of the letter containing the terms and conditions of the appointment of Mrs. Keerthi Anantha shall be open for inspection by the Members at free of cost on the Company's website [www.sagarsoft.in](http://www.sagarsoft.in).

Your directors recommend the special resolution for approval of the shareholders.

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## On Item No. 10

In terms of Section 149, 150, 152 read with Schedule IV of the Companies Act, 2013 ("the Act") and other applicable provisions of the said Act and under applicable Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") or any amendment thereto or modification thereof, based on the recommendations made by the Nomination and Remuneration Committee and subject to the approval of the shareholders, the Board of Directors has appointed Shri K.V.Ramananda Rao as an Independent Director for a term of five years with effect from 2<sup>nd</sup> May, 2022.

In terms of Regulation 25(2A) of the Listing Regulations approval of the Members by way of Special Resolution is sought for the said appointment.

The Company has received from the above director (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014 ("Appointment Rules"), (ii) intimation in Form DIR-8 in terms of the Appointment Rules to the effect that he is not disqualified under Sub-section (2) of Section 164 of the Act, and (iii) a declaration to the effect that he meets the criteria of independence as provided in Sub-section (6) of Section 149 of the Act and as per the Listing Regulations. The Company

has received a notice under Section 160 of the Act proposing his appointment as Independent Director of the Company.

In the opinion of your Board, the above said Director fulfills the conditions specified in the Act, the Rules made there under and in the Listing Regulations for his appointment as an Independent Director and he is independent of the management of the Company. In the opinion of the board, the above said director meets the criteria and has the necessary knowledge and experience for being appointed as an Independent Director.

A brief profile of Shri K.V.Ramananda Rao is given in Annexure 2, forming part of the Notice. Keeping in view his expertise and knowledge, it would be in the interest of the company, to approve his appointment as an independent director.

Accordingly, the approval of the shareholders is being sought for the above appointment as contemplated in Clause IV of the Schedule IV to the Companies Act, 2013.

Except Shri K.V.Ramananda Rao, who may be deemed to be interested in the resolution No.10 as the resolution relates to his appointment, none of the other Directors or Key Managerial Personnel of the Company or their relatives is,

in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.10 of the Notice.

Copy of the letter containing the terms and conditions of the appointment of Shri K.V. Ramananda Rao shall be open for inspection by the Members at free of cost on the Company's website [www.sagarsoft.in](http://www.sagarsoft.in).

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## On Item No. 11

In terms of Section 149, 150, 152 read with Schedule IV of the Companies Act, 2013 ("the Act") and other applicable provisions of the said Act and under applicable Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") or any amendment thereto or modification thereof, based on the recommendations made by the Nomination and Remuneration Committee and subject to the approval of the shareholders, the Board of Directors has appointed Shri V.Venkat Ramana as an Independent Director for a term of five years with effect from 2<sup>nd</sup> May, 2022.

In terms of Regulation 25(2A) of the Listing Regulations approval of the Members by way of Special Resolution is sought for the said appointment.

The Company has received from the above director (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014 ('Appointment Rules'), (ii) intimation in Form DIR-8 in terms of the Appointment Rules to the effect that he is not disqualified under Sub-section (2) of Section 164 of the Act, and (iii) a declaration to the effect that he meets the criteria of independence as provided in Sub-section (6) of Section 149 of the Act and as per the Listing Regulations. The Company has received a notice under Section 160 of the Act proposing his appointment as Independent Director of the Company.

In the opinion of your Board, the above said Director fulfills the conditions specified in the Act, the Rules made there

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## On Item No. 12

The Board of Directors at their meeting held on 07th October, 2021 has appointed Mr.K.Roopesh, as President of IT CATS LLC, wholly owned subsidiary of the company with effect from 07th October, 2021.

Mr. K.Roopesh, aged 49 years, is a graduate and IT Professional, is one of the Director of the Company. He is expert in running IT companies, Sales Initiative through Analytics and Technology Requirements, highly adept in all phases of Software Development Life Cycle (SDLC).

As per Section 188 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules,

Your directors recommend the resolution for approval of the shareholders.

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under and in the Listing Regulations for his appointment as an Independent Director and he is independent of the management of the Company. In the opinion of the board, the above said director meets the criteria and has the necessary knowledge and experience for being appointed as an Independent Director

A brief profile of Shri V.Venkat Ramana is given in Annexure 2, forming part of the Notice. Keeping in view his expertise and knowledge, it would be in the interest of the company, to approve his appointment as an independent director.

Accordingly, the approval of the shareholders is being sought for the above appointment as contemplated in Clause IV of the Schedule IV to the Companies Act, 2013.

Except Shri V.Venkat Ramana, who may be deemed to be interested in the resolution No.11 as the resolution relates to his appointment, none of the other Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.11 of the Notice.

Copy of the letter containing the terms and conditions of the appointment of Shri V.Venkat Ramana shall be open for inspection by the Members at free of cost on the Company's website [www.sagarsoft.in](http://www.sagarsoft.in).

Your directors recommend the special resolution for approval of the shareholders.

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2014, a related party transaction will require prior approval of shareholders through ordinary resolution, if the monthly remuneration exceeding two and half lakh rupees to any related party holding any office or place of profit in the company, its subsidiary company or associate company.

The value of proposed aggregate transactions with Mr.K.Roopesh is likely to exceed the said threshold limit. Accordingly, transaction entered into with Mr. K.Roopesh falls within the meaning of related party transaction in terms of provisions of the Companies Act, 2013 and applicable Rules framed thereunder read with the Listing Regulations.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transactions with Mr. K.Roopesh are as follows:

Sl. No.	Particulars	
1.	Name of the Related Party	Mr.K.Roopesh
2.	Name of the Director or KMP who is related	Mr.K.Roopesh
3.	Nature of Relationship	Mr. K.Roopesh, Director of the Company, holding office or place of profit i.e. the President of IT CATS LLC, a wholly-owned subsidiary of the company.
4.	Nature, material terms, monetary value and particulars of the contract or arrangement	Remuneration: Not exceeding Rs.225.00 Lakhs (USD 3,00,000) p.a. plus 2% commission on the net profits of IT CATS LLC.
5.	Any other information relevant or important for the members to take a decision on the proposed resolution	Nil

Except Mr. K.Roopesh and his relatives, none of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends passing of the resolution as set out at item no. 12 of this Notice as an Ordinary Resolution.

By Order of the Board of Directors

Place: Hyderabad  
Date: May 20, 2022

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

**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 appointment/re-appointment at the Annual General Meeting

S. No	Particulars	Name of the Director			
		Shri S. Sreekanth Reddy	Shri K. Satish Chander Reddy	Shri K. Roopesh	Smt. Keerthi Anantha
1	DIN	00123889	02412539	06967708	09379678
2	Date of birth	27.08.1971	05.12.1963	16.06.1973	1609.1980
3	Age	51 years	59 years	49 years	42 years
4	Qualification	B.E. (I & P) and PG Diploma in cement technology	B E., M.S	Graduate and IT Professional	B.A., B.L. (Hons.) degree from the NALSAR University of Law
5	Experience in specific functional areas	Technocrat and Entrepreneur	Technocrat and Entrepreneur	IT Professional	Legal Professional
6	Brief Resume	Is an Engineering Graduate and holding PG Diploma in Cement Technology and has vast experience in the field of Cement Industry	Is an Engineering Graduate and has vast experience in Information Technology.	Mr.K.Roopesh is holding a graduation degree and IT Professional with 20+ years of experience in business development, management, analysis, design, development, of software solutions.	Mrs.Keerthi Anantha is a lawyer with over 18 years of professional experience. She practices in the areas of corporate law, real estate and private client.
7	Nature of Appointment	Retires by rotation and offers himself for re-appointment	Retires by rotation and offers himself for re-appointment	To appoint as an Non-Executive Director	To appoint as an Independent Director
8	Terms and Conditions of appointment / Reappointment	Appointment as a director subject to retirement by rotation under Section 152 of the Companies Act, 2013	Appointment as a director subject to retirement by rotation under Section 152 of the Companies Act, 2013	Appointment as an Non-Executive Director under Section 149 of the Companies Act, 2013 on terms and conditions as detailed in Resolution No. 8	Appointment as an Independent Director under Section 149 of the Companies Act, 2013 on terms and conditions as detailed in Resolution No. 9
9	Date of first appointment on the Board	15.07.1996	26.06.2001	10.11.2021	10.11.2021
10	Directorships in other Public Companies	1. Sagar Power Ltd. 2. Sagar Priya Housing & Industrial Enterprises Ltd. 3. Sagar Cements Ltd.	Nil	Nil	Nil
11	Membership of Audit / Shareholders / Investors Grievances Committees of other Public Limited Companies	Member of Risk Management Committee in Sagar Cements Limited	Nil	Nil	Nil

S. No	Particulars	Name of the Director			
		Shri S. Sreekanth Reddy	Shri K. Satish Chander Reddy	Shri K. Roopesh	Smt. Keerthi Anantha
12	Shareholding in the Company (including shareholding as a beneficial owner)	1167950	632238	Nil	Nil
13	Number of Board Meetings attended	5	6	1	1
14	Details of Remuneration last drawn	An aggregate sitting fee of Rs.25,000 was paid for attending the Board Meetings.	An aggregate sitting fee of Rs.30,000 was paid for attending the Board Meetings	–	An aggregate sitting fee of Rs.15,000 was paid for attending the Board Meetings and its committees
15	Inter-se relationship with other directors, Managers Other Key managerial Personnel of the company	Nil	Nil	Nil	Nil

S. No	Particulars	Name of the Director			
		Shri M. Jagadeesh	Shri K. Pradeep Kumar Reddy	Shri K.V. Ramananda Rao	Shri V. Venkat Ramana
1	DIN	01590689	02598624	09170522	09587429
2	Date of birth	26.07.1971	03.05.1973	26.07.1972	14.01.1973
3	Age	51 years	49 years	48 years	49 years
4	Qualification	–	Bachelor's Degree in Technology and Masters in Business Management.	Post Graduate Diploma in Business Management	Masters in Global Supply chain, Bachelor of Mechanical Engineering
5	Experience in specific functional areas	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.	Appointed as Whole-time Director( wef 06.11.2015). He has wide experience in Information Technology and Business Administration.	During his career, involved in several private equity/ structured debt funding transactions, inbound & outbound M&A transactions across multi-culture, multi-regulatory environments. He also has significant capital market experience having handled several IPOs, Rights Issues, Open Offers and Buyback offers.	Significant experience across manufacturing, planning, supply network design, customer service & logistics in a wide array of business contexts like facilitating growth, managing a turnaround, stabilizing M&As, leading operating model shifts, driving cost leadership etc.
6	Brief Resume	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.	Mr. K.V. Ramananda Rao is a Graduate in Commerce from Bangalore University and also holding a PG Diploma in Business Management from T A Pai Management Institute, Manipal and having 20+ years of experience in business management.	Mr. V. Venkat Ramana is graduate in mechanical Engineering from University of Karnataka and Master's in Business Administration from Haslam College of Business at the University of Tennessee
7	Nature of Appointment	Re-appointment as Managing Director	Re-appointment as Executive Director	To appoint as an Independent Director	To appoint as an Independent Director
8	Terms and Conditions of appointment / Reappointment	Re-appointed as MD of the company on the terms and conditions as detailed in Resolution No.6.	Re-appointed as ED of the company on the terms and conditions as detailed in Resolution No.7.	Appointment as an Independent director under Section 149 of the Companies Act, 2013 on terms and conditions as detailed in Resolution No.10	Appointment as an Independent director under Section 149 of the Companies Act, 2013 on terms and conditions as detailed in Resolution No.11
9	Date of first appointment on the Board	13.06.2002	06.11.2012	02.05.2022	02.05.2022
10	Directorships in other Public Companies	Nil	Nil	Nil	Nil

S. No	Particulars	Name of the Director			
		Shri M. Jagadeesh	Shri K. Pradeep Kumar Reddy	Shri K.V. Ramananda Rao	Shri V. Venkat Ramana
11	Membership of Audit / Shareholders / Investors Grievances Committees of other Public Limited Companies	Nil	Nil	Nil	Nil
12	Shareholding in the Company (including shareholding as a beneficial owner)	11,400	Nil	Nil	Nil
13	Number of Board Meetings attended	6	6	–	–
14	Details of Remuneration last drawn	An amount of Rs. 72,00,000/- was paid towards remuneration and commission as Managing Director for the financial year 2021-22	An amount of Rs. 72,00,000/- was paid towards remuneration and commission as Executive Director and CFO for the financial year 2021-22	–	–
15	Inter-se relationship with other directors, Managers Other Key managerial Personnel of the company	Nil	Nil	Nil	Nil

By Order of the Board of Directors

Place: Hyderabad  
Date: May 20, 2022

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

**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 26th Annual Report together with the audited financial statements of the company for the year ended March 31, 2022.

## FINANCIAL RESULTS

The discussion on the financial condition and results of operations of your company should be read in conjunction with the company's audited stand-alone and the consolidated financial statements containing financials and notes thereto of the Sagarsoft (India) Limited and its subsidiary IT CATS LLC USA for the year ended 31st March, 2022 which are summarized below:

(Rs.in Lakhs)

Particulars	Stand-alone		Consolidated
	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2022
Income from operations	4926.46	4102.58	11778.15
Other Income	134.56	84.41	136.12
<b>Total Income</b>	<b>5061.02</b>	<b>4186.99</b>	<b>11914.27</b>
Total Expenditure	4101.57	3245.48	10605.12
<b>Profit before depreciation, interest and tax</b>	<b>959.45</b>	<b>941.51</b>	<b>1309.15</b>
Depreciation	217.22	215.12	222.73
<b>Profit before tax</b>	<b>742.22</b>	<b>726.39</b>	<b>1086.42</b>
Provision for Tax	211.60	190.41	284.55
Prior period taxes	12.66	-	12.66
Deferred Tax Asset / (Liability) for the year	-6.52	0.96	-6.52
<b>Net Profit</b>	<b>524.49</b>	<b>535.02</b>	<b>795.73</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.

Your Board of Directors is pleased to recommend a dividend of Rs.3.00 (30%) per share on the 63,92,238 equity shares of Rs.10/- each for the year 2021-22. This would result in a total outflow of Rs. 1,91,76,714.

## TRANSFER OF UNCLAIMED / UNPAID AMOUNTS TO THE INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF").

There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

## TRANSFER TO RESERVES

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

## SHARE CAPITAL

During the year, your company has made preferential issue of 8,32,238 equity shares of Rs.10/- each at a price of Rs.254/- per equity share. Accordingly the share capital of your company stood at Rs.6,39,22,380/- divided into 63,92,238 equity shares of Rs.10/- each as at 31st March, 2022.

## UTILISATION OF FUNDS COLLECTED THROUGH PREFERENTIAL ISSUE

Pursuant to the approval accorded by you at the 25th Annual General Meeting held on 07th July, 2021, your board had allotted 8,32,238 Equity shares at an issue price of Rs.254/- per share. Out of which, 6,32,238 equity shares were allotted for consideration other than cash for acquisition of IT CATS LLC and balance 2,00,000 shares for cash and accordingly raised a sum of Rs.5.08 crores through the above allotment and the same was parked in fixed deposit for future investments and other general corporate purposes.

Further details as required under Regulation 32(7A) of the SEBI (LODR) Regulations 2015 regarding the collection and utilization of the funds referred to, have been given elsewhere in the report on corporate governance, which forms part of the Annual Report.

## VARIATIONS IN NET WORTH

The Net worth of the Company as at the Financial Year ending on March 31, 2022 is Rs.5219.58 Lakhs as compared to Rs.2697.58 Lakhs as at the end of previous financial year ended on March 31, 2021.

## 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

Ours is an IT services and consulting organization partnering many of the businesses in their transformational journeys. It has a deep domain expertise in multiple industry verticals and a complete portfolio of offerings. The key vertical clusters are Financial Services, Insurance, Retail and Consumer Business.

The global economy recovered strongly during the year under review even as new variants of the COVID-19 virus fueled additional waves of the pandemic. Robust policy support in advanced economies, availability of vaccines and relaxation of pandemic restrictions helped economies bounce back, collectively expanding world output. Global technology spending grew strongly during the year. The primary drivers were accelerated investments in digital transformation and cloud adoption in response to changed consumer behaviours and the need for greater operational resilience.

Additionally, there was increased outsourcing by enterprises looking to free up financial as well as human resources to execute their transformation programs. A severe talent scarcity added to the outsourcing imperative.

The tech industry is accustomed to high turnover, intense competition for talent, and critical shortages in emerging technology experts, it's has nonetheless been hit especially hard. What makes this year different is that hybrid work is now the norm. In an anywhere/anytime work model, environments should be more collaborative, intuitive, and accessible. Over the next year, we will continue to have deeper, fundamental conversations around reimagining the workplace and work day.

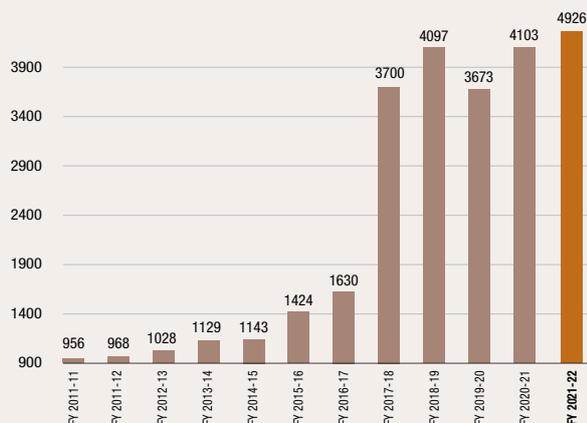
To attract and retain talent, technology companies are trying to capture the best of both the at-home experience and the in-office one, balancing the flexibility their employees are demanding with the business needs of their organization. Company cultures should quickly evolve to take full advantage of both environments. Tech companies that do not adapt may struggle to maintain a unified culture, feeling of belonging, and sense of fairness among their employees, with respect to advancement and compensation.

## COMPANY'S PERFORMANCE

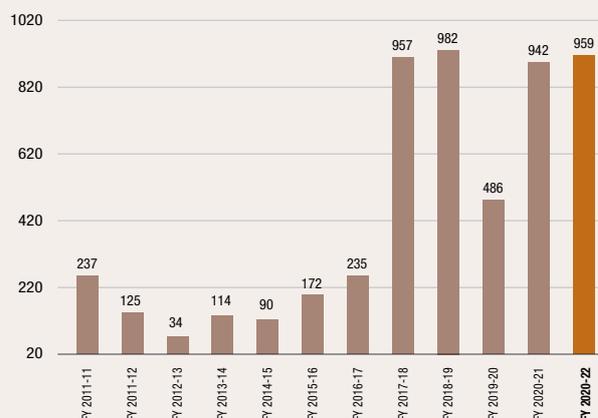
During the year, your company earned a revenue of Rs.4926.46 Lakhs as against Rs. 4102.58 Lakhs in the previous year, registering a increase of around 20%. Earnings before interest, tax, depreciation and amortization (EBITDA) was Rs. 959.45 Lakhs against Rs. 941.51 Lakhs in the previous year. Profit after tax (PAT) for the year was Rs. 524.49 Lakhs as against Rs. 535.02 Lakhs in the previous year.

