



**Sagarsoft®**



ANNUAL  
REPORT  
2021



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## Board of Directors

<b>Shri S. Sreekanth Reddy</b>	Chairman - Non-Executive
<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
<b>Shri N. Hari Mohan</b>	Independent Director
<b>Shri K. Rakesh Rao</b>	Independent Director
<b>Shri K. Ganesh</b>	Independent Director
<b>Smt. Neelima Kaushik</b>	Independent Director

## Company Secretary

**Shri J.Raja Reddy**

## Auditors

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

## Bankers

**Axis Bank Ltd.,**  
Banjara Hills Branch, Hyderabad

**HDFC Bank Ltd.,**  
Lakdikapool Branch, Hyderabad

## Registered Office

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

## Corporate Identity Number

**L72200TG1996PLC023823**

## Registrars and Share transfer agents

**M/s. KFin Technologies Private 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 25th Annual General Meeting of the Members of Sagarsoft (India) Limited will be held on Wednesday, the 7th day of July, 2021 at 4.00 p.m. through Video Conference (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2021 together with the Reports of the Directors and Auditors thereon and in this regard to pass the following resolution as an ordinary resolution:

**“RESOLVED THAT** the audited financial statements of the Company for the financial year ended 31st March 2021 together with the reports of the Directors and Auditors thereon be and are hereby received, considered, approved and adopted.”

2. To declare dividend of Rs.2.50 per share (25%) on the equity shares of the company for the financial year ended 31st March, 2021 and in this regard to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** a dividend of Rs.2.50 per share (25%) on the 55,60,000 equity shares of Rs.10/- each of the company for the financial year ended 31st March, 2021 be and is hereby declared.

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

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

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

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

### SPECIAL BUSINESS

5. **Increase in the Authorised Share Capital.**

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

**“RESOLVED THAT** pursuant to the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re- enactment thereof) and the Rules framed thereunder, consent of the members of the Company be and is hereby accorded for increase in the Authorised Share Capital of the Company from existing Rs. 7,00,00,000 (Rupees Seven Crores Only) divided into 70,00,000 (Seventy Lakhs Only) Equity Shares of Rs.10/- (Rupees Ten Only) each to Rs.10,00,00,000/- (Rupees Ten Crores Only) divided into 1,00,00,000 (One Crore Only) Equity Shares of Rs.10/- (Rupees Ten Only) each ranking pari passu in all respects with the existing Equity Shares of the Company as per the Memorandum and Articles of Association of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above Resolution, the Board of Directors of the Company (“the Board”, which expression shall also include a Committee thereof) and/or Company Secretary of the company, be and are hereby authorized severally to sign and submit the necessary e-forms with the Registrar of Companies, Hyderabad and to do all such acts, deeds, matters and things, including delegation of all or any of its powers herein conferred, to its Directors, Company Secretary or any other Executive(s) of the Company.

6. **Amendment to the Memorandum of Association consequent to the proposed increase in the Authorised Share Capital.**

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

**RESOLVED THAT** pursuant to the provisions of Sections 13 and other applicable provisions, if any, of the Companies Act, 2013, read with applicable Rules made there under, including any statutory

amendment(s) or modification(s) thereto or enactment(s) or re-enactment(s) thereof for the time being in force and pursuant to the applicable provisions of the Articles of Association of the company, the existing Clause V of the Memorandum of Association of the Company be and is hereby deleted, and in its place, the following Clause V be substituted:

- V. *The Authorised Share Capital of the Company is Rs. 10,00,00,000/- (Rupees Ten Crores Only) divided into 1,00,00,000 (One Crore Only) Equity Shares of Rs. 10/- (Rupees Ten Only) each.*

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above Resolution, the Board of Directors of the Company (“the Board”, which expression shall also include a Committee thereof), and/or Company Secretary of the company, be and are hereby authorized severally to sign and submit the necessary e-forms with the Registrar of Companies, Hyderabad and to do all such acts, deeds, matters and things, including delegation of all or any of its powers herein conferred, to its Directors, Company Secretary or any other Executive(s) of the Company.

**7. Amendment to the Articles of Association consequent to the proposed increase in the Authorised Share Capital.**

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

**RESOLVED THAT** pursuant to the provisions of