## PERFORMANCE HIGHLIGHTS

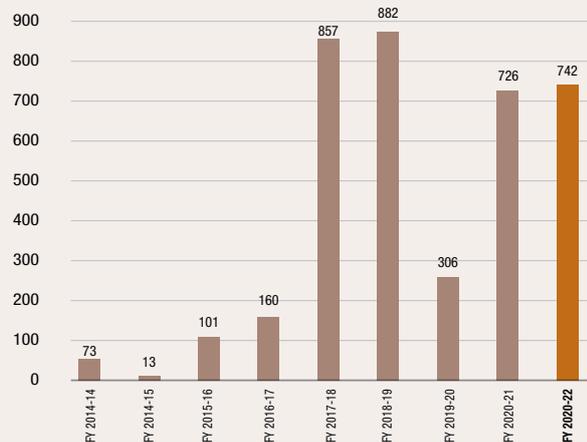
Revenue from Operations Rs. in Lakhs



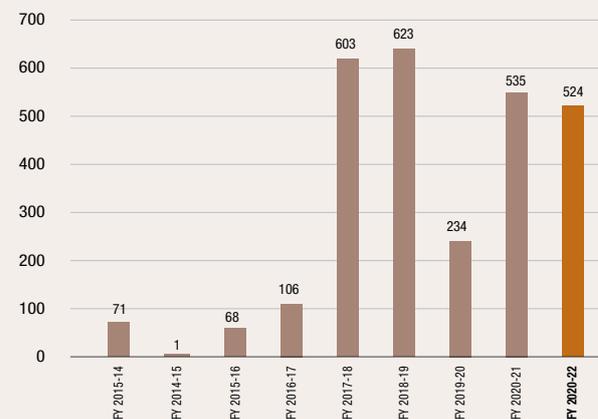
EBIDTA Rs. in Lakhs



PBT Rs. in Lakhs



PAT Rs. in Lakhs



S.No	Ratio	2021-22	2020-21
1	Debtors Turnover Ratio	1.15	1.29
2	Inventory Turnover Ratio	Not Applicable	Not Applicable
3	Interest Coverage Ratio	Not Applicable	Not Applicable
4	Current Ratio	9.29	5.40
5	Debt Equity Ratio	Not Applicable	Not Applicable
6	Net Profit Margin (%)	10.65	13.04
7	Return on Net worth	21.94	24.06

## SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

Your company has acquired 100% stake in IT CATS LLC, USA, engaged in the business of IT consulting and staffing with a broad range of technical skills, including but not limited to ERP, client/server and web based application and database development

Salient features of the financials of the above mentioned wholly-owned subsidiary have been given in Form AOC-1 as Annexure 1 to this report.

Your Company does not have any Joint Ventures or Associate Companies.

## 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 it and the Board.

During the year 2021-22 your Company had not entered into transactions with any person or entity belonging to its promoter / promoter group, which holds 10% or more shareholding in the Company.

## OPPORTUNITIES AND THREATS

We believe the investments we have made, and continue to make, in our people, skillsets & technology as part of our strategy, will enable us to advise and help our clients as they tackle these challenging market conditions.

## OUR STRATEGY

Sagarsoft responsiveness on Pandemic disruption highlights the need for operational resilience and enterprise adaptability and also looking for market share expansion.

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.

## OUTLOOK, RISKS AND CONCERNS

While enterprise spending on technology is expected to go up, growth is expected to moderate year on year at an industry level, leaving space for outperformance through market share gains and strong deal wins. Global growth is expected to moderate in 2022, driven by withdrawal of monetary accommodation in major economies, continued supply side shortages and economic damage.

Cloud is rapidly becoming the preferred platform for enabling XaaS and spurring innovation—powering AI capabilities, intelligent edge services, and advanced wireless connectivity. Many organizations are leveraging a hybrid, multi-cloud strategy to increase access to best-in-breed technologies, optimize costs, improve resilience and reliability, and minimize vendor lock-in. Moreover, distributing workloads—across multiple clouds and on-premise can help enterprises satisfy requirements around performance, data security and privacy, regulation, and cost, which can vary by application and geography. The complexity of this multi-cloud, multi-vendor approach means organizations will need a way to seamlessly integrate and coordinate a multitude of cloud-based applications and data from a single platform or dashboard. Tech companies are stepping forward to meet this growing need for orchestration, and we expect the playing field for solutions to grow over the next few years.

Some of our clients' business operations may be negatively impacted due to the economic downturn – resulting in postponement, termination, suspension of some ongoing projects or reduced demand for our solutions and our ability to continue to deliver service delivery obligations while our employees work from home are sometimes constrained by contractual terms with our clients and are therefore dependent on receiving the requisite approvals from them in time. Restrictions on travel may impact our ability to assign and deploy people at required locations and times to deliver contracted services, thereby impacting our revenue and / or profitability.

These are forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these statements as a result of certain factors. Your Board is cautiously optimistic about the future outlook taking into overall view of the above.

## RISK MANAGEMENT

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. 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.

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 complaints 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 M. Jagadeesh as Managing Director of the company was expired on 30th October, 2021 and the tenure of Shri K.Pradeep Kumar Reddy as Executive Director of the company was expired on 05th November, 2021 and they have been re-appointed for a further period of 3 consecutive years with effective from 01st August, 2021.

On the recommendations of its Nomination and Remuneration Committee, the Board, in its meeting held on 10th November, 2021, appointed Shri K.Roopesh as an Additional Director (Non-Executive) and Smt. Keerthi Anantha as an Additional Director (Independent) w.e.f. 10th November, 2021.

During the year Shri K.Rakesh Rao, Independent Director of the company resigned on 06th October, 2021, and by virtue of an amendment in Regulation 16(1)(b)(vi)(A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Shri K. Ganesh and Shri K. Prasad, Independent Directors of the company resigned from the Board on 04th February, 2022. With the resignations of the above said Independent Directors in order to comply with the requirement of minimum number of Independent Directors as per Regulation 17 of Listing Regulations, the Board based on the recommendation of its Nomination and Remuneration Committee, appointed Shri K.V.Ramananda Rao and Shri.V.Venkat Ramana as Additional Directors in Independent category with effect from 02nd May, 2022.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Shri S.Sreekanth Reddy and Shri K.Satish Chander Reddy will be retiring by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Necessary resolutions seeking the approval of the members for the above said appointment and re-appointment have been incorporated in the notice of the Annual General Meeting of the company.

Except Shri S.Sreekanth Reddy, Promoter of the Company and also who is a Director in Sagar Cements 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. Satish Chander Reddy, 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 he 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.

The Independent Directors have also confirmed that they have complied with Schedule IV of the Companies Act, 2013 and the Company's Code of Conduct.

The Board of Directors is of the opinion that all the Independent Directors possess requisite qualifications, experience & expertise in industry knowledge, financial & corporate governance and they hold highest standards of integrity.

### MEETING OF INDEPENDENT DIRECTORS

The Independent Directors met on February 07, 2022, 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 Director 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. T. Mohan & Associates, Chartered Accountants, the statutory auditors of the company will hold office till the conclusion of the 26th Annual General Meeting of the company. In accordance with the provisions of Section 139 of the Companies Act 2013, and the rules made thereunder, the Board, on the recommendation of the Audit Committee, has appointed Walker Chandiok & Co, LLP, Chartered Accountants (Firm Registration Number 001076N/N500013) as the statutory auditors of the Company, for a term of five consecutive years, i.e., from the conclusion of the 26th Annual General Meeting of the Company till the conclusion of the 31st Annual General Meeting to be held in the year 2027 and the said appointment is subject to approval of shareholders.

### 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-3, which form part of this report. The said report does not contain any qualifications, reservations or adverse remarks.

## SECRETARIAL STANDARDS

Your company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India from time to time and that such systems are adequate and operating effectively.

## PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

## ANNUAL RETURN

Annual Return in the prescribed Form MGT-7 is available on the company's website <https://www.sagarsoft.in/wp-content/uploads/2022/05/MGT-7-31032022.pdf>

## NUMBER OF MEETINGS OF THE BOARD

Six Board meetings were held during the financial year 2021-22 and the gap between two consecutive meetings did not exceed one hundred and twenty days. Details of these meetings of the Board as well as its committees have been given in the Corporate Governance report, which forms parts of the Annual Report.

## SUB COMMITTEES OF THE BOARD

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

The composition and other details of these committees have been given in the report on the corporate governance which forms part of the annual report.

The Board has accepted all the recommendations made by the audit committee

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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, <https://www.sagarsoft.in/community-outreach/>

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

The company's policy on directors' appointment and remuneration and other matters provided in Section 178 (3) of the Act have been disclosed in the Corporate Governance Report.

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. A gist of the policy is available in the Corporate Governance Report.

## BOARD EVALUATION

The Board of directors have carried out an 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	5.93
Shri. K.Pradeep Kumar Reddy, Executive Director & CFO	5.93

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

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

Director, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Shri. S.Sreekanth Reddy	These Directors were not paid any Remuneration, other than sitting fee.
Shri. K.Satish Chander Reddy	
Shri.N.Hari Mohan	
Smt. Neelima Kaushik	
Shri K.Roopesh (w.e.f 10.11.2021)	
Smt. A. Keerthi (w.e.f 10.11.2021)	
Shri.K.Prasad (upto.04.02.2022)	
Shri.K.Ganesh (upto 04.02.2022)	
Smt.Neelima Kaushik	
Shri. M.Jagadeesh, Managing Director	
Shri. K.Pradeep Kumar Reddy, Executive Director & CFO.	50.00
Shri.J.Raja Reddy, Company Secretary	20.00

- c. The percentage increase in the median remuneration of employees in the financial year: -2.73%.
- d. The number of permanent employees on the rolls of Company: 200
- 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:
- f. Affirmation that the remuneration is as per the remuneration policy of the Company:
- The average annual increase was around 8% for personnel other than managerial personnel.
- Increase in the managerial remuneration for the year was 50.00%.
- 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.

## REPORT ON CORPORATE GOVERNANCE

In accordance with SEBI Regulations, the report on corporate governance is given as part of this report.

## COMPLIANCE CERTIFICATE

A certificate as stipulated under Schedule V (E) of the SEBI Listing Regulations from the Statutory Auditors of the Company regarding compliance with the conditions of Corporate Governance is attached to this Report along with a report on Corporate Governance.

## 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.

Foreign Exchange Earning and Outgo	2021-22	2020-21
Foreign Exchange inflow	4414.09	3902.44
Foreign Exchange outflow	60.16	3.91

## DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

The Company takes proactive measures in the development and implementation of a Risk Management Policy with due consideration of the elements of risks which, in the opinion of the Board, may threaten the very existence of the Company's business being;

- (i) financial;
- (ii) legal and regulatory;
- (iii) operating and
- (iv) commercial risks.

## 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 Directors wish to place on record their appreciation of the valuable co-operation extended to the Company by 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**

**S. Sreekanth Reddy**

Chairman

(DIN: 00123889)

Hyderabad  
May16, 2022

## Form No. AOC-1

(Pursuant to first proviso to Sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries / associate companies / Joint ventures**

**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Lakhs)

Sl. No	Particulars	Details
1.	Name of the subsidiary	IT CATS LLC
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	26 <sup>th</sup> July, 2021 to 31 <sup>st</sup> March, 2022
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Dollars Exchange rate 1US \$=INR 75.51
4.	Share Capital	51.16
5.	Reserves & surplus	982.41
6.	Total assets	3727.54
7.	Total Liabilities	3727.54
8.	Investments	Nil
9.	Turnover	7184.05
10.	Profit before taxation	344.20
11.	Provision for taxation	72.95
12.	Profit after taxation	271.24
13.	Proposed Dividend	-
14.	% of shareholding	100%

**Notes:** The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations: Nil.
- Names of subsidiaries which have been liquidated or sold during the year: Nil.

## Part “B”: Associates and Joint Ventures

### Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures: Not applicable

Name of associates/Joint Ventures	Details
Latest audited Balance Sheet Date	Nil
Shares of Associate/Joint Ventures held by the company on the year end	Nil
No.	Nil
Amount of Investment in Associates/Joint Venture -INR	Nil
Extend of Holding%	Nil
Description of how there is significant influence	Nil
Reason why the associate/joint venture is not consolidated	Nil
Net worth attributable to shareholding as per latest audited Balance Sheet	Nil
Profit/Loss for the year	Nil
Considered in Consolidation	Nil
Not Considered in Consolidation	Nil

- Names of associates or joint ventures which are yet to commence operations: Nil
- Names of associates or joint ventures which have been liquidated or sold during the year: Nil

**Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.**

For and on behalf of the Board

**Sagarsoft (India) Limited**

Place: Hyderabad  
Date: May 16, 2022

**M.Jagadesh**  
Managing Director  
(DIN 01590689)

**K. Pradeep Kumar Reddy**  
Executive Director and CFO  
(DIN 02598624)

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

### 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 in to 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 2021-22.

**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 2021-22.

**On behalf of the Board of Directors**

Hyderabad  
May16, 2022

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

## Form No. MR-3

## Secretarial Audit Report For the Financial Year ended March 31, 2022

[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,  
M/s. 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 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 the Company'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, 2022, 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 the Company for the financial year ended on March 31, 2022 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, 2018;
  - d. The Securities Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 / Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - 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;
  - h. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - 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.

Place: Hyderabad  
Date: May 16, 2022

**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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

**We further report that** adequate notice was given to all directors to schedule the Board meetings and agenda with detailed notes there on 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 by them 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, all the decisions of the Board were without any dissent.

**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, the following events were occurred which has a major bearing of the Company's affairs:

- i. The Company has acquired IT CATS LLC, USA by issue and allotting 6,32,238 Equity Shares on a preferential basis to the owner of IT CATS LLC as consideration other than cash with the approval of shareholders through special resolution at the AGM held on 07.07.2021. The details of overseas direct investment in IT CATS LLC are in process of taking on record by the RBI.
- ii. The Company has issued and allotted 2,00,000 Equity Shares for cash on preferential basis with the approval of shareholders through special resolution at the AGM held on 07.07.2021.

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

**S. Srikanth**  
Partner

ACS No.: 22119 | C.P. No.: 7999  
UDIN: A022119D000328216

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.

## Annexure – A

To,

The Members,  
M/s. 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

Place: Hyderabad  
Date: May 16, 2022

ACS No.: 22119 | C.P. No.: 7999  
UDIN: A022119D000328216

## Secretarial Compliance Report of Sagarsoft (India) Limited for the year ended March 31, 2022

To,

**Sagarsoft (India) Limited,**

Plot No.111, Road No.10

Jubilee Hills, Hyderabad

Telangana - 500033.

**We, B S S & Associates, Company Secretaries, have examined:**

- (a) all the documents and records made available to us and explanation provided by Sagarsoft (India) Limited ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended March 31, 2022 ("Review Period") in respect of compliance with the provisions of:
  - (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
  - (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

**The specific Regulations, whose provisions and the circulars / guidelines issued thereunder, have been examined, include:**

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not applicable during the Review Period;
  - (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 / Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - Not applicable during the Review Period;
  - (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable during the Review Period;
  - (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 - Not applicable during the Review Period;
  - (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- and circulars / guidelines issued thereunder;

**And based on the above examination, we hereby report that, during the Review Period:**

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

S. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
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Nil

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.
- (c) The following are the details of the actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder.

S. No.	Action Taken by	Details of Violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
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Not Applicable

- (d) The listed entity has taken the following actions to comply with the observations made in previous reports:

S. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
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Not Applicable

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

**S. Srikanth**  
 Partner

Place: Hyderabad  
 Date: May 16, 2022

ACS No.: 22119 | C.P. No.: 7999  
 UDIN: A022119D000328370

## Annual Report on CSR Activities

### 1. Brief outline on CSR Policy of the Company.

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, <https://www.sagarsoft.in/community-outreach/>

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. Sagarsoft CSR Policy is guided by the following principles:

- i. To conduct its operations with integrity and responsibility keeping in view the interest of all its stakeholders.

- ii. It believes that growth and environment should go in hand and hand.

- iii. 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.

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. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri N.Hari Mohan	Chairman / Independent	01	01
2	Shri.M.Jagadeesh	Member / Executive	01	01
3	Smt.Neelima Kaushik	Member / Independent	01	01

During the year, meeting of the Committee was held on 07.02.2022

- ### 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

The details are available on our website at: <https://www.sagarsoft.in/community-outreach/>

- ### 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) : NA

- ### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1	2020-21	5,706	---
	Total	5,706	---

6. Average net profit of the company as per section 135(5): Rs.638 lakhs

7. (a) Two percent of average net profit of the company as per section 135(5) : Rs.1276150/- (c) Amount required to be set off for the financial year, if any – Rs.5706/-
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - Nil (d) Total CSR obligation for the financial year (7a+7b-7c). - Rs.1294417/-

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
12.94 Lakhs.	Nil	Nil	Nil	Nil	Nil

(b) Details of CSR amount spent against ongoing projects for the financial year: Nil

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project.		Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes/No)	Mode of implementation - through implementing agency	
				State	District			Name	CSR Registration Number
1.	Preventive Health care and promotion for safe drinking water	Preventive health care and promotion of sanitation and making available safe drinking water.	Yes	Telangana	Hyderabad	1294417	Yes	-	-
			No	Andhra Pradesh	SPS Nellore				
2.	Training and Educating	Promotion of Education and Infrastructure for it.	Yes	Telangana	Hyderabad	-	-	-	-
3.	Rural Development	Laying of Roads and related works.	Yes	Telangana	Hyderabad	-	-	-	-
<b>TOTAL</b>						<b>12,94,417</b>			

b) Amount spent in Administrative Overheads: Nil

e) Amount spent on Impact Assessment, if applicable: NA

f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 1294417/-

g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	Rs. 1276150
(ii)	Total amount spent for the Financial Year	Rs. 1294417
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Rs. 18267
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9. a) Details of Unspent CSR amount for the preceding three financial years: Nil  
b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year : NA
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) – NA.

Sd/-  
**M.Jagadeesh**  
Managing Director  
DIN: 01590689

Sd/-  
**N.Hari Mohan**  
Chairman  
CSR Committee  
DIN: 01808491

Hyderabad,  
May 16, 2022

# SAGARSOFT (INDIA) LIMITED

## Corporate Governance Report for the year 2021-22

Pursuant to Schedule V read with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”), compliance with the requirements of Corporate Governance is set out below

### 1. Company’s philosophy on code of governance:

Sagarsoft (India) Limited (“The Company”) believes that adherence to good corporate practice leads to transparency in its operations and improvement in the quality of its relationship with all its stakeholders.

### 2. Board of Directors:

#### Composition:

As on 31st March, 2022, the Board of Directors had eight Directors. All the Directors have made the requisite disclosures regarding directorships and Committee positions held by them in other Companies.

(i) As on 31<sup>st</sup> March, 2021 the Board of Directors of the Company comprises eight (08) Directors among them one (01) is Promoter Non-Executive Chairman, two (02) are Non-Promoter Executive Directors, two (02) are Non-Promoter Non-Executive Directors and three (03) are Independent Directors. As chairperson of the Board of Directors is a Non-Executive Promoter Director, at least half of the Board of Directors of the Company should consist of Independent Directors.

(ii) The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other public companies as on 31st March, 2022 are given

hereunder. Other directorships do not include their directorships if any in private limited companies, foreign companies and companies under Section 8 of the Act. Chairmanships / Memberships of Audit Committee and Stakeholders’ Relationship Committee are alone considered for the purpose.

Name of the Director	Category	Number of board meetings during the year 2021-22		Whether attended last AGM held on 7.7.2021	Number of Directorships in other Public Companies		Number of Committee positions held in other Public Companies	
		Entitled to attend	Attended		Chairman	Member	Chairman	Member
Shri S. Sreekanth Reddy	Non-Executive Director (Promoter)	6	5	Yes	-	2	-	-
Shri M. Jagadeesh	Managing Director (Non Promoter)	6	6	Yes	-	-	-	-
Shri K. Pradeep Kumar Reddy	Executive Director and CFO (Non Promoter)	6	6	Yes	-	-	-	-
Shri K. Satish Chander Reddy	Non-Executive Director (Non Promoter)	6	6	Yes	-	-	-	-
Shri N. Hari Mohan	Independent Non-Executive Director	6	6	Yes	-	-	-	-
Smt. Keerthi Anantha w.e.f 10.11.2021	Independent Non-Executive Director	1	1	NA	-	-	-	-
Shri K. Roopesh w.e.f 10.11.2021	Non-Executive Director (Non Promoter)	1	1	NA	-	-	-	-
Smt. Neelima Kaushik	Independent Non-Executive Director	6	6	Yes	-	-	-	-

Name of the Director	Category	Number of board meetings during the year 2021-22		Whether attended last AGM held on 7.7.2021	Number of Directorships in other Public Companies		Number of Committee positions held in other Public Companies	
		Entitled to attend	Attended		Chairman	Member	Chairman	Member
Shri.K. Prasad up to 04.02.2022	Independent Non-Executive Director	5	5	Yes	-	-	-	1
Shri K. Rakesh Rao up to 06.10.2021	Independent Non-Executive Director	3	1	Yes	-	-	-	-
Shri K. Ganesh up to 04.02.2022	Independent Non-Executive Director	5	5	Yes	-	-	-	-

(iii) Directorships and their category in other listed entities:

Sl. No.	Name of the Director	Names of the other Listed Entities where the person is a director and the category of such directorship	
		Company	Category
1	Shri S.Sreekanth Reddy	Sagar Cements Limited	Joint Managing Director

(iv) As on 31<sup>st</sup> March, 2022, none of the Directors on the Board held directorships in more than seven listed companies and independent directorships in more than seven listed companies and none of them was a member of more than ten committees or chairman of more than five committees across all the listed companies in which he/she was a Director. Necessary disclosures regarding Committee positions in other public companies as on 31<sup>st</sup> March, 2022 have been made by the Directors.

(v) All the Independent Directors are non-executive directors in accordance with Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act. On the expiry of their previous term as independent directors, were re-appointed for a period of 5 years. The Independent Directors have confirmed that they meet with the criteria mentioned under Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act.

(vi) The Board held six meetings during the year under report and the gap between any such two consecutive meetings did not exceed one hundred and twenty days. The dates of these meetings are: 14.05.2021, 22.05.2021, 26.07.2021, 07.10.2021, 10.11.2021 and 07.02.2022.

(vii) None of the Directors have any inter-se relationship among themselves

(viii) During the year under report, all the information as applicable and falling under Part A of the Schedule II of SEBI Listing Regulations, were placed before the Board for its consideration.

(ix) The terms and conditions of appointment of the

Independent Directors are available on the website of the Company.

(x) During the year, the Independent Directors separately held a meeting on 07.02.2022

(xi) The Board periodically reviews the reports furnished to it by the company on compliance with laws applicable to the Company.

(xii) The details of the familiarization programme of the Independent Directors are available on the website of the Company link (<https://www.sagarsoft.in/wp-content/uploads/2021/02/Familiarization-Programme.pdf>)

(xiii) In the opinion of the Board, the independent directors fulfill the conditions specified in the Listing Regulations and are independent of the management.

(xiv) Skill, competence and expertise of the Board of Directors identified by the Board for its effective functioning:

The company's present Board is a skill-based one, comprising of Directors who collectively have the skills directly relevant to performing the function as a member of the Board and the personal attributes or qualities that are identified and considered desirable to be an effective Director like, integrity (ethics), effective communicator, constructive questioner, contributor and team player, commitment and leadership skills. Apart from the above, the whole-time directors of the company have the technical skill / managerial experience, expertise and an in-depth knowledge of the company and IT industry for discharging their responsibilities.

#### (xv) Board Skill Matrix:

In terms of the requirement of the Listing Regulation, the Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company, which are currently available with the Board along with the names of the Directors, who have such skill/expertise/competence, are given below:

<b>Business &amp; Industry</b>	Domain Knowledge in Business and understanding of business environment, Optimising the development in the industry for improving Company's business
<b>Financial Expertise</b>	Financial and risk management, Internal control, Experience of complex financial reporting processes, capital allocation, resource utilisation, Understanding of Financial policies and accounting statement and assessing economic conditions
<b>Governance &amp; Compliance</b>	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long term effective stakeholder engagements and driving corporate ethics and values

Sl.No	Name of the Director	Skill/Expertise/Competence
1	Shri S.Sreekanth Reddy, Chairman	Business & Industry, Governance & Compliance
2	Shri M. Jagadeesh	Business & Industry, Financial Expertise, Governance & Compliance
3	Shri K. Pradeep Kumar Reddy	Business & Industry, Financial Expertise
4	Shri K. Satish Chander Reddy	Business & Industry
5	Shri N. Hari Mohan	Business & Industry, Governance & Compliance
6	Smt. Keerthi Anantha w.e.f 10.11.2021	Business & Industry, Governance & Compliance
7	Shri K.Roopesh w.e.f 10.11.2021	Business & Industry
8	Smt. Neelima Kaushik	Business & Industry, Governance & Compliance
9	Shri K.Prasad up to 04.02.2022	Financial Expertise, Governance & Compliance
10	Shri K. Rakesh Rao up to 06.10.2021	Business & Industry, Governance & Compliance
11	Shri K. Ganesh up to 04.02.2022	Business & Industry, Financial Expertise, Governance & Compliance

(xvi) Details of shares and convertible instruments of the Company held by the Non Executive Directors as on 31<sup>st</sup> March, 2022 are given below:

Name	Category	Number of equity shares
<b>Shri S. Sreekanth Reddy</b>	Non-Executive Director, Promoter	1167950
<b>Shri N. Hari Mohan</b>	Independent Director	52110
<b>Shri K. Satish Chander Reddy</b>	Non-Executive Director	632238

None of the Non-Executive Directors hold any convertible instruments.

(xvii) Detailed reasons for the resignation of an independent director who resigns before the expiry of his [/her] tenure along with a confirmation by such director that there are no other material reasons other than those provided: If any - By virtue of an amendment in Regulation 16(1) (b) (vi) (A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri K.Ganesh and Shri K. Prasad, Independent Directors of the company resigned from the Board on 04th February, 2022 and the both the director have confirmed that there were no other material reasons. Due to his preoccupations, Shri. K.Rakesh Rao resigned from the office of Independent Director on 06.10.2021 and he confirmed that there was no other material reason other than provided.

### 3. Audit Committee

- i. The composition of the audit committee of the Board is in line with the provisions of Regulation 18 of SEBI Listing Regulations, and Section 177 of the Act.
  - ii. The terms of reference of the audit committee is as per Part C of the Schedule II of the SEBI Listing Regulations and include:
    - Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
    - Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
    - Approval of payment to statutory auditors for any other services rendered by them;
    - Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
      - Matters required to be included in the Directors' Responsibility Statement for inclusion in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act.
      - Changes, if any, in the accounting policies and practices and reasons for the same.
      - Major accounting entries involving estimates based on the exercise of judgment by management.
      - Significant adjustments made in the financial statements arising out of audit findings.
      - Compliance with listing and other legal requirements relating to financial statements.
      - Disclosure of related party transactions
      - Qualifications in the draft audit report.
    - Reviewing and monitoring the auditors' independence and performance, and effectiveness of audit process;
    - Approval or any subsequent modifications of transactions with related parties;
    - Scrutiny of inter-corporate loans and investments;
    - Evaluation of internal financial controls;
    - Establishment of vigil mechanism for directors and employees to report their genuine concerns.
    - Calling for comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of quarterly and annual financial statements before their submission to the Board and discussions on any related issues with the internal and statutory auditors and the management of the Company;
    - Review of the information that is required to be carried out mandatorily or otherwise as per SEBI Listing Regulations.
- iii. The audit committee invites to its meetings such of the executives, as it considers appropriate particularly the head of the finance function and representatives of the statutory auditors and internal auditors. The Company Secretary acts as the Secretary to the Committee.
  - iv. Shri J.Raja Reddy, Company Secretary, has been appointed as the Compliance Officer by the Board to ensure compliance and effective implementation of the Insider Trading Code.
  - v. The previous Annual General Meeting ("AGM") of the Company was held on July 07, 2021 and the Chairman of the audit committee was present at the said meeting.

- vi. The composition of the Audit Committee as on 31st March, 2022 and the details of attendance at its meetings held during the year 2021-22 are given below:

Name of the Member	Category of Directors	Number of meetings held during the financial year 2021-22	
		Entitled to attend	Attended
Shri N.Hari Mohan, Chairman (w.e.f 07.02.2022)	Independent Director	1	1
Shri M.Jagadeesh, Member	Managing Director	5	5
Shri Neelima Kaushik, Member (w.e.f 07.02.2022)	Independent Director	1	1
Shri.K.Prasad Chairman (up to 04.02.2022)	Independent Director	4	4
Shri K.Ganesh Member (up to 04.02.2022)	Independent Director	4	4

- vii. The Audit committee met 5 times during the year 2021-22 and the dates of such meeting are: 14.05.2021, 22.05.2021, 26.07.2021, 10.11.2021 and 07.02.2022.

#### 4. Nomination and Remuneration Committee

- Composition of the Nomination and Remuneration Committee (NRC) of the Board is in line with the Regulation 19 of Listing Regulations, and Section 178 of the Act.
- The terms of reference of the NRC are available on the company's website [www.sagarsoft.in](http://www.sagarsoft.in) as part of the Nomination and Remuneration Policy adopted by the company.

#### Nomination and Remuneration policy:

The Policy on Nomination and Remuneration adopted by the company is aimed at attracting, retaining, developing and motivating workforce. Individual performance is assessed and rewarded through an annual appraisal process. Details of this policy are available on the company's web site, [www.sagarsoft.in](http://www.sagarsoft.in)

- The details of the composition of the Nomination and Remuneration Committee as on 31<sup>st</sup> March, 2022, the attendance at its meetings during the year 2021-22, are given below:

Name of the Member	Category of Directors	Number of meetings held during the financial year 2021-22	
		Entitled to attend	Attended
Shri N.Hari Mohan appointed as Chairman (w.e.f. 07.02.2022)	Independent Director	3	3
Smt, Neelima Kaushik Member (w.e.f. 07.02.2022)	Independent Director	–	–
Shri Keerthi Anantha Member (w.e.f. 07.02.2022)	Independent Director	–	–
Shri.K.Prasad Chairman (up to 04.02.2022)	Independent Director	3	3
Shri K.Ganesh Member (up to 04.02.2022)	Independent Director	3	3

The NRC met thrice during the year 2021-22, and the dates of such meeting are: 26.07.2021, 07.10.2021 and 10.11.2021

- iv. The Company presently does not have any Employee Stock Option Scheme.
- v. Performance Evaluation Criteria / Policy for Directors:

The company has adopted a Policy for evaluating the performance of its management personnel, and the same is available on the company's web site.

## 5. Remuneration of Directors

### Remuneration to Non-Executive Directors:

Non-Executive Directors are not paid any remuneration other than the sitting fee of Rs. 5,000/- for each meeting of the Board and Committees thereof attended by them.

Details of sitting fees paid to the non-executive directors during the year 2021-22 are given below:

S.No.	Name of the Director	Sitting Fee (In Rupees)
1	Shri S.Sreekanth Reddy	25,000
2	Shri K. Satish Chander Reddy	30,000
3	Shri K. Rakesh Rao	5,000
4	Shri Nalamati Harimohan	65,000
5	Smt. Neelima Kaushik	50,000
6	Shri K.Ganesh	60,000
7	Shri K.Prasad	60,000
8	Smt. Keerthi Anantha	15,000
	<b>Total</b>	<b>3,10,000</b>

There are no other pecuniary relationships or transactions between the Non-Executive Directors and the Company.

### Remuneration to the Managing Director and Whole time Directors:

The Company pays remuneration to its Managing Director (MD) and Whole-time Directors and/or Manager by way of salary and perquisites, which are fixed components and by way of commission, a variable component. Remuneration to Whole-time Directors is paid in accordance with the recommendation made by the Nomination and Remuneration Committee and

the approval as accorded by the Board of Directors, which is subject to further approval of the shareholders, wherever required.

The whole-time directors were paid the following remuneration for the year 2021-22.

Description	Shri M.Jagadeesh (MD)	Shri K.Pradeep Kumar Reddy (Executive Director & CFO)
Salary	Rs. 64,00,000	Rs. 64,00,000
Commission	Rs. 8,00,000	Rs. 8,00,000
<b>Total</b>	<b>Rs. 72,00,000</b>	<b>Rs. 72,00,000</b>

Services of the Whole-time Directors with the company may be terminated by either party, giving the other party six months' notice. No severance fee is contemplated. The company has not issued any stock options to anyone.

## 6. Stakeholders' relationship committee

- i. The stakeholders' relationship committee is in line with the provisions of Regulation 20 of SEBI Listing Regulations and section 178 of the Act.
- ii. The broad terms of reference of the stakeholders' relationship committee are as under:
  - Consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer or credit of securities, non-receipt of dividend/notice/ annual reports, and other related matters.
  - Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc.
- iii. This composition of the Committee and details of the attendance at the meeting is given below:

Name of the Member	Category of the Director	Number of meetings held during the financial year 2021-22	
		Entitled to Attend	Attended
Shri N. Hari Mohan, Chairman (w.e.f. 07.02.2022)	Independent Director	1	1
Smt. Neelima Kaushil Member (w.e.f. 07.02.2022)	Independent Director	1	1
Smt. Keerthi Anantha, Member (w.e.f. 07.02.2022)	Independent Director	1	1
Shri.K. Prasad Member (up to 04.02.2022)	Independent Director	–	–
Shri K. Rakesh Rao, Member (up to 06.10.2011)	Independent Director	–	–

Shri J.Raja Reddy, Company Secretary, is the compliance officer for the above purpose. Based on the information obtained from the Company's Registrars, the Company had not received any complaints from the investors during the year 2021-22.

Sl.No	Particulars	Opening	Received	Resolved	Pending
1	Non-receipt of shares after transfer / transmission	0	0	0	0
2	Non-receipt of dividend warrants	0	0	0	0
3	Non-receipt of Annual Report	0	0	0	0
4	Non-receipt of Securities	0	0	0	0
5	Non-receipt of duplicate / transmission / deletion of share certificates	0	0	0	0
6	SEBI/BSE/NSE/CSE complaints	0	0	0	0
	Total	0	0	0	0

During the year, one meeting of the Stakeholders' Relationship Committee was held on 07.02.2022.

iv. Name, designation and address of Compliance Officer:

**Shri J.Raja Reddy**

Company Secretary  
Sagarsoft (India) Limited  
Regd.Office: Plot No.111, Road No.10  
Jubilee Hills, Hyderabad-500 033  
Telephone: 91 40 67191000  
Fax: 91 40 23114607

## Other Committees

### 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, by, inter-alia, 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 make a big difference. This CSR Policy of the company 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. Growth and environment should go hand in hand.
3. Availing of opportunities for collaborating with different stakeholders including Governments, NGOs, Suppliers and Distributors to tackle the challenges faced by the society.

During the year, one meeting of the Committee was held on 07.02.2022.

The composition of the CSR Committee and details of the attendance at the meeting is given below:

Name of the Member	Category of the Director	Number of meetings held during the financial year 2021-22	
		Entitled to attend	Attended
Shri N.Hari Mohan, Independent Director	Chairman	1	1
Shri M.Jagadeesh, Managing Director	Member	1	1
Smt Neelima Kaushik, Independent Director	Member	1	1

## 7. General Body Meetings

### i. General Meeting

The details of the time, venue and the date of the last three Annual General Meetings of the Company are given below:

AGM	Date	Time	Venue
25th AGM	07th July, 2021	4.00 p.m.	Video Conference ("VC") / Other Audio Visual Means
24th AGM	15th July, 2020	3.30 p.m.	
23rd AGM	24th July, 2019	11.30 a.m.	Hotel Golkonda Masab Tank, Hyderabad - 500 028

## Following are the details of Special Resolutions passed in the above said Annual General Meetings:

### At the 23<sup>rd</sup> AGM, following special resolution was passed:

1. Re-appointment of Shri K.Prasad as an Independent Director of the Company
2. Re-appointment of Shri K.Ganesh as an Independent Director of the Company
3. Re-appointment of Shri N.Hari Mohan as an Independent Director of the Company
4. Re-appointment of Shri K.Rakesh Rao as an Independent Director of the Company

### At the 24<sup>th</sup> AGM, following special resolution was passed:

1. To borrow money for the purpose of business, as per section 180(1)(c) of the Companies Act, 2013.

2. To mortgage the assets of the company as per section 180(1)(a) of the Companies Act, 2013.
3. To make Investments as per section 186 of the Companies Act 2013

### At the 25<sup>th</sup> AGM, following special resolution was passed:

1. Amendment to the Articles of Association consequent to the proposed increase in the Authorised Share Capital.
2. Acquisition of IT CATS LLC USA by issue of Equity Shares on a preferential basis to the owner of IT CATS LLC as consideration other than cash
3. Issue of Equity Shares on Preferential basis.
4. Appointment of Smt.Neelima Kaushik as Independent Director of the company.

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#### ii. No postal ballot was conducted during the financial year 2021- 22.

#### iii. There is no proposal to pass any special resolution exclusively through postal ballot.

#### iv. Procedure for Postal Ballot – when conducted

The postal ballot is conducted in accordance with the provisions contained in Section 110 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014. The shareholders are provided the facility to vote either by physical ballot or through e-voting. The postal ballot notice is sent to shareholders in electronic form to the email addresses, where available, or in physical form through permitted mode where email addresses are not available. The Company also publishes a notice in the newspapers in accordance with the requirements under the Companies Act, 2013.

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Shareholders holding equity shares as on the cut-off date may cast their votes through e-voting or through postal ballot during the voting period fixed for this purpose. After completion of scrutiny of votes, the scrutinizer submits his report to the Chairman and the results of voting by postal ballot are announced within 48 hours of conclusion of the voting period. The results are displayed on the website of the Company ([www.sagarsoft.in](http://www.sagarsoft.in)), and communicated to the Stock Exchanges, Depositories, and Registrar and Share Transfer Agents. The resolutions, if passed by the requisite majority, are deemed to have been passed on the last date specified for receipt of duly completed postal ballot forms or e-voting.

## 8. Means of communication

### Quarterly results:

As part of compliance with Regulation 33, 10 and 47 of the Listing Regulations, the Company furnishes its quarterly and annual financial results to the Stock Exchanges where its shares have been listed, followed by publication in the newspapers in accordance with the said Regulations.

### Newspapers in which the results were published:

Details of newspapers in which quarterly results relating to the Financial Year 2021-22 were published are given below:

Quarter ended	Date of Publication	Name of the newspapers carrying the publication
June 30, 2021	27/07/2021	Financial Expression and Andhra Prabha news papers
September 30, 2021	12/11/2021	Financial Expression and Andhra Prabha news papers
December 31, 2021	08/02/2022	Financial Expression and Andhra Prabha news papers
31st March, 2022	18/05/2022	Financial Expression and Andhra Prabha news papers

### Website where displayed:

The Financial Results and the Shareholding pattern of the Company are made available on the Company's website 'www.sagarsoft.in' and also on the website of BSE as part of corporate filing made by the Company from time to time with the said stock exchanges.

### Press Release

Press Releases as and when issued by the company in respect of financial results are also made available at the company's web site.

### Presentation made to Institutional Investors and Financial Analysts:

Excepting on occasions when the Company had to respond in a general way to the queries now and then received from investors / analysts regarding the affairs of the company, there were no specific presentations made to any of them during the year 2021-22. Copies of the press-release, as and when issued by the Company, mostly after submission of financial results to the Stock Exchanges, are simultaneously made available to the Stock Exchanges and the transcriptions of conference call held with the analysts / investors following the declaration of financial results are also put on the company's website.

### Management Discussion and Analysis Report

The Annual Report of the Company contains the Management Discussion and Analysis as part of the Directors' Report.

### Subsidiary companies

The company has one wholly owned subsidiary viz., IT CATS LLC DBA INFOWAY SOFTWARE, USA. The audit committee reviews the consolidated financial statements of the company containing the financials of the said subsidiary.

## 9. General Shareholder information:

### a. Annual General Meeting:

Date & Time	20th June, 2022 at 4.30 p.m.
Venue	Through Video Conferencing / other Audio Visual Means as set out in the Notice convening the Annual General Meeting

### b. Financial Year: April 01, 2021 to March 31, 2022

### c. Book Closure Dates:

From 14.06.2022 to 20.06.2022  
(both days inclusive)

### d. Dividend payment date:

The Board has recommended a dividend @30% i.e., Rs.3.00 per share, subject to its declaration by the members at the Annual General Meeting and the same will be paid to the eligible shareholders within 30 days of the said declaration.

### e. Listing on Stock Exchanges:

The paid up share capital of the company as on 31st March, 2022 was Rs. 6,39,22,380/- consisting of 63,92,238 equity shares of Rs.10/- each. All these shares have been listed on the BSE Ltd. Mumbai and there are no dues against listing fee payable to the stock exchange.

**f. Stock and ISIN Codes for the Company's shares:**

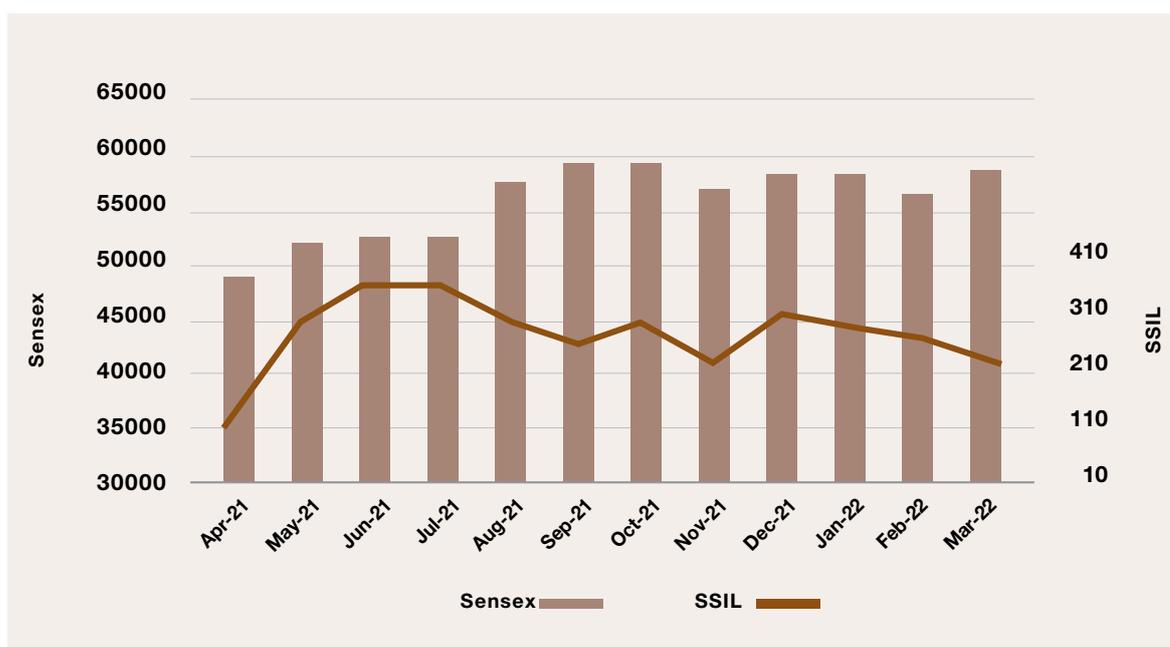
Name of the Stock Exchange	Script Code
BSE Limited, P J Towers, Dalal Street, Mumbai – 400 001	540143
ISIN	INE184B01012

**g. Market price details:**

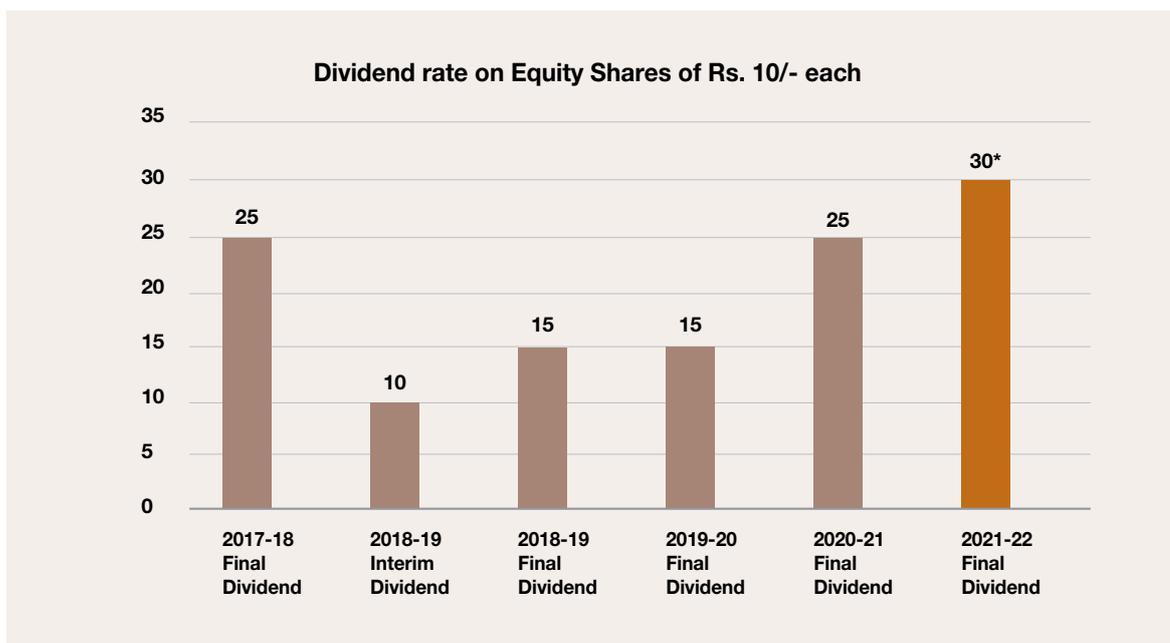
Monthly High, Low and closing prices for the Company's shares during the Financial Year as traded on the BSE Limited (BSE) are given below:

Month	BSE		
	High	Low	Close
April 2021	91.95	73.1	82.05
May 2021	236	80.1	209.5
June 2021	287.25	189.1	258.85
July 2021	302	224.8	263.25
August 2021	267	197.15	211.95
September 2021	217.15	180	191.8
October 2021	259	183.3	199.1
November 2021	212.5	148.1	166.7
December 2021	249.7	155.05	222.85
January 2022	245.1	201.2	210
February 2022	224.5	165	192.6
March 2022	195	161.55	165.05

The Company Share Price movements during the year 2021-22 as compared with SENSEX, are depicted below:



## h. Dividend History



\* subject to the approval of the shareholders at the ensuing AGM, the Board has recommended a dividend at Rs. 3.00 per share (30%) for the year 2021-22

## i. Disclosure with respect to unclaimed shares:

Sl. No.	Description	Shareholders	Shares
a	Aggregate number of shareholders and the outstanding shares unclaimed at the beginning of the year	NIL	NIL
b	Number of shareholders who approached claiming shares against the above	NIL	NIL
c	Number of shareholders to whom shares were transferred against (a) above	NIL	NIL
d	Shares transferred to IEPF under Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016	NIL	NIL
e	Aggregate number of shareholders and the outstanding unclaimed shares at the end of the year	NIL	NIL

The voting rights on the unclaimed shares outstanding as on 31<sup>st</sup> March, 2022 shall remain frozen till the rightful owners of such shares claim the shares concerned.

**j. Transfer of unclaimed / unpaid dividend amounts to the Investor Education and Protection Fund (“IEPF”):**

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“IEPF Rules”), dividend, if not claimed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (“IEPF”).

There were no amounts which are required to be transferred to the Investors Education and Protection Fund by the Company. Details of the unclaimed dividends for the subsequent periods are available on the company’s website, [www.sagarsoft.in](http://www.sagarsoft.in).

**k. Registrars and Share Transfer Agents:**

**KFin Technologies Limited**

Selenium Building, Tower B, Plot 31-32,  
Financial District, Nanakramguda,  
Serilingampally Mandal  
Hyderabad - 500032  
Phone: 040-67161500  
E-mail: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)  
Toll Free No.: 1800-3094-001  
Website: [www.kfintech.com](http://www.kfintech.com)

**l. Share Transfer System:**

Around 96 % of the shares of the Company are held in electronic form. Transfer of these shares is affected through the depositories with no involvement of the Company.

The shareholders may kindly note that in accordance with SEBI Notification dt. 8.6.2018, with effect from 1.4.2019, except in case of transmission or transposition of securities, fresh requests for effecting the transfer of securities (shares) are not processed by the Company/Registrar (RTA), if the shares concerned are held in physical form.

As regards transmission of shares held in physical form, the documents required for transmission, like original share certificate, death certificate, succession certificate/legal heir certificate can be lodged either with the Company at its Registered Office or with the Company’s Registrars and Share Transfer Agents, whose address has been given above.

**m. Shareholdings particulars as on 31<sup>st</sup> March, 2022**

**(i) Distribution of shareholdings:**

Shareholding range	No. of Holders	% To Holders	No. of Shares	% To Equity
1 to 50	1335	39.59	21536	0.34
51 to 100	787	23.34	74192	1.16
101 to 200	361	10.71	64208	1.00
201 to 300	138	4.09	37369	0.58
301 to 500	265	7.86	113377	1.77
501 to 1000	218	6.47	174295	2.73
1001 to 15000	197	5.84	460343	7.20
5001 to 10000	28	0.83	189879	2.97
10001 to 20000	13	0.39	181090	2.83
20001 to 50000	8	0.24	286550	4.48
50001 to 100000	9	0.27	707007	11.06
100001 and above	13	0.39	4082392	63.86
<b>TOTAL</b>	<b>3372</b>	<b>100.00</b>	<b>6392238</b>	<b>100.00</b>

(ii) **Shareholding pattern:**

Description	No. of holders / Folios	Shares	% to Total Share Capital	in Demat Form	
				No. of Shares held in Demat Form	% to total shares held
Promoter Group	14	3010824	47.10	3010824	47.10
Domestic Companies/Body Corporates	32	534709	8.36	495209	7.75
Public - Individuals	3262	1624264	25.42	1407609	22.02
Non Resident Indians	52	704823	11.03	704823	11.03
Clearing Members	10	104482	1.63	104482	1.63
Indian Financial Institutions/Banks	2	413136	6.46	413136	6.46
Total	3372	6392238	100.00	6136083	95.99

**n. Dematerialization of Shares and liquidity:**

Trading in the shares of the Company needs to be in the electronic form only. The Company has subsisting agreements with NSDL and CDSL for the purpose. The ISIN number for the company's shares is – INE184B01012. Shares representing around 96% of the share capital were held in dematerialized form as on 31<sup>st</sup> March, 2022 as detailed below:

In physical form		In Demat Form				Total	
		With NSDL		With CDSL			
Shares	%	Shares	%	Shares	%	Shares	%
2,56,155	4.01	30,52,539	47.75	30,83,544	48.24	63,92,238	100.00

**o. Details of outstanding GDR / ADR / Warrants or any other convertible instruments:**

The company has not issued any GDR/ADR Warrants or any other convertible instruments.

**p. Branch Location:**

91 spring board, 4th floor,  
Gopala Krishna Complex 45/3,  
Residency Road, Mahatma Gandhi Road,  
Bengaluru, Karnataka 560025.

**q. Address for investors related correspondence:**

Company Secretary  
**Sagarsoft (India) Limited**  
Registered Office: Plot No.111,  
Road No.10, Jubilee Hills  
Hyderabad – 500033  
Phone: +91-40-67191000;  
Fax: +91-40-23114607  
Email : [investors@sagarsoft.in](mailto:investors@sagarsoft.in)

**r. Details of Credit rating:** Not applicable

## 10. Other disclosures

### i. Related Party Transactions:

Full disclosures of related party transactions entered into during the year 2021-22 as per the Ind AS 24 issued by the ICAI have been given under Note 2.1 of the Notes to Standalone Financial Statements for the year ended 31st March, 2022. These transactions were entered into by the company in its ordinary course of business and at arm's length basis. There were no materially significant transactions with Directors, their relatives or the Senior Management or other related entities that may have potential conflict with the interests of the Company at large. The Register of Contracts containing transactions, in which Directors are deemed to be interested, is placed before each meeting of the Board. All related party transactions had prior approval of the Audit Committee, which later reviewed and ratified these transactions.

### ii. Statutory compliance, Penalties and Strictures:

There were no instances of non-compliance by the Company on any matter relating to capital market during the last three years or any penalties imposed or strictures passed on the Company by the Stock Exchanges, SEBI or other statutory authorities relating to capital market during the said period.

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- v. The Policy on dealing with related party transactions and the policy for determining 'material' subsidiaries are available on the company's website <https://www.sagarsoft.in/wp-content/uploads/2021/02/Policy-on-Material-Subsidiary.pdf> and <https://www.sagarsoft.in/wp-content/uploads/2021/02/Policy-on-Materiality-of-Related-Party-Transactions.pdf> respectively.
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### vi. Commodity Price risks and hedging activities:

Commodity price risk is a financial risk on an entity's financial performance upon fluctuations in the prices of commodities that are beyond the control of the entity, since they are primarily driven by external market forces.

Any Sharp fluctuations in prices will create significant business challenges, impacting the profitability of the company.

### vii. Utilisation of funds collected through Preferential Issue

Pursuant to the approval accorded by you at the 25th Annual General Meeting held on 07th July, 2021, your board had allotted 8,32,238 Equity shares at an issue price of Rs. 254/- per share. Out of which, 6,32,238 equity shares were allotted for consideration other than cash for acquisition of IT CATS LLC and balance

### iii. Establishment of Vigil mechanism, Whistle Blower Policy and affirmation

The Company has adopted a 'Vigil Mechanism' and 'Whistle Blower Policy'. The said policy has been put up on the website of the Company. No personnel has been /will be denied access to the audit committee.

### iv. Compliance with Mandatory requirements and adoption of Non-Mandatory requirements:

The Company has inter-alia complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the Listing Regulations.

The Corporate Governance Report of the Company for the year 2022 is in compliance with all applicable requirements of Listing Regulations.

The status of adoption of the non-mandatory requirements as specified in sub-regulation 1 of Regulation 27 of the Listing Regulations are as follows:

- (a) The Company had implemented all the mandatory requirements applicable to it under Listing Regulations.
- (b) The audited financial statements of the Company are unqualified.
- (c) The Internal Auditors directly report to the Audit Committee, and make presentations on their reports.

2,00,000 shares for cash and accordingly raised a sum of Rs.5.08 Crores through the above allotment and the same was parked in fixed deposit for future investments and other general corporate purposes.

- viii. Certificate from the Company Secretary in practice to the effect that none of the directors has been debarred or disqualified has been given in the annexure to this report.

- ix. During the year 2022, the Board of Directors accepted all recommendations of the Committees of the Board of Directors, which are mandatorily required to be made.

### x. Fee paid to Statutory Auditors:

A total fee of Rs.2.25 lakhs was paid to the Statutory Auditors towards all services rendered by them to the company for the year 2021-22.

**xi. Disclosure in relation to sexual harassment**

During the year 2021-22, the company did not receive any complaints of sexual harassment in relation to the sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

**xii. Reconciliation of Share Capital Audit**

A firm of practicing Company Secretaries carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depositories Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. Their audit report confirms that the total issued / paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares held in demat form with NSDL and CDSL.

**xiii.** The company has adopted a Policy on Determination of Materiality for Disclosures and the said policy has been put up on the website of the Company [www.sagarsoft.in](http://www.sagarsoft.in).

**xiv. Code of Conduct**

The members of the board and senior management personnel have affirmed their compliance during the

year ended 31st March, 2022 with the Code applicable to them. A certificate by the CEO and Managing Director to this effect has been given in the annexure to this report.

- 11.** The company has duly complied with the requirements of the Corporate Governance Report of Sub-paras 2 to 10 of Part (C) of Schedule V of the Listing Regulation.
- 12.** The following discretionary requirements have been adopted pursuant to Part E of Schedule II of Listing Regulations.
  - (a) The Internal Auditors of the company are directly reporting to the Audit Committee.
  - (b) The financial statements of the company are with un-modified opinion.
- 13.** The company is in due compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of Listing Regulations.
- 14.** The compliance certificate from the auditors regarding compliance of conditions of corporate governance has been annexed to the Directors Report.

**15. The Disclosures with respect to demat suspense account/ unclaimed suspense account (Unclaimed Shares)**

Pursuant to Regulation 39 of the Listing Regulations, reminder letters have been sent to shareholders whose shares remain unclaimed from the Company. Based on their response, such shares have been transferred to “unclaimed suspense account” as per the provisions of Schedule VI of the Listing Regulations. The disclosure as required under Schedule V of the Listing Regulations is given below:

**Disclosure with respect to unclaimed shares:**

S. No.	Description	Shareholders	Shares
a	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	NIL	NIL
b	Number of shareholders who approached the Company for transfer of shares from suspense account during the year	NIL	NIL
c	Number of shareholders to whom shares were transferred from suspense account during the year	NIL	NIL
d	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	NIL	NIL
e	The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	NIL	NIL

# INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

## To the Members of M/s Sagarsoft (India) Limited

We, T Mohan & Associates, Chartered Accountants, the Statutory Auditors of M/s.Sagarsoft (India) Limited ("the company"), have examined the compliance of conditions of Corporate Governance by the Company for the year ended on March 31, 2022, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Para C and D of Schedule V of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 as amended (the Listing Regulations).

## Managements' Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

## Auditor's Responsibility

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the company for ensuring Compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of accounts and other relevant records and documents maintained by the company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("ICAI"), the standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or certificates for special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Controls for Firms that Perform Audits and Reviews of Historical Financial Information, and other Assurance and Related Services Engagements.

## Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Para C and D of Schedule V of Listing Regulations during the year ended March 31, 2022.

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

For **T MOHAN & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 0012482S

**MOHAN REDDY T**

Partner

Membership No. 239635

UDIN: 22239635AJBOHH6367

Place: Hyderabad  
Date: May 16, 2022

# Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and  
Schedule V Para C clause (10) (i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sagarsoft (India) Limited having CIN: L72200TG1996PLC023823 and having registered office at Plot No.111, Road No.10, Jubilee Hills, Hyderabad, Telangana - 500033 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i)

of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authorities.

Sr. No.	Name of Director	DIN	Date of appointment in Company
01	Manupati Jagadeesh	01590689	13/06/2002
02	Srekanth Reddy Sammidi	00123889	15/07/1996
03	Hari Mohan Nalamati	01808491	15/04/2005
04	Satish Chander Reddy Kalva	02412539	26/06/2001
05	Pradeep Kumar Reddy Katikireddy	02598624	06/11/2015
06	Neelima Kaushik	06508030	12/11/2015
07	Kondrella Roopesh	06967708	10/11/2021
08	Keerthi Anantha	09379678	10/11/2021
09	Kondrella Rakesh Rao*	02153899	15/04/2005
10	Kolluru Prasad**	06678974	04/11/2013
11	Ganesh Katta**	05214864	24/09/2014

\* Ceased w.e.f. 06/10/2021 \*\* Ceased w.e.f. 04/02/2022

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

**S. Srikanth**  
Partner

Place: Hyderabad  
Date: May 16, 2022

ACS No.: 22119 | C.P. No.: 7999  
UDIN: A022119D000328359

## **Declaration regarding compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct**

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Director. In addition, the company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the company's website. I confirm that the company has in respect of the year ended 31st March 2022, received from the Senior Management Team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them. For the purpose of this declaration, Senior Management Team means the Chief Financial Officer, employees in the Vice President and above cadre and the Company Secretary as on 31st March 2022.

Hyderabad  
May 16, 2022

**M.Jagadeesh**  
Managing Director

# INDEPENDENT AUDITOR'S REPORT

## To the Members of M/s Sagarsoft (India) Limited Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of **M/s Sagarsoft (India) Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, 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 standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2022, 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 standalone 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 Standalone 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 standalone 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 standalone 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 standalone financial statements of the current period. These matters were addressed in the context of our audit of the

standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

### 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 standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 Standalone Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

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### Auditor's Responsibilities for the Audit of the Standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone 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.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 standalone 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.

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

Materiality is the magnitude of misstatements in the standalone 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 standalone 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.

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### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020, ("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 Statement of Cash Flow 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, 2022 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on March 31, 2022 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 whole-time directors during the year exceeds the limits specified in the provisions of section 197 of the Act and the same is subject to approval of Shareholders through Special Resolution.
- 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. As informed to us and based on the audit procedures, the Company does not have any pending litigations.
- 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.
- iv. (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
  
(ii) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and  
  
(iii) Based on such audit procedures considered has reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- v. The dividend declared or paid during the year by the company is in compliance with section 123 of the Companies Act, 2013.

For **T MOHAN & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 0012482S

**MOHAN REDDY T**

Partner

Place: Hyderabad  
Date: May 16, 2022

Membership No. 239635  
UDIN: 22239635AJBNXJ7049

## Annexure-A to the Auditors' 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 M/s Sagarsoft (India) Limited, on the standalone financial statements for the year ended March 31, 2022

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)** (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.  
  
(B) The Company does not have any intangible assets and accordingly paragraph 3(i)(a) (B) of the Order is not applicable to the company.
    - (b)** The management has physically verified the Property, Plant and Equipment at regular intervals. There were no material discrepancies noticed on such verification.
    - (c)** The company is not holding any immovable property. Thus, paragraph 3(i)(c) of the Order is not applicable to the company.
    - (d)** During the year, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both. Thus, paragraph 3(i)(d) of the Order is not applicable to the company.
    - (e)** As informed to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Thus, paragraph 3(i) (e) of the Order is not applicable to the company.
  - ii.**
    - (a)** The Company is rendering software and related consultancy services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii)(a) of the Order is not applicable to the Company.
    - (b)** The company is a debt free company and during the year the company has not been sanctioned with any working capital limits from banks or financial institutions. Thus, paragraph 3(ii)(b) of the Order is not applicable to the Company.
  - iii.** During the year, the company has made investments in M/s IT CATS LLC, USA (foreign company) towards acquisition of 100% stake and during the year, the company has not granted any loans / advances.
- (a)** During the year, the company has not provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity. However, the company has granted unsecured demand loan to one related party in the preceding year.
    - (A) the balance outstanding at the balance sheet date with respect to such loan including interest to related party is Rs. 8.61 Crores;
    - (B) the aggregate amount during the year and the balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to parties other than subsidiaries, joint ventures and associates are NIL;
  - (b)** The investments made and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest;
  - (c)** In respect of loans and advances in the nature of demand loan, the schedule of repayment of principal and payment of interest has not been stipulated and the interest accrued during the year amounting to Rs. 0.68 crores have been accounted as on March 31, 2022;
  - (d)** In our opinion and based on the information provided to us, the repayment schedule for demand loan is not stipulated;
  - (e)** In our opinion and based on the information provided to us, the existing demand loan has been extended. During the year, the company has not granted any fresh loans to settle the overdue of existing loans given to the same parties.
  - (f)** The company has granted loan to one related party in earlier years, which is repayable on demand. The loan outstanding including interest as on March 31, 2022 is Rs. 8.61 Crores and it constitutes 100% to the total loans granted.
  - iv.** In our opinion and based on the information provided to us, in respect of loans, investments, guarantees, and security, the company has complied with the provisions of sections 185 and 186 of the Companies Act, 2013.
  - 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 companies examined by us, in our opinion, the company is regular in depositing the undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax and other material statutory dues as applicable with the appropriate authorities. 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, 2022 for the period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues referred in clause (a) above, which have not been deposited on account of any dispute.
- viii.** As informed to us and based on the records examined by us, during the year no tax assessments under the Income Tax Act, 1961 was carried on by the company. Thus, reporting under clause 3(viii) of the order is not applicable to the Company.
- ix.** The Company has not taken any loans or other borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- x.** (a) The company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the reporting period. Thus, reporting under clause 3(x)(a) of the order is not applicable to the Company.
- (b) During the year, the company has made preferential allotment of equity shares in accordance with the provisions of section 42 and section 62 of the Companies Act, 2013. The funds were raised towards acquisitions and for other general corporate purposes. As on March 31, 2022 the amount of Rs. 5.08 Crores raised through preferential allotment is kept in fixed deposits.
- xi.** To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the year. Thus, reporting under clause 3(xi) of the order is not applicable to the company.
- 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.** (a) The company has an internal audit system commensurate with the size and nature of its business;
- (b) We have considered the reports of the Internal Auditors for the period under audit.
- xv.** In our opinion and according to the information and explanations given to us, during the year the Company has entered into non-cash transactions with one of its Director (Mr Kalva Satish Chander Reddy) towards acquisition of 100% stake in M/s IT CATS LLC, USA by issue of equity shares of the company on preferential basis with prior approval of shareholders through Special Resolution in AGM. Accordingly, the company has complied with the provisions of section 192 of the Companies Act, 2013.
- xvi.** (a) In our opinion, the company is not required to be registered under section 45IA of Reserve Bank of India Act 1934. Thus, paragraph 3(xvi)(a) of the Order is not applicable to the company.
- (b) In our opinion, the company has not conducted any Non-Banking Financial or Housing Finance activities. Thus, paragraph 3(xvi)(b) of the Order is not applicable to the company.
- (c) In our opinion, the company is not a Core Investment Company (CIC). Thus, paragraph 3(xvi)(c) of the Order is not applicable to the company.
- (d) In our opinion, the group does not have Core Investment Company (CIC). Thus, paragraph 3(xvi)(d) of the Order is not applicable to the company.
- xvii.** In our opinion, the company has not incurred cash losses in the financial year and in the immediately preceding Financial Year.
- xviii.** During the year, there is no resignation of the statutory auditors of the company.

**xix.** On the basis of Financial Ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, in our opinion there are no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

**xx.** In our opinion and based on the information provided to us, the company has fully spent the CSR amount in accordance with the provisions of section 135 of the Companies Act, 2013. Thus, paragraph 3(xx) of the Order is not applicable to the company.

**xxi.** In our opinion and based on the information provided to us, the reporting requirement under the Companies (Auditor's Report) Order (CARO) is not applicable to the foreign subsidiary.

**For T MOHAN & ASSOCIATES**

Chartered Accountants  
Firm Registration No. 0012482S

**MOHAN REDDY T**

Partner  
Membership No. 239635  
UDIN: 22239635AJBNXJ7049

Place: Hyderabad  
Date: May 16, 2022

## Annexure – B to the Auditors' 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 M/s Sagarsoft (India) Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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#### 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.

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#### 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.

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#### 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.

Place: Hyderabad  
Date: May 16, 2022

## **Opinion**

In our opinion, the Company has, in all material aspects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022 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 T MOHAN & ASSOCIATES**

Chartered Accountants  
Firm Registration No. 0012482S

**MOHAN REDDY T**

Partner  
Membership No. 239635  
UDIN: 22239635AJBNXJ7049

## Balancesheet as at March 31, 2022

All amounts in Rs.

Particulars	Note	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non Current Assets</b>			
(a) Property, Plant and Equipment	3	2,61,38,660	2,94,71,447
(b) Right of use assets	3.1	1,91,28,119	3,23,54,671
(c) Financial Assets	4		
Loans		8,68,22,904	8,78,88,195
(d) Income tax assets (net)		1,50,00,000	1,90,00,000
(e) Deferred tax assets (net)		28,15,098	29,23,763
<b>Total Non-current assets</b>		<b>14,99,04,781</b>	<b>17,16,38,076</b>
<b>Current Assets</b>			
(a) Financial assets			
(i) Trade receivables			
Billed	5	13,20,31,374	8,27,13,969
(ii) Cash and cash equivalents	6	12,16,57,989	6,79,47,118
(iii) Bank balances other than Cash and cash equivalents	6.1	37,36,829	29,53,344
(iv) Investments	7	16,18,38,452	–
(v) Other Financial Assets	8	9,50,696	6,26,861
(b) Other current assets	9	2,19,96,359	1,61,42,051
<b>Total Current assets</b>		<b>44,22,11,698</b>	<b>17,03,83,343</b>
<b>TOTAL ASSETS</b>		<b>59,21,16,479</b>	<b>34,20,21,419</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	10	6,39,22,380	5,56,00,000
(b) Other equity	11	45,80,35,363	21,41,57,925
<b>Total Equity</b>		<b>52,19,57,743</b>	<b>26,97,57,925</b>
<b>Liabilities</b>			
<b>Non Current Liabilities</b>			
(a) Financial Liabilities			
Lease liabilities	12	1,94,45,939	3,74,29,841
(b) Provisions	13	31,27,116	33,01,807
<b>Total Non-current liabilities</b>		<b>2,25,73,055</b>	<b>4,07,31,648</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Lease liabilities	14	21,39,053	–
(ii) Trade payables	15		
(a) total outstanding dues of micro enterprises and small enterprises		–	–
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		21,07,501	7,04,390
(b) Long Term Provisions	16	1,67,16,897	79,67,595
(c) Current tax liabilities (net)		2,11,59,753	1,90,41,187
(d) Other current liabilities	17	54,62,476	38,18,675
<b>Total Current liabilities</b>		<b>4,75,85,680</b>	<b>3,15,31,846</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>59,21,16,479</b>	<b>34,20,21,419</b>
Corporate information and significant accounting policies	1 & 2		

See accompanying notes to the financial statements.

As per our report of even date

For and on Behalf of the Board

For **T MOHAN & ASSOCIATES**  
Chartered Accountants  
(FRNo.0012482S)

**M JAGADEESH**  
Managing Director  
DIN: 01590689

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

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

Place : Hyderabad  
Date: May 16, 2022

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

## Statement of Profit and Loss for the year ended March 31, 2022

All amounts in Rs.

Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>I.</b> Revenue from operations	18	49,26,45,615	41,02,58,131
<b>II.</b> Other income	19	1,34,56,006	84,41,040
<b>III. Total income</b>		<b>50,61,01,621</b>	<b>41,86,99,171</b>
<b>VI. Expenses</b>			
Employee Benefits Expenses	20	33,48,59,680	27,87,89,932
Depreciation and amortisation expense	3 & 3.1	2,17,22,776	2,15,11,959
Other Expenses	21	7,52,97,014	4,57,58,216
<b>Total expense</b>		<b>43,18,79,469</b>	<b>34,60,60,107</b>
<b>V. Profit before tax (I-II)</b>		<b>7,42,22,152</b>	<b>7,26,39,064</b>
<b>VI. Tax expense</b>	22		
(a) Current tax		2,11,59,753	1,90,41,187
(b) Prior period Taxes		12,66,144	-
(c) Deferred tax		(6,52,359)	95,968
<b>Total tax expense</b>		<b>2,17,73,538</b>	<b>1,91,37,155</b>
<b>VII. Profit after tax</b>		<b>5,24,48,614</b>	<b>5,35,01,909</b>
<b>VIII. Other comprehensive income</b>			
A. (i) items that will not be classified to profit & loss			
(a) remeasurment of the defined benefit plans		<b>30,23,776</b>	15,32,925
(b) equity instruments through other comprehensive income		-	-
Tax		(7,61,024)	(3,85,807)
<b>IX. Total comprehensive income for the year</b>		<b>22,62,752</b>	<b>11,47,118</b>
Amount Carried to Balance Sheet		<b>5,47,11,366</b>	<b>5,46,49,028</b>
<b>X Earnings per share (of Rs. 10) each in Rs.</b>			
Basic		<b>8.93</b>	<b>9.83</b>
Diluted		<b>8.93</b>	<b>9.83</b>
Corporate Information and Significant accounting policies	1 & 2		

See accompanying notes to the financial statements.

As per our report of even date

For and on Behalf of the Board

For **T MOHAN & ASSOCIATES**  
Chartered Accountants  
(FRNo.0012482S)

**M JAGADEESH**  
Managing Director  
DIN: 01590689

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

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

Place : Hyderabad  
Date: May 16, 2022

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

## Statement of changes in equity for the year ended March 31, 2022

### A. Equity Share Capital

#### (1) Current Reporting Period

Balance as at beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
5,56,00,000	-	-	83,22,380	6,39,22,380

#### (2) Previous Reporting Period

Balance as at beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
5,56,00,000	-	-	-	5,56,00,000

### B. Other Equity

#### (1) Current Reporting Period

All amounts in Rs.

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	
<b>Balance at the beginning of the current reporting period</b>	<b>4,56,00,000</b>	<b>16,81,29,322</b>	-	<b>4,28,604</b>	<b>21,41,57,926</b>
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-
Other Comprehensive Income	-	-	-	22,62,752	22,62,752
Total Comprehensive Income for the current year	-	5,24,48,614	-	-	5,24,48,614
Dividends	-	(1,39,00,000)	-	-	(1,39,00,000)
Transfer to retained earnings	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-
Premium on allotment of equity shares	20,30,66,072	-	-	-	20,30,66,072
<b>Balance at the end of the current reporting period</b>	<b>24,86,66,072</b>	<b>20,66,77,936</b>	-	<b>26,91,356</b>	<b>45,80,35,364</b>

**(2) Previous Reporting Period**

All amounts in Rs.

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	
<b>Balance at the beginning of the previous reporting period</b>	<b>4,56,00,000</b>	<b>12,29,67,413</b>	-	<b>(7,18,514)</b>	<b>16,78,48,899</b>
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of the previous reporting period	-	-	-	-	-
Other Comprehensive Income	-	-	-	11,47,118	11,47,118
Total Comprehensive Income for the previous year	-	5,35,01,909	-	-	5,35,01,909
Dividends	-	(83,40,000)	-	-	(83,40,000)
Transfer to retained earnings	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-
<b>Balance at the end of the previous reporting period</b>	<b>4,56,00,000</b>	<b>16,81,29,322</b>	-	<b>4,28,604</b>	<b>21,41,57,926</b>

As per our report of even date

For and on Behalf of the Board

For **T MOHAN & ASSOCIATES**  
Chartered Accountants  
(FRNo.0012482S)

**M JAGADEESH**  
Managing Director  
DIN: 01590689

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

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

Place : Hyderabad  
Date: May 16, 2022

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

## Statement of cash flows for the year ended March 31, 2022

All amounts in Rs.

	Particulars	Standalone	
		For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A</b>	<b>Cash flow from operating activities</b>		
	<b>Profit before tax</b>		7,42,22,152
	Adjustment for:		
	Depreciation and amortization expense	2,17,22,776	-
	Net loss on fair value change in financial instruments	22,62,085	-
			11,47,118
		2,39,84,861	2,26,59,077
	<b>Operating profit before working capital changes</b>	<b>9,82,07,013</b>	<b>9,52,98,141</b>
	Changes in working capital		
	Adjustments for (increase)/ decrease in operating assets:		
	Trade receivables	(4,93,17,405)	-
	Other Financial Assets	(20,69,478)	-
			(1,49,23,873)
		(5,13,86,883)	(2,11,47,085)
	Adjustments for increase/ (decrease) in operating liabilities:		
	Trade Payables	14,03,780	-
	Other Financial Liabilities	(35,07,870)	-
			(5,48,771)
		(21,04,090)	38,06,588
			32,57,817
	<b>Cash generated from operating activities</b>	<b>4,47,16,039</b>	<b>7,74,08,874</b>
	Less: Income tax paid	<b>(2,17,73,538)</b>	<b>(1,91,37,155)</b>
	<b>Net cash generated from operating activities</b>	<b>2,29,42,501</b>	<b>5,82,71,719</b>
<b>B</b>	<b>Cash flow from investing activities</b>		
	Capital expenditure on property, plant and equipment including capital advances	(51,63,437)	-
	Deposits not considered as cash and cash equivalents		
	Placed	10,65,291	-
	Investments made during the year	(16,18,38,452)	-
			(3,15,61,887)
			-
	<b>Net cash flow from investing activities</b>	<b>(16,59,36,598)</b>	<b>(3,54,63,969)</b>
<b>C</b>	<b>Cash flow from financing activities</b>		
	Proceeds on allotment of equity shares upon conversion of warrants	21,13,88,452	-
	Dividends paid	(1,39,00,000)	-
			(83,40,000)
	<b>Net cash generated/ (used) from financing activities</b>	<b>19,74,88,452</b>	<b>(83,40,000)</b>
	<b>Net (decrease)/ increase in cash and cash equivalent (A+B+C)</b>	<b>5,44,94,355</b>	<b>1,44,67,750</b>
	Cash and equivalents as at 01-04-2021	7,09,00,462	5,64,32,713
	<b>Cash and equivalents as at 31-03-2022</b>	<b>12,53,94,818</b>	<b>7,09,00,462</b>
<i>Cash and Cash equivalents includes:</i>			
	1. Cash and Cash equivalents	12,16,57,989	6,79,47,118
	2. Bank Balances Other than Cash and Cash equivalents	37,36,829	29,53,344
	<b>Total</b>	<b>12,53,94,818</b>	<b>7,09,00,462</b>

As per our report of even date

For and on Behalf of the Board

For **T MOHAN & ASSOCIATES**  
Chartered Accountants  
(FRNo.0012482S)

**M JAGADEESH**  
Managing Director  
DIN: 01590689

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

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

Place : Hyderabad  
Date: May 16, 2022

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022

### 1. CORPORATE INFORMATION & SIGNIFICANT ACCOUNTING POLICIES

#### (A) Corporate Information

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

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

These financial statements are 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 as 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.

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 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

The company derives revenue primarily from software development and related services.

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 IndAS 19 and is not funded.

### **Provident fund:**

The company has a defined contribution plan for Provident Fund under which the company contributes 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.

## **(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) Investments**

Investment in subsidiary are valued at cost.

## **(K) 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.

## **(L) 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 amortised cost it 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

- (ii) 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.

**(M) Impairment of assets**

**a. Financial assets:**

Financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected

credit losses 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 expected credit losses (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 cash generating units (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).

**(N) Estimation of uncertainties relating to the impact COVID-19 pandemic.**

The spread of COVID 19 pandemic across the globe and the consequent remedial measures against the virus taken by the governments of various countries and the Indian Government are having impact on the operations of the various economies, all of which has led to substantial contraction of demand.

In view of the above pandemic, its impact on the company's operations has been considered and a sensitivity analysis based on current estimates in

assessing the recoverability of receivables also has been performed. However, the actual impact of COVID-19 on the financial statements may differ from that estimated and the Company will continue to closely monitor any material changes to future economic conditions.

## **(O) Leases**

Company's lease assets consist of buildings Identifying of lease

At inception of a contract, the company shall assess whether the contract is, or contains, a lease.

A contract is, or contains, a lease if the contract conveys the right to control the use of identified asset for a period of time in exchange for consideration

To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether:

- i. The contract involves use of an identified asset
- ii. The company has substantially all of the economic benefits from use of the asset throughout lease period
- iii. The Company has the right to direct the use of the asset

## **Recognition**

At the commencement date of lease the company recognizes a right of use asset and corresponding lease liability, wherever the company is a lessee. Leases of periods not more than 12 months (Short term lease) are not considered. Short term lease payments are considered as operating expenses on a straight line basis over the lease period as per contract.

## **Measurement**

At the commencement of lease period, the company measures the lease liability at present value of all future lease payment to be made and a ROU asset for the same value also is created.

Depreciation of the ROU asset is computed for each year on a straight line basis over the contract period or useful life of the underlying asset, whichever is shorter.

## **Presentation**

ROU asset are shown separately in the Balance sheet as a line item and similarly lease liability is shown in the Balance sheet separately as a line item. Further lease payments are shown in cash flow statement as financing activities.

## 2.1. Related Party Disclosure

S. No	Nature of Relationship	Name of the Parties
1	Key Management Personnel	<ol style="list-style-type: none"> <li>S. Sreekanth Reddy</li> <li>M. Jagadeesh</li> <li>K. Pradeep Kumar Reddy</li> </ol>
2	Enterprises where key managerial personnel along with their relatives exercise significant influence	<ol style="list-style-type: none"> <li>Sagar Priya Housing and Industrial Enterprises Limited</li> <li>Savyasachi Constructions Pvt Ltd</li> <li>Saplica Info Technologies Pvt Ltd</li> <li>Sagar Cements Limited</li> <li>R V Consulting Services Private Limited</li> <li>Sagar Power Limited</li> <li>Sagarsoft Inc, USA</li> <li>Dr. S. Anand Reddy</li> <li>S. Vanajatha</li> </ol>
3	Wholly owned subsidiary	<ol style="list-style-type: none"> <li>IT CATS LLC, USA</li> </ol>

Transaction with related parties during the year ended 31<sup>st</sup> March, 2022

(Rs. in Lakhs)

Nature of Transaction	Key Managerial Personnel	Enterprises where key managerial personnel along with their relatives exercise significant influence	Balance as on 31.03.2022
<b>Remuneration Paid</b>			
1. M Jagadeesh	72.00		8.00
2. K Pradeep Kumar Reddy	72.00		8.00
<b>Loan &amp; Advances</b>			
RV Consulting Services Pvt Ltd.		-	800.00
<b>Rent Paid</b>			
1. Dr.S Anand Reddy		64.60	-
2. S Vanajatha		64.60	-
3. S Sreekanth Reddy		64.60	-
<b>Trade Receivables</b>			
Sagarsoft Inc		3431.61	565.12
Amicus Systems		347.68	63.75
IT CATS LLC		330.79	323.96
<b>Consultancy Services</b>			-
Sagar Cements Limited		60.18	-
<b>Charges paid</b>			-
Savyasachi Constructions Pvt Ltd Maintenance Charges		37.85	-
Sagar Cements Limited Power Expenses		6.72	0.45
<b>Interest on Loans</b>			
RV Consulting Services Pvt Ltd.		64.00	61.20

**2.2. 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, 2022	March 31, 2021
Defined benefit obligation at the beginning of the year	19575253	16392992
Current service cost	3260916	3130970
Interest cost	1305370	1116363
Reimbursements	( 705889 )	( 1065072 )
Benefits payments from plan assets	( 1368443 )	-
Defined benefit obligation at the year end	22067207	19575253

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

(Amount in Rs.)

Description	Year Ended Gratuity	
	March 31, 2022	March 31, 2021
Fair value of plan assets at the beginning of the Year	18692097	17469250
Expected return on plan assets	1364236	1189656
Actuarial gain / (loss)	1531067	33192
Employer contribution	3470099	-
Benefits paid	( 1368443 )	-
Fair value of plan asset at the year end	23689056	18692097

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

(Amount in Rs.)

Description	Year Ended Gratuity	
	March 31, 2022	March 31, 2021
Fair value of plan assets	23689056	18692097
Present value of obligations	22067207	19575253
Amount to be recognized in the Balance sheet	( 1621849 )	883156

**d) Expenses recognized during the year:**

(Amount in Rs.)

Description	Year Ended Gratuity	
	March 31, 2022	March 31, 2021
Current service cost	3260916	3130970
Interest cost	1305370	1116363
Expected return on plan assets	( 1364236 )	( 1189656 )
Actuarial (gain)	( 2236956 )	( 1098263 )
Net cost	965095	1959414

**e) Reconciliation of Leave Encashment:**

(Amount in Rs.)

Description	Year ended Leave Encashment	
	March 31, 2022	March 31, 2021
Present Value of Obligation as at the end of the year	3764529	3421680
Value of fund as at the end of the year		
Net Asset/(Liability) Recognized in Balance Sheet	( 3764529 )	( 3421680 )

**f) Investment details:**

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

**g) Actuarial assumptions**

Mortality table (LIC) 2012-14 (ultimate)  
Discounting rate – 7.33%  
Expected rate of return on plan asset – 7.65%  
Rate of escalation in salary – 5%

**2.3.** Estimated amount of contracts remaining to be executed on capital account and provided for is Rs.Nil**2.4.** Contingent Liabilities: Nil (Previous Year: Nil)**2.5.** 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:

(Rs. in Lakhs)

S. No	Geographic Segments	2021-22	2020-21
01	Exports	4875.46	4031.67
02	Domestic	51.00	70.91
	Total	4926.46	4102.58

2.6. 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.

## 2.7. Key financial ratios:

Ratio	Numerator	Denominator	For the year ended March 31, 2022	For the year ended March 31, 2021	% of Variance
*Current Ratio	Current Assets	Current Liabilities excl. Current Borrowings	9.29	5.40	71.98
Debt - Equity Ratio	Debt	Net Worth	NA	NA	NA
Debt Service Coverage Ratio	Earnings before depreciation, interest and tax	Interest expense + Principal repayment	NA	NA	NA
Return on Equity Ratio (ROE)	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	21.94%	24.06%	-8.79
Inventory turnover ratio	Sales of Products and Services	Average Inventory	NA	NA	NA
Trade Receivables turnover ratio	Sales of Products and Services	Average Trade Receivable	1.15	1.29	-10.98
Trade payables turnover ratio	Other expenses and Additions to PPE	Average Trade Payables	14.31	12.70	12.70
**Net capital turnover ratio	Sales of Products and Services	current assets - current liabilities	1.25	2.95	-57.75
Net profit ratio	Profit after tax	Sales of Products and Services	10.65%	13.04%	-18.36
**Return on Capital employed	Earnings before interest and taxes	Capital Employed	13.63%	23.40%	-41.74
Return on Investments	Income generated from Deposits	Average value of Deposits	2.16%	2.02%	6.7

\*Increase in Current Ratio is due to proceeds received from issue of equity shares on preferential basis invested in Short Term Deposits.

\*\* Decrease in Net Capital Turnover Ratio and Return on Capital employed are on account of increase in paid up capital

## 2.8. Earnings per share

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit after tax ( ₹ in lakhs )	524.48	535.01
Weighted average number of equity shares outstanding	63,92,238	55,60,000
Earnings per share:		
Basic and Diluted ( in ₹ )	8.93	9.83

## 2.9 Dividends

Dividends paid during the year ended March 31, 2022 include an amount of Rs.2.50 (25%) per equity share towards dividend for the year ended March 31, 2021. Dividends paid during the year ended March 31, 2021 include an amount of Rs.1.50(15%) per equity share towards dividend for the year ended March 31, 2020.

Dividends declared by the Company are based on the profit available for distribution. On May 16, 2022, the Board of Directors of the Company have proposed a dividend of Rs.3.00 (30%) per share for the year ended March 31, 2022 subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately Rs.191.77 Lakhs.

## Other statutory information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any transaction with companies struck off.
- (iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iv) The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

As per our report of even date

For **T MOHAN & ASSOCIATES**  
Chartered Accountants  
(FRNo.0012482S)

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

Place : Hyderabad  
Date: May 16, 2022

(v) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

## (vi) UTILISATION OF FUNDS COLLECTED THROUGH PREFERENTIAL ISSUE

Pursuant to the approval accorded by Share Holders at the 25th Annual General Meeting held on 07th July, 2021, the board had allotted 8,32,238 Equity shares at an issue price of Rs.254/- per share. Out of which, 632238 equity shares were allotted for consideration other than cash for acquisition of IT CATS LLC and balance 200000 shares for cash and accordingly raised a sum of Rs.5.08 crores through the above allotment and the same was parked in fixed deposit for future investments and other general corporate purposes.

- (vii) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (viii) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

**2.10.** Balances due to or due from the parties are subject to confirmation.

**2.11.** Figures are rounded off to nearest rupee.

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 to the financial statements for the year ended March 31, 2022

#### 3. Property, Plant & Equipment

Amounts in Rs.

Particulars	Year ended	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Computers	58,40,990	39,03,425
Office Equipment	28,22,918	41,10,913
Furnitures & Fixtures	1,43,22,583	1,85,66,781
Vehicles	31,52,169	28,90,328
<b>TOTAL</b>	<b>2,61,38,660</b>	<b>2,94,71,447</b>

Amounts in Rs.

FY 2021-22 for Total Year	Gross Block			Depreciation			Net Block		
	Opening balance 01.04.2021	Additions	Disposals	Balance as at 31 <sup>st</sup> March 2022	As on 01.04.2021	For the year	Eliminated on disposal of assets	Balance as at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Particulars									
Computers	7,66,09,602	37,62,612	-	8,03,72,214	7,27,06,177	18,25,047	-	7,45,31,224	39,03,425
Office Equipment	2,66,27,897	2,96,759	-	2,69,24,656	2,25,16,984	15,84,754	-	2,41,01,738	41,10,913
Furnitures & Fixtures	4,67,35,462	-	-	4,67,35,462	2,81,68,681	42,44,198	-	3,24,12,879	1,85,66,781
Vehicles	84,05,060	11,04,066	-	95,09,126	55,14,732	8,42,225	-	63,56,957	28,90,328
<b>TOTAL</b>	<b>15,83,78,021</b>	<b>51,63,437</b>	<b>-</b>	<b>16,35,41,458</b>	<b>12,89,06,574</b>	<b>84,96,224</b>	<b>-</b>	<b>13,74,02,798</b>	<b>2,94,71,447</b>
Carrying Value as on 31.03.2021	15,48,33,566	39,44,455	4,00,000	15,83,78,021	12,10,01,166	82,85,408	3,80,000	12,89,06,574	3,38,32,400

### 3.1 Right of Use of assets

Amounts in Rs.

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Initial recognition of ROU asset (Buildings) Lease deed commences from 1 <sup>st</sup> April, 2019	3,23,54,671	4,55,81,222
Less: Depreciation	1,32,26,552	1,32,26,551
<b>Balance as on 31.03.2022</b>	<b>1,91,28,119</b>	<b>3,23,54,671</b>
Financial Charges	<b>21,39,053</b>	<b>37,09,263</b>
Total cash out flows for leases	<b>1,64,25,000</b>	<b>1,64,25,000</b>
Expenses relating to short term lease	<b>Nil</b>	<b>Nil</b>

### 4. Financials Assets

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Financial Assets</b>		
<b>Non current</b>		
Loans to Related Party	8,00,00,000	8,00,00,000
Other Loans and advances	68,22,904	78,88,195
<b>Total</b>	<b>8,68,22,904</b>	<b>8,78,88,195</b>

#### Disclosure on Loan to Related Party

Type of Borrower	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	Amount of loan or advance in the nature of loan outstanding	% to the total Loans and Advances in the nature of Loans	Amount of loan or advance in the nature of loan outstanding	% to the total Loans and Advances in the nature of Loans
Promoter*	8,00,00,000	100.00	8,00,00,000	100.00
Directors	-	-	-	-
KMPs	-	-	-	-
Related Parties	-	-	-	-

\* Loan given to RV Consulting Services Private Limited at a interest rate on 8%, which is payable on demand

### 5. Trade Receivables

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Unsecured considered good	13,34,77,983	8,40,86,735
Less: Expected Credit Loss	14,46,609	13,72,766
<b>Total</b>	<b>13,20,31,374</b>	<b>8,27,13,969</b>

31<sup>st</sup> March

### Ageing of trade receivables - current outstanding as at 31<sup>st</sup> March, 2022

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Month - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Trade receivables - Billed							
Undisputed trade receivables –					-	-	-
Considered good	4,73,61,601	8,07,01,434	8,89,381	30,78,958			13,20,31,374
Undisputed trade receivables –							-
which have significant increase in credit risk							-
Undisputed trade receivables –							-
Credit impaired				14,46,609			14,46,609
Disputed trade receivables –							-
Considered good							-
Disputed trade receivables –							-
Which have significant increase in credit risk			-				-
Disputed trade receivables –							-
Credit impaired							-
<b>Total</b>	<b>4,73,61,601</b>	<b>8,07,01,434</b>	<b>8,89,381</b>	<b>45,25,567</b>	<b>-</b>	<b>-</b>	<b>13,34,77,983</b>

### Ageing of trade receivables - current outstanding as at 31<sup>st</sup> March, 2021

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Month - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Trade receivables - Billed							
Undisputed trade receivables –	4,31,19,297	3,65,67,900	29,45,138	81,635	-	-	8,27,13,970
Considered good							-
Undisputed trade receivables –							-
which have significant increase in credit risk							-
Undisputed trade receivables –							-
Credit impaired			13,72,766				13,72,766
Disputed trade receivables –							-
Considered good							-
Disputed trade receivables –							-
Which have significant increase in credit risk			-	-			-
Disputed trade receivables –							-
Credit impaired							-
<b>Total</b>	<b>4,31,19,297</b>	<b>3,65,67,900</b>	<b>43,17,904</b>	<b>81,635</b>	<b>-</b>	<b>-</b>	<b>8,40,86,736</b>

## 6 Cash and Cash equivalents

Amounts in Rs.

6.Cash and Cash equivalents	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
(a) Cash in hand	655	637
(b) Deposits with banks	10,15,81,368	3,54,91,200
(c) Balances with banks	2,00,75,966	3,24,55,281
<b>Total</b>	<b>12,16,57,989</b>	<b>6,79,47,118</b>

### 6.1. Bank balances other than Cash and cash equivalents

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Unpaid dividend account	37,36,829	29,53,344
<b>Total</b>	<b>37,36,829</b>	<b>29,53,344</b>

## 7. Investments

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Investments in Subsidiary, IT CATS LLC, USA	16,18,38,452	-
<b>Total</b>	<b>16,18,38,452</b>	<b>-</b>

## 8. Other Financial Assets

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Deposits	5,47,496	3,26,832
Prepaid Rent (IND AS Adjustment)	4,03,200	3,00,029
<b>Total</b>	<b>9,50,696</b>	<b>6,26,861</b>

## 9. Other Current Assets

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
(a) Interest Receivable	68,14,956	2,55,308
(b) GST input	42,39,341	86,64,719
(c) Balance with Tax authorities	39,41,093	25,07,393
(e) Others Including Gratuity Contribution	70,00,969	47,14,631
<b>Total</b>	<b>2,19,96,359</b>	<b>1,61,42,051</b>

## 10. Equity Share Capital

Particulars	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	No. of Shares	Amount	No. of Shares	Amount
AUTHORISED :				
1,00,00,000 Equity Shares of Rs.10/- each	1,00,00,000	10,00,00,000	70,00,000	7,00,00,000
<b>TOTAL</b>	<b>1,00,00,000</b>	<b>10,00,00,000</b>	<b>70,00,000</b>	<b>7,00,00,000</b>
Issued, Subscribed and Paid Up				
6392238 (Previous year 5560000) Equity Shares of Rs.10/- each	63,92,238	6,39,22,380	55,60,000	5,56,00,000
<b>TOTAL</b>	<b>63,92,238</b>	<b>6,39,22,380</b>	<b>55,60,000</b>	<b>5,56,00,000</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	8,32,238	83,22,380	-	-
<b>Closing Balance</b>	<b>63,92,238</b>	<b>6,39,22,380</b>	<b>55,60,000</b>	<b>5,56,00,000</b>

(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.

Name of Shareholder	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	No. of Shares	% of Holding	No. of Shares	% of Holding
S. Sreekanth Reddy	11,67,950	18.27	11,67,950	21.01
Satish Chander Reddy Kalva	6,32,238	9.89	0	0
Rachana Sammidi	6,46,574	10.11	6,46,559	11.63
The Madhavapura Mercantile Co-Op. Bank Ltd.	3,99,836	6.26	3,99,836	7.19

(d) Details of shareholding of promoters

Name	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021		% change during the year
	No. of Shares	% of Holding	No. of Shares	% of Holding	
S. Sreekanth Reddy	1167950	18.27	1167950	21.01	-2.74
Rachana Sammidi	646574	10.11	646559	11.63	-1.52
Anand Reddy Sammidi	152200	2.38	152200	2.74	-0.36
Vanajatha Sammidi	147100	2.30	147100	2.65	-0.35
Malathi Reddy Wdaru	120900	1.89	120900	2.17	-0.28
Aruna Sammidi	118400	1.85	118400	2.13	-0.28
Madhavi Nadikattu	116400	1.82	116400	2.09	-0.27
Proddhutoori Sucharitha Reddy	105200	1.65	105200	1.89	-0.24
R V Consulting Services Pvt Ltd	100700	1.58	700	0.01	1.57
Siddarth Sammidi	90100	1.41	90100	1.62	-0.21
Aneesh Reddy Sammidi	90100	1.41	90100	1.62	-0.21
Proddhutoori Sudarshan Reddy	50000	0.78	50000	0.90	-0.12
Poodhuru Rajith Reddy	50000	0.78	50000	0.90	-0.12
M. Radhika Reddy	55200	0.86	55200	0.99	-0.13

## (d) Details of shareholding of promoters

Name	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020		% change during the year
	No. of Shares	% of Holding	No. of Shares	% of Holding	
S Sreekanth Reddy	1167950	21.01	1167950	21.01	-
Rachana Sammidi	646559	11.63	645559	11.61	-
Anand Reddy Sammidi	152200	2.74	152200	2.74	-
Vanajatha Sammidi	147100	2.65	147100	2.65	-
Malathi Reddy Wdaru	120900	2.17	120900	2.17	-
Aruna Sammidi	118400	2.13	118400	2.13	-
Madhavi Nadikattu	116400	2.09	116400	2.09	-
Proddhutoori Sucharitha Reddy	105200	1.89	105200	1.89	-
R V Consulting Services Pvt Ltd	700	0.01	0.00	0.00	0.01
Siddarth Sammidi	90100	1.62	90100	1.62	-
Aneesh Reddy Sammidi	90100	1.62	90100	1.62	-
Proddhutoori Sudarshan Reddy	50000	0.90	50000	0.90	-
Poodhuturu Rajith Reddy	50000	0.90	50000	0.90	-
M Radhika Reddy	55200	0.99	55200	0.99	-

## 11. Other Equity

Amounts in Rs.

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Share premium account	24,86,66,072	4,56,00,000
Retained earnings	20,93,69,291	16,85,57,925
<b>Total</b>	<b>45,80,35,363</b>	<b>21,41,57,925</b>

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Movement in other equity is as follows:</b>		
<b>Share Premium Account</b>	<b>24,86,66,072</b>	<b>4,56,00,000</b>
Retained earnings		
Opening balance	16,85,57,925	12,22,48,898
Profit for the year	5,24,48,614	5,35,01,909
Other comprehensive income	22,62,752	11,47,118
	<b>22,32,69,291</b>	<b>17,68,97,925</b>
Less: Dividend for the year 2020-21	1,39,00,000	83,40,000
<b>Closing balance</b>	<b>20,93,69,291</b>	<b>16,85,57,925</b>

## 12. Other Non Current Liabilities-Financial Liabilities

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Lease Liability	1,94,45,939	3,74,29,841
<b>Total Other Non current Liabilities</b>	<b>1,94,45,939</b>	<b>3,74,29,841</b>

### 13. Long term Provisions

Amounts in Rs.

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Non Current		
Provison for Gratuity	-	4,14,662
Provison for Leave Enchasment	31,27,116	28,87,145
<b>Total</b>	<b>31,27,116</b>	<b>33,01,807</b>

### 14. Lease Liabilities

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Lease Laibility Current	21,39,053	-
<b>Total Laese Liabilities</b>	<b>21,39,053</b>	<b>-</b>

### 15. Trade Payables

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
(a) total outstanding dues of micro enterprises and small enterprises	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	21,07,501	7,04,390
<b>Total</b>	<b>21,07,501</b>	<b>7,04,390</b>

#### Ageing of Trade Payable - Current outstanding as at March, 31, 2022

Particulars	Outstanding for following periods from date date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i. MSME	-	-	-	-	-
ii. Others	20,49,752	57,749	-	-	21,07,501
iii. Disputed dues - MSME	-	-	-	-	-
iii. Disputed dues - Others	-	-	-	-	-

#### Ageing of Trade Payable - Current outstanding as at March, 31, 2021

Particulars	Outstanding for following periods from date date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i. MSME	-	-	-	-	-
ii. Others	5,68,928	1,35,462	-	-	7,04,390
iii. Disputed dues - MSME	-	-	-	-	-
iii. Disputed dues - Others	-	-	-	-	-

## 16. Long Term Provisions

Amounts in Rs.

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Provision for expenses	1,02,25,315	29,75,824
Short term Provision for Leave Enchasmment	6,37,412	5,34,535
Short term provision for Gratuity	-	4,68,494
TDS Payable	58,54,170	39,88,742
<b>Total</b>	<b>1,67,16,897</b>	<b>79,67,595</b>

## 17. Other Current Liabilities

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Accrued salaries and benefits	13,66,615	7,52,187
Other Advances	3,59,032	1,13,144
Unclaimed Dividend	37,36,829	29,53,344
<b>Total Current Liabilities</b>	<b>54,62,476</b>	<b>38,18,675</b>

## 18. Revenue from Operations

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Revenue from Software development	49,26,45,615	41,02,58,131
<b>Total Revenue from operations</b>	<b>49,26,45,615</b>	<b>41,02,58,131</b>

## 19. Other Income

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Interest income	92,02,853	78,87,787
Interest income on financial assets carried at amortized cost	6,56,650	5,30,880
Profit on Sale of Assets	-	22,373
Profit on Foreign Exchange Fluctuation	35,96,503	-
<b>Total Other Income</b>	<b>1,34,56,006</b>	<b>84,41,040</b>

## 20. Employee benefit expenses

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Salaries and other Benefits	32,70,66,928	27,27,36,548
Staff Welfare Expenses	40,60,801	29,95,707
Gratuity	37,31,951	30,57,677
<b>Total</b>	<b>33,48,59,680</b>	<b>27,87,89,932</b>

## 21. Other Expenses

Amounts in Rs.

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Postage and Telephone charges	7,29,662	4,82,305
Internet Charges	29,12,488	22,23,990
Overseas Travel expenses	23,92,676	8,73,277
Travelling and Conveyance	6,46,530	3,30,937
Vehicle Hire Charges	83,836	2,39,660
Electricity Charges	6,72,309	7,86,019
Vehicle Maintenance	4,22,897	5,37,178
Printing and Stationery	6,34,877	2,30,768
Office Maintenance	64,09,196	72,53,057
Auditors Remuneration	2,25,000	2,00,000
Rent, Rates and Taxes	15,62,583	24,64,612
Interest and Bank Charges	1,59,174	77,232
Professional and Consultancy charges	5,43,14,246	1,99,13,484
Advertisement charges	1,67,846	1,27,770
Sitting Fees	3,10,000	2,20,000
CSR Contributions	12,94,417	15,83,933
Insurance	27,381	1,11,162
General Expenses	1,19,000	16,500
Bad Debts written off	-	35,12,310
Expected Credit Loss	73,843	2,42,651
Financial Charges (Leased asset)	21,39,053	37,09,263
Loss on Foreign Exchange fluctation	-	6,22,109
<b>Total</b>	<b>7,52,97,014</b>	<b>4,57,58,216</b>

## 22. Tax Expenses

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
(a) income tax recognised in the statement of profit and loss		
in respect of current year	2,11,59,753	1,90,41,187
in respect of prior years	12,66,144	
<b>Total Current Tax</b>	<b>2,24,25,897</b>	<b>1,90,41,187</b>
<b>Deferred Tax</b>		
in respect of current year	(6,52,359)	95,968
<b>Total Deffered Tax</b>	<b>(6,52,359)</b>	<b>95,968</b>
<b>Total Tax expense</b>	<b>2,17,73,538</b>	<b>1,91,37,155</b>

As per our report of even date

For and on Behalf of the Board

For **T MOHAN & ASSOCIATES**  
Chartered Accountants  
(FRNo.0012482S)

**M JAGADEESH**  
Managing Director  
DIN: 01590689

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

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

Place : Hyderabad  
Date: May 16, 2022

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

# INDEPENDENT AUDITORS' REPORT

To the Members of M/s Sagarsoft (India) Limited

Report on the Audit of the Consolidated Financial Statements

## Opinion

We have audited the accompanying Consolidated Financial Statements of M/s Sagarsoft (India) Limited ("the Company"), and its wholly owned subsidiary (the Company and the wholly owned subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (herein referred to as "the Consolidated Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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 consolidated state of affairs of the Group as at March 31, 2022, and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their Consolidated Cash Flows for the year ended on that date.

## Basis for opinion

We conducted our audit of the Consolidated 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 Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group 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 Consolidated 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 obtained by us and the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated 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 Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

## Information other than the Consolidated Financial Statements and Auditors' report thereon

The Company's Board of directors are responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated 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 Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated 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 Consolidated 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 Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated comprehensive income, consolidated changes in equity and consolidated cash flows of the Group 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 of 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 Consolidated Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies Included in the Group are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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### **Auditor's responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Consolidated Financial Statements.

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

- Identify and assess the risks of material misstatement of the Consolidated 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.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 ability of the Group 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 Consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain Sufficient Audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, Supervision and performance of the Audit of the Consolidated Financial Statements of such entities included in the Consolidated Financial Statements of which we are the Independent auditors. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Company and the other Entities included in the Consolidated Financial Statements of which we are the Independent auditors 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 Consolidated 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.

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### Other Matters

We did not audit the financial statements of wholly owned foreign subsidiary (M/s IT CATS LLC, USA), whose financial statements reflect total assets of Rs. 3727.54 Lakhs as at March 31, 2022, total revenues of Rs. 7182.49 Lakhs for the period July 26, 2021 to March 31, 2022 and net cash flows amounting to (Rs. 176.47) Lakhs for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of section 143(3) and 143(11) of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

The subsidiary is located in USA whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in US and which have been audited by other auditors under generally accepted auditing standards applicable in US. The Company's management has converted the financial statements of this subsidiary located outside India into accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020, ("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, based on our audit and on the consideration of the reports of the other Auditors on the separate financial Statements of subsidiary, referred to in the other Matters section above, we report, to the extent applicable, 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 of the aforesaid Consolidated Financial Statements.
- b. In our opinion, proper books of account as required by law relating to Preparation of aforesaid Consolidated Financial Statements have been kept by the Company so far as it appears from our examination of those books.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under section 133 of the Act.
- e. Based on the Written Representation received from the directors of the Company as on March 31, 2022, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on March 31, 2022 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 operating effectiveness of the Company's internal financial controls over financial reporting of those companies.
- 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 whole-time directors during the year exceeds the limits specified in the provisions of section 197 of the Act and the same is subject to approval of Shareholders through Special Resolution.

- 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.** As informed to us and based on the audit procedures, the group does not have any pending litigations.
- 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.
- iv.** (i) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies),

including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (ii) The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - (iii) Based on the audit procedures, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- v.** The dividend declared or paid during the year by the company is in compliance with section 123 of the Companies Act, 2013.

For **T MOHAN & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 012482S

**MOHAN REDDY T**  
Partner  
Membership No. 239635  
UDIN: 22239635AJBOHH6367

Place : Hyderabad  
Date: May 16, 2022

## Annexure-A to the Auditors' 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 M/s Sagarsoft (India) Limited, on the Consolidated Financial Statements for the year ended March 31, 2022.**

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:

xxi. In our opinion and based on the information provided to us, the reporting requirement under the Companies (Auditor's Report) Order (CARO) is not applicable to the foreign subsidiary.

For **T MOHAN & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 012482S

**MOHAN REDDY T**  
Partner  
Membership No. 239635  
UDIN: 22239635AJBOHH6367

Place : Hyderabad  
Date: May 16, 2022

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

(Referred to in paragraph 1 (f) under 'Report on other legal and regulatory requirements' section of our report to the Members of **Sagarsoft (India) Limited** of even date)

### **Report on the internal financial controls over financial reporting 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 M/s Sagarsoft (India) Limited ("the Holding Company") as of March 31, 2022 in conjunction with our audit of the Consolidated Financial Statements of the group for the year ended on that date.

#### **Management's responsibility for internal financial controls**

The Board of Directors of the Company are 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 ("the 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 the Company's policies, 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 Act.

#### **Auditors' responsibility**

Our responsibility is to express an opinion on the 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, including the assessment of the risks of material misstatement in the Consolidated 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 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 Consolidated 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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated 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 (iii) 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 Consolidated 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 of 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.

Place: Hyderabad  
Date: May 16, 2022

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Company have, 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, 2022, 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 **T MOHAN & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 012482S

**MOHAN REDDY T**  
Partner  
Membership No. 239635  
UDIN: 22239635AJBOHH6367

# Consolidated Balancesheet as at March 31, 2022

All amounts in Rs.

Particulars	Note	As on 31 <sup>st</sup> March 2022
<b>ASSETS</b>		
<b>Non Current Assets</b>		
(a) Property, Plant and Equipment	<b>3</b>	2,77,27,240
(b) Right of use assets	<b>3.1</b>	1,91,28,119
(c) Goodwill		8,68,64,305
(d) Financial Assets		
Loans	<b>4</b>	8,75,59,127
(e) Income tax assets (net)		1,50,00,000
(f) Deferred tax assets (net)		28,15,098
<b>Total Non-current assets</b>		<b>23,90,93,888</b>
<b>Current Assets</b>		
(a) Financial assets		
(i) Trade Receivables	<b>5</b>	38,80,72,366
(ii) Cash and Cash Equivalents	<b>6</b>	20,29,75,236
(iii) Bank balances other than Cash and cash equivalents	<b>6.1</b>	37,36,829
(iv) Other Financial Assets	<b>7</b>	16,25,680
(b) Other current assets	<b>8</b>	2,19,96,359
<b>Total Current assets</b>		<b>61,84,06,469</b>
<b>TOTAL ASSETS</b>		<b>85,75,00,358</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	<b>9</b>	6,39,22,380
(b) Other equity	<b>10</b>	48,64,18,099
<b>Total Equity</b>		<b>55,03,40,479</b>
<b>Liabilities</b>		
<b>Non Current Liabilities</b>		
(a) Financial Liabilities		
Lease liabilities	<b>11</b>	1,94,45,939
(b) Provisions	<b>12</b>	31,27,116
<b>Total Non-current liabilities</b>		<b>2,25,73,055</b>
<b>Current Liabilities</b>		
(a) Financial Liabilities		
(i) Lease liabilities	<b>13</b>	21,39,053
(ii) Trade payables	<b>14</b>	
(a) total outstanding dues of micro enterprises and small enterprises		-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		5,12,11,676
(b) Provisions	<b>15</b>	1,67,16,897
(c) Current tax liabilities (net)		2,11,59,753
(d) Other current liabilities	<b>16</b>	19,33,59,446
<b>Total Current liabilities</b>		<b>28,45,86,824</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>85,75,00,358</b>
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 **T MOHAN & ASSOCIATES**

Chartered Accountants  
(FRNo.0012482S)

**MOHAN REDDY T**

Partner  
Membership No. 239635

Place : Hyderabad  
Date: May 16, 2022

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

## Consolidated Statement of Profit and Loss for the year ended March 31, 2022

All amounts in Rs.

Particulars		For the year ended 31 <sup>st</sup> March, 2022
<b>I.</b> Revenue from operations	17	1,17,78,15,672
<b>II.</b> Other income	18	1,36,11,806
<b>III. Total income</b>		<b>1,19,14,27,478</b>
<b>VI. Expenses</b>		
Employee Benefits Expenses	19	76,26,90,288
Depreciation and amortisation expense	3 & 3.1	2,22,73,703
Other Expenses	20	29,78,21,368
<b>Total expenses</b>		<b>1,08,27,85,359</b>
<b>V. Profit before tax</b>		<b>10,86,42,119</b>
<b>VI.</b> Tax expense	21	
(a) Current tax		2,84,55,251
(b) Prior period Taxes		12,66,144
(c) Deferred tax		(6,52,359)
<b>Total tax expense</b>		<b>2,90,69,036</b>
<b>VII. Profit after tax</b>		<b>7,95,73,083</b>
<b>VIII. Other comprehensive income</b>		
A. (i) items that will not be classified to profit & loss		
(a) remeasurment of the defined benefit plans		30,23,776
(b) equity instruments through other comprehensive income		-
Tax		(7,61,024)
<b>IX. Total comprehensive income for the year</b>		<b>22,62,752</b>
Amount Carried to Balance Sheet		<b>8,18,35,835</b>
<b>X Earnings per share (of Rs. 10) each in Rs.</b>		
Basic		<b>13.35</b>
Diluted		<b>13.35</b>
Corporate Information and Significant accounting policies	1 & 2	

See accompanying notes to the financial statements.

As per our report of even date

For and on Behalf of the Board

For **T MOHAN & ASSOCIATES**  
Chartered Accountants  
(FRNo.0012482S)

**M JAGADEESH**  
Managing Director  
DIN: 01590689

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

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

Place : Hyderabad  
Date: May 16, 2022

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

## Statement of changes in equity for the year ended March 31, 2022

### A. Equity Share Capital

#### (1) Current Reporting Period

Balance as at beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
5,56,00,000	-	-	83,22,380	6,39,22,380

### B. Other Equity

#### (1) Current Reporting Period

All amounts in Rs.

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	
<b>Balance at the beginning of the current reporting period</b>	<b>4,56,00,000</b>	<b>23,92,45,475</b>	-	<b>4,28,604</b>	<b>28,52,74,079</b>
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-
Other Comprehensive Income	-	-	-	22,62,752	22,62,752
Total Comprehensive Income for the current year	-	7,95,73,083	-	-	7,95,73,083
Dividends	-	(1,39,00,000)	-	-	(1,39,00,000)
Transfer to retained earnings	-	-	-	-	-
Any other change - Consolidation adjustment	-	(6,98,57,887)	-	-	(6,98,57,887)
Premium on allotment of equity shares	20,30,66,072	-	-	-	20,30,66,072
<b>Balance at the end of the current reporting period</b>	<b>24,86,66,072</b>	<b>23,50,60,671</b>	-	<b>26,91,356</b>	<b>48,64,18,099</b>

As per our report of even date

For and on Behalf of the Board

For **T MOHAN & ASSOCIATES**  
Chartered Accountants  
(FRNo.0012482S)

**M JAGADEESH**  
Managing Director  
DIN: 01590689

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

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

Place : Hyderabad  
Date: May 16, 2022

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

## Statement of Consolidated cash flows for the year ended March 31, 2022

All amounts in Rs.

	Particulars	As at 31 <sup>st</sup> March, 2022	
	<b>Cash flow statement for the year ended</b>		
<b>A</b>	<b>Cash flow from operating activities</b>		
	<b>Profit before tax</b>		10,86,42,119
	Adjustment for:		
	Depreciation and amortization expense	2,22,81,097	
	Net loss on fair value change in financial instruments	22,62,085	2,45,43,182
	<b>Operating profit before working capital changes</b>		<b>13,31,85,300</b>
	Changes in working capital		
	Adjustments for (increase)/ decrease in operating assets:		
	Trade receivables	(15,76,87,394)	
	Other Financial Assets	(2,72,336)	
			(15,79,59,730)
	Adjustments for increase/ (decrease) in operating liabilities:		
	Trade Payables	(3,47,87,707)	
	Other Financial Liabilities	9,49,92,659	
			6,02,04,952
	<b>Cash generated from operating activities</b>		<b>3,54,30,522</b>
	Less: Income tax paid		<b>(2,90,69,036)</b>
	<b>Net cash generated from operating activities</b>		<b>63,61,487</b>
<b>B</b>	<b>Cash flow from investing activities</b>		
	Capital expenditure on property, plant and equipment including capital advances	(62,28,959)	
	Deposits not considered as cash and cash equivalents		
	Placed	10,65,291	
	Investments made during the year	(16,18,38,452)	
	<b>Net cash flow from investing activities</b>		<b>(16,70,02,120)</b>
<b>C</b>	<b>Cash flow from financing activities</b>		
	Proceeds on allotment of equity Shares upon conversion of warrants	21,13,88,452	
	Dividends paid	(1,39,00,000)	
	<b>Net cash generated/ (used) from financing activities</b>		<b>19,74,88,452</b>
	<b>Net (decrease)/ increase in cash and cash equivalent (A+B+C)</b>		<b>3,68,47,819</b>
	Cash and equivalents as at 01-04-2021		16,98,64,246
	<b>Cash and equivalents as at 31-03-2022</b>		<b>20,67,12,065</b>
	<i>Cash and Cash equivalents includes:</i>		
	1. Cash and Cash equivalents		20,29,75,236
	2. Bank Balances Other than Cash and Cash equivalents		37,36,829
	<b>Total</b>		<b>20,67,12,065</b>

As per our report of even date

For and on Behalf of the Board

For **T MOHAN & ASSOCIATES**  
Chartered Accountants  
(FRNo.0012482S)

**M JAGADEESH**  
Managing Director  
DIN: 01590689

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

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

Place : Hyderabad  
Date: May 16, 2022

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

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022

## 1. CORPORATE INFORMATION & SIGNIFICANT ACCOUNTING POLICIES

### (A) Corporate Information

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

IT CATS LLC, USA is a limited liability company incorporated in USA in 2004 which is a full-service IT consulting company with a broad range of technical skills, including but not limited to ERP, client/server and web based application and database development and have a wide range of professional experience and can function in various roles from Programmers, QA, Testers, Business Analysts to Project Managers throughout the project life cycle.

The consolidated financial statements comprise the financial statements of the company and its subsidiary, IT CATS LLC, USA. (Collectively referred to as the Group). The group is engaged in the business of software development and consultancy.

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

These financial statements are 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 as 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.

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 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) Basis of Consolidation

The Company consolidates the financial statements of the company and its subsidiary. The results of subsidiary acquired, during the year are consolidated from the effective date of acquisition. The financial statements of the Group companies are consolidated on a line-by-line basis and all inter-company transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to shareholders of the Company.

Assets and liabilities of entities with functional currency other than the functional currency of the Company have been translated using exchange rates prevailing on the balance sheet date. Statement of profit and loss of such entities has been translated using average exchange rates.

### (E) Revenue Recognition

The company derives revenue primarily from software development and related services.

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.

#### **(F) 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.

#### **(G) 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 IndAS 19 and is not funded.

##### **Provident fund:**

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

#### **(H) 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.

#### **(I) 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.

#### **(J) 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.

#### **(K) 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.

## (L) 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 amortised cost if it 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

### (ii) 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.

## (M) Impairment of assets

#### a. Financial assets:

Financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses 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 expected credit losses (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 cash generating units (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).

**(N) Estimation of uncertainties relating to the impact COVID-19 pandemic.**

The spread of COVID 19 pandemic across the globe and the consequent remedial measures against the virus taken by the governments of various countries and the Indian Government are having impact on the operations of the various economies, all of which has led to substantial contraction of demand.

In view of the above pandemic, its impact on the company's operations has been considered and a sensitivity analysis based on current estimates in assessing the recoverability of receivables also has been performed. However, the actual impact of COVID-19 on the financial statements may differ from that estimated and the Company will continue to closely monitor any material changes to future economic conditions.

**(O) Leases**

Company's lease assets consist of buildings

**Identifying of lease**

At inception of a contract, the company shall assess whether the contract is, or contains, a lease.

A contract is, or contains, a lease if the contract conveys the right to control the use of identified asset for a period of time in exchange for consideration

To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether:

- i. The contract involves use of an identified asset
- ii. The company has substantially all of the economic benefits from use of the asset throughout lease period
- iii. The Company has the right to direct the use of the asset

**Recognition**

At the commencement date of lease the company recognizes a right of use asset and corresponding lease liability, wherever the company is a lessee. Leases of periods not more than 12 months (Short term lease) are not considered. Short term lease payments are considered as operating expenses on a straight line basis over the lease period as per contract.

**Measurement**

At the commencement of lease period, the company measures the lease liability at present value of all future lease payment to be made and a ROU asset for the same value also is created.

Depreciation of the ROU asset is computed for each year on a straight line basis over the contract period or useful life of the underlying asset, whichever is shorter.

**Presentation**

ROU asset are shown separately in the Balance sheet as a line item and similarly lease liability is shown in the Balance sheet separately as a line item. Further lease payments are shown in cash flow statement as financing activities.

## 2.1. Related Party Disclosure

S. No	Nature of Relationship	Name of the Parties
1	Key Management Personnel	<ol style="list-style-type: none"> <li>S. Sreekanth Reddy</li> <li>M. Jagadeesh</li> <li>K. Pradeep Kumar Reddy</li> <li>K. Roopesh</li> </ol>
2	Enterprises where key managerial personnel along with their relatives exercise significant influence	<ol style="list-style-type: none"> <li>Sagar Priya Housing and Industrial Enterprises Limited</li> <li>Savyasachi Constructions Pvt Ltd</li> <li>Sapplica Info Technologies Pvt Ltd</li> <li>Sagar Cements Limited</li> <li>R V Consulting Services Pvt Ltd</li> <li>Sagar Power Limited</li> <li>Sagarsoft Inc, USA</li> <li>Dr. S. Anand Reddy</li> <li>S. Vanajatha</li> </ol>

Transaction with related parties during the year ended 31<sup>st</sup> March, 2022

(Rs. in Lakhs)

Nature of Transaction	Key Managerial Personnel	Enterprises where key managerial personnel along with their relatives exercise significant influence	Balance as on 31.03.2022
<b>Remuneration Paid</b>			
1. M. Jagadeesh	72.00		8.00
2. K. Pradeep Kumar Reddy	72.00		8.00
3. K. Roopesh	109.28		-
<b>Loan &amp; Advances</b>		-	
R V Consulting Services Pvt Ltd.		-	800.00
<b>Rent Paid</b>			
1. Dr. S. Anand Reddy		64.60	-
2. S. Vanajatha		64.60	-
3. S. Sreekanth Reddy		64.60	-
<b>Trade Receivables</b>			
Sagarsoft Inc		3431.61	565.12
Amicus Systems		347.68	63.75
<b>Consultancy Services</b>			-
Sagar Cements Limited		60.18	-
<b>Charges paid</b>			-
Savyasachi Constructions Pvt Ltd Maintenance Charges		37.85	-
Sagar Cements Limited Power Expenses		6.72	0.45
<b>Interest on Loans</b>			
RV Consulting Services Pvt Ltd.		64.00	61.20

**2.2. 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, 2022	March 31, 2021
Defined benefit obligation at the beginning of the year	19575253	16392992
Current service cost	3260916	3130970
Interest cost	1305370	1116363
Reimbursements	( 705889 )	( 1065072 )
Benefits payments from plan assets	( 1368443 )	-
Defined benefit obligation at the year end	22067207	19575253

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

(Amount in Rs.)

Description	Year Ended Gratuity	
	March 31, 2022	March 31, 2021
Fair value of plan assets at the beginning of the Year	18692097	17469250
Expected return on plan assets	1364236	1189656
Actuarial gain / (loss)	1531067	33192
Employer contribution	3470099	-
Benefits paid	( 1368443 )	-
Fair value of plan asset at the year end	23689056	18692097

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

(Amount in Rs.)

Description	Year Ended Gratuity	
	March 31, 2022	March 31, 2021
Fair value of plan assets	23689056	18692097
Present value of obligations	22067207	19575253
Amount to be recognized in the Balance sheet	( 1621849 )	883156

**d) Expenses recognized during the year:**

(Amount in Rs.)

Description	Year Ended Gratuity	
	March 31, 2022	March 31, 2021
Current service cost	3260916	3130970
Interest cost	1305370	1116363
Expected return on plan assets	( 1364236 )	( 1189656 )
Actuarial (gain) / loss	( 2236956 )	( 1098263 )
Net cost	965095	1959414

**e) Reconciliation of Leave Encashment:**

(Amount in Rs.)

Description	Year ended Leave Encashment	
	March 31, 2022	March 31, 2021
Present Value of Obligation as at the end of the year	3764529	3421680
Value of fund as at the end of the year		
Net Asset/(Liability) Recognized in Balance Sheet	( 3764529 )	( 3421680 )

**f) Investment details:**

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

**g) Actuarial assumptions**

Mortality table (LIC) 2012-14 (ultimate)  
Discounting rate – 7.33%  
Expected rate of return on plan asset – 7.65%  
Rate of escalation in salary – 5%

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

**2.4.** Contingent Liabilities: Nil (Previous Year: Nil)

**2.5.** 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:

(Rs. in Lakhs)

S. No	Geographic Segments	2021-22
01	Consolidated Revenue	11778.16
	Total	11778.16

**2.6.** 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.

**2.7. Key financial ratios:**

Ratio	Numerator	Denominator	For the year ended March 31, 2022
Current Ratio	Current Assets	Current Liabilities excl. Current Borrowings	2.17
Debt-Equity Ratio	Debt	Net Worth	Not Applicable
Debt Service Coverage Ratio	Earnings before depreciation, interest and tax	Interest expense + Principal repayment	Not Applicable
Return on Equity Ratio (ROE)	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	33.29%
Inventory turnover ratio	Sales of Products and Services	Average Inventory	Not Applicable
Trade Receivables turnover ratio	Sales of Products and Services	Average Trade Receivable	3.04
Trade payables turnover ratio	Other Expenses and additions to PPE	Average Trade Payables	5.92
Net capital turnover ratio	Sales of Products and Services	Current assets - current liabilities	3.53
Net profit ratio	Profit after tax	Sales of Products and Services	6.76%
Return on Capital employed	Earnings before interest and taxes	Capital Employed	18.96%
Return on Investment	Income generated from Deposits	Average value of Deposits	2.23%

**2.8. Earnings per share**

Particulars	For the year ended March 31, 2022
Profit after tax ( ₹ in lakhs )	795.73
Weighted average number of equity shares outstanding	63,92,238
Earnings per share:	
Basic and Diluted ( in ₹ )	13.35

## 2.9. Dividends

Dividends paid during the year ended March 31, 2022 include an amount of Rs.2.50 (25%) per equity share towards dividend for the year ended March 31, 2021. Dividends paid during the year ended March 31, 2021 include an amount of Rs.1.50 (15%) per equity share towards dividend for the year ended March 31, 2020.

Dividends declared by the Company are based on the profit available for distribution. On May 16, 2022, the Board of Directors of the Company have proposed a dividend of Rs.3.00 (30%) per share for the year ended March 31, 2022 subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately Rs.191.77 Lakhs.

**2.10.** The consolidated financial results of the company includes the results of Sagarsoft (India) Limited and its wholly owned subsidiary IT CATS LLC, USA which was acquired on 26th July, 2021. The financial statements of the wholly owned subsidiary was considered for consolidation from the date of its acquisition. No previous year comparative figures have been given in the consolidated financial statements as the company was acquired on 26th July, 2021.

## 2.11. Other statutory information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any transaction with companies struck off.
- (iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iv) The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

As per our report of even date

For **T MOHAN & ASSOCIATES**  
Chartered Accountants  
(FRNo.0012482S)

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

Place : Hyderabad  
Date: May 16, 2022

- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

- (v) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vi) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

## (vii) UTILISATION OF FUNDS COLLECTED THROUGH PREFERENTIAL ISSUE

Pursuant to the approval accorded by the shareholder at the 25th Annual General Meeting held on 07th July, 2021, the board had allotted 8,32,238 Equity shares at an issue price of Rs.254/- per share. Out of which, 6,32,238 equity shares were allotted for consideration other than cash for acquisition of IT CATS LLC and balance 2,00,000 shares for cash and accordingly raised a sum of Rs.5.08 crores through the above allotment and the same was parked in fixed deposit for future investments and other general corporate purposes.

- (viii) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

**2.12.** Balances due to or due from the parties are subject to confirmation.

**2.13.** Figures are rounded off to nearest rupee.

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 to the financial statements for the year ended March 31, 2022

### 3. Property, Plant & Equipment

Amounts in Rs.

Particulars	Year ended
	As at March 31, 2022
Computers	58,40,990
Office Equipment	46,14,519
Furnitures & Fixtures	1,41,19,562
Vehicles	31,52,169
<b>TOTAL</b>	<b>2,77,27,240</b>

Amounts in Rs.

FY 2021-22 for Total Year	Gross Block			Depreciation			Net Block	
	Opening balance 01.04.2021	Additions	GROSS TOTAL 31.03.2022	FOR THE YEAR	DISPOSALS	TOTAL DEP	As at 31.03.2022	As at 31.03.2021
Particulars								
Computers	7,66,09,602	37,62,612	8,03,72,214	18,25,047	-	7,45,31,224	58,40,990	39,03,425
Office Equipment	3,25,93,867	2,96,759	3,28,90,626	21,02,625	-	2,82,76,107	46,14,519	41,10,913
Furnitures & Fixtures	4,67,98,890	-	4,67,98,890	42,77,254	-	3,26,79,329	1,41,19,562	1,85,66,781
Vehicles	84,05,060	11,04,066	95,09,126	8,42,225	-	63,56,957	31,52,169	28,90,328
<b>TOTAL</b>	<b>16,44,07,419</b>	<b>51,63,437</b>	<b>16,95,70,856</b>	<b>90,47,151</b>	<b>-</b>	<b>14,18,43,617</b>	<b>2,77,27,240</b>	<b>2,94,71,447</b>

### 3.1 Right of Use of assets

Amounts in Rs.

Particulars	As at 31 <sup>st</sup> March, 2022
Initial recognition of ROU asset (Buildings) Lease deed commences from 1 <sup>st</sup> April, 2019	3,23,54,671
Less: Depreciation	1,32,26,552
<b>Balance as on 31.03.2022</b>	<b>1,91,28,119</b>
Financial Charges	<b>21,39,013</b>
Total cash outflows for leases	<b>1,64,25,000</b>
Expenses relating to short term lease	<b>Nil</b>

### 4. Financials Assets

Particulars	As at 31 <sup>st</sup> March, 2022
<b>Financial Assets</b>	
<b>Non current</b>	
Loans to Related Party	8,00,00,000
Other Loans and advances	75,59,127
<b>Total</b>	<b>8,75,59,127</b>

### Disclosure on Loan to Related Party

Type of Borrower	As at 31 <sup>st</sup> March, 2022	
	Amount of loan or advance in the nature of loan outstanding	% to the total Loans and Advances in the nature of Loans
Promoter*	8,00,00,000	100.00
Directors	-	-
KMPs	-	-
Related Parties	-	-

\* Loan given to RV Consulting Services Private Limited at a interest rate on 8%, which is payable on demand

### 5. Trade Receivables

Particulars	As at 31 <sup>st</sup> March, 2022
Unsecured considered good	38,95,18,974
Less: Expected Credit Loss	14,46,609
<b>Total</b>	<b>38,80,72,366</b>

## Ageing of trade receivables - current outstanding as at March, 31, 2022

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Month - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
<b>Trade receivables - Billed</b>							
<b>Undisputed trade receivables –</b>							
considered good	5,89,93,762	32,67,52,647	1,38,399	21,87,557	-	-	38,80,72,366
<b>Undisputed trade receivables –</b>							
which have significant increase in credit risk							-
<b>Undisputed trade receivables –</b>							
credit impaired				14,46,609			14,46,609
<b>Disputed trade receivables –</b>							
considered good							-
<b>Disputed trade receivables –</b>							
which have significant increase in credit risk				-			-
<b>Disputed trade receivables –</b>							
credit impaired							-
<b>Total</b>	<b>5,89,93,762</b>	<b>32,67,52,647</b>	<b>1,38,399</b>	<b>36,34,166</b>	<b>-</b>	<b>-</b>	<b>38,95,18,974</b>

## 6 Cash and Cash equivalents

Amounts in Rs.

6.Cash and Cash equivalents	As at 31 <sup>st</sup> March, 2022
(a) Cash in hand	655
(b) Deposits with banks	
- Maturity less than 12 months	10,15,81,368
(c) Balances with banks	10,13,93,214
<b>Total</b>	<b>20,29,75,236</b>

### 6.1. Bank balances other than cash equivalents

Particulars	As at 31 <sup>st</sup> March, 2022
Balance with banks - in unpaid dividend account	37,36,829
<b>Total</b>	<b>37,36,829</b>

## 7. Other Financial Assets

Particulars	As at 31 <sup>st</sup> March, 2022
Deposits	5,47,496
Prepaid Rent (IND AS Adjustment)	10,78,184
<b>Total</b>	<b>16,25,680</b>

## 8. Other Current Assets

Particulars	As at 31 <sup>st</sup> March, 2022
(a) Interest Receivable	68,14,956
(b) GST input	42,39,341
(c) Balance with Tax authorities	39,41,093
(e) Others Including Gratuity Contribution	70,00,969
<b>Total</b>	<b>2,19,96,359</b>

## 9. Equity Share Capital

Particulars	As at 31 <sup>st</sup> March, 2022	
	No. of Shares	Amount
AUTHORISED :		
1,00,00,000 Equity Shares of Rs.10/- each	1,00,00,000	10,00,00,000
<b>Total</b>	<b>1,00,00,000</b>	<b>10,00,00,000</b>

Issued, Subscribed and Paid Up		
6392238 (Previous year 5560000) Equity Shares of Rs.10/- each	63,92,238	6,39,22,380
<b>Total</b>	<b>63,92,238</b>	<b>6,39,22,380</b>

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Opening Balance	<b>55,60,000</b>
Shares issued during the year	8,32,238
<b>Closing Balance</b>	<b>63,92,238</b>

(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.

Name of Shareholder	As at 31 <sup>st</sup> March, 2022	
	No. of Shares	% of Holding
S. Sreekanth Reddy	1167950	18.27
Satish Chander Reddy Kalva	632238	9.89
Rachana Sammidi	646574	10.11
The Madhavpura Mercantile Co-Op. Bank Ltd.	399836	6.26

## (d) Details of share holding of promoters

Name	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021		% change during the year
	No. of Shares	% of Holding	No. of Shares	% of Holding	
S. Sreekanth Reddy	1167950	18.27	1167950	21.01	-2.74
Rachana Sammidi	646574	10.11	646559	11.63	-1.52
Anand Reddy Sammidi	152200	2.38	152200	2.74	-0.36
Vanajatha Sammidi	147100	2.30	147100	2.65	-0.35
Malathi Reddy Wdaru	120900	1.89	120900	2.17	-0.28
Aruna Sammidi	118400	1.85	118400	2.13	-0.28
Madhavi Nadikattu	116400	1.82	116400	2.09	-0.27
Proddhutoori Sucharitha Reddy	105200	1.65	105200	1.89	-0.24
R V Consulting Services Pvt Ltd	100700	1.58	700	0.01	1.57
Siddarth Sammidi	90100	1.41	90100	1.62	-0.21
Aneesh Reddy Sammidi	90100	1.41	90100	1.62	-0.21
Proddhutoori Sudarshan Reddy	50000	0.78	50000	0.90	-0.12
Poodhuturu Rajith Reddy	50000	0.78	50000	0.90	-0.12
M. Radhika Reddy	55200	0.86	55200	0.99	-0.13

## 10. Other Equity

Amounts in Rs.

Particulars	As at 31 <sup>st</sup> March, 2022
Share premium account	24,86,66,072
Retained earnings	23,77,52,027
<b>Total</b>	<b>48,64,18,099</b>

Particulars	As at 31 <sup>st</sup> March, 2022
<b>Movement in other equity is as follows:</b>	
<b>Share Premium Account</b>	<b>24,86,66,072</b>
Retained earnings	
Opening balance	23,96,74,079
Profit for the year	7,95,73,083
Other comprehensive income	22,62,752
Less: Adjustments for consolidation	<b>6,98,57,887</b>
	<b>25,16,52,027</b>
Less: Dividend for the year 2020-21	1,39,00,000
<b>Closing balance</b>	<b>23,77,52,027</b>

## 11. Other Non Current Liabilities-Financial Liabilities

Particulars	As at 31 <sup>st</sup> March, 2022
Lease Liability	1,94,45,939
<b>Total Other Non current Liabilities</b>	<b>1,94,45,939</b>

## 12. Long Term Provisions

Amounts in Rs.

Particulars	As at 31 <sup>st</sup> March, 2022
Non Current	
Provison for Gratuity	-
Provison for Leave Enchasment	31,27,116
<b>Total</b>	<b>31,27,116</b>

## 13. Lease Liabilities Current

Particulars	As at 31 <sup>st</sup> March, 2022
Lease Laibility Current	21,39,053
<b>Total Laese Liabilities</b>	<b>21,39,053</b>

## 14. Trade Payables

Particulars	As at 31 <sup>st</sup> March, 2022
(a) total outstanding dues of micro enterprises and small enterprises	0
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	5,12,11,676
<b>Total</b>	<b>5,12,11,676</b>

### Ageing of Trade Payable - Current outstanding as at March, 31, 2022

Particulars	Outstanding for following periods from date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i. MSME	-	-	-	-	-
ii. Others	5,12,11,676	-	-	-	5,12,11,676
iii. Disputed dues - MSME	-	-	-	-	-
iii. Disputed dues - Others	-	-	-	-	-

## 15. Provisions

Particulars	As at 31 <sup>st</sup> March, 2022
Provision for expenses	1,02,25,315
Short term Provison for Leave Enchasment	6,37,412
short term provision for Gratuity	-
TDS Payable	58,54,170
<b>Total</b>	<b>1,67,16,897</b>

## 16. Other Current Liabilities

Amounts in Rs.

Particulars	As at 31 <sup>st</sup> March, 2022
Accrued salaries and benefits	13,66,615
Other Advances	18,82,56,002
Unclaimed Dividend	37,36,829
<b>Total Current Liabilities</b>	<b>19,33,59,446</b>

## 17. Revenue from Operations

Particulars	As at 31 <sup>st</sup> March, 2022
Revenue from Software development and consultancy	1,17,78,15,672
<b>Total Revenue from Operations</b>	<b>1,17,78,15,672</b>

## 18. Other Income

Particulars	As at 31 <sup>st</sup> March, 2022
Interest income	93,58,653
interest income on financial assets measured at amortized cost	6,56,650
Net Gain on foreign currency transactions and translation	35,96,503
<b>Total Other Income</b>	<b>1,36,11,806</b>

## 19. Employee benefit expenses

Particulars	As at 31 <sup>st</sup> March, 2022
Salaries and Other Benefits	75,32,13,163
Staff Welfare Expenses	57,45,174
Gratuity	37,31,951
<b>Total</b>	<b>76,26,90,288</b>

## 21. Other Expenses

Amounts in Rs.

Particulars	As at 31 <sup>st</sup> March, 2022
Postage and Telephone charges	15,91,445
Internet Charges	29,12,488
Overseas Travel expenses	23,92,676
Travelling and Conveyance	52,78,444
Vehicle Hire Charges	83,836
Electricity Charges	6,72,309
Vehicle Maintenance	4,22,897
Printing and Stationery	9,92,227
Office Maintenance	68,09,687
Auditors Remuneration	2,25,000
Rent, Rates and Taxes	94,23,984
Interest and Bank Charges	20,28,407
Professional and Consultancy charges	24,31,96,738
Advertisement charges	19,34,627
Sitting Fees	3,10,000
CSR Contributions	13,68,927
Insurance	1,57,17,324
General Expenses	2,47,455
Expected Credit Loss	73,843
Financial Charges (Leased asset)	21,39,053
<b>Total</b>	<b>29,78,21,368</b>

## 22. Tax Expenses

Particulars	As at 31 <sup>st</sup> March, 2022
(a) income tax recognised in the statement of profit and loss	
in respect of current year	2,84,55,251
in respect of prior years	12,66,144
<b>Total Current Tax</b>	<b>2,97,21,395</b>
<b>Deferred Tax</b>	
in respect of current year	(6,52,359)
<b>Total Deffered Tax</b>	<b>(6,52,359)</b>
<b>Total Tax expense</b>	<b>2,90,69,036</b>

As per our report of even date

For and on Behalf of the Board

For **T MOHAN & ASSOCIATES**  
Chartered Accountants  
(FRNo.0012482S)

**M JAGADEESH**  
Managing Director  
DIN: 01590689

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

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

Place : Hyderabad  
Date: May 16, 2022

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







**SAGARSOFT (INDIA) LIMITED**

Plot No. 111, Road No. 10  
Jubilee Hills, Hyderabad - 500 033  
Ph : +91-40-67191000 Fax : +91-40-23114607  
Internet : [www.sagarsoft.in](http://www.sagarsoft.in)  
E-mail : [info@sagarsoft.in](mailto:info@sagarsoft.in)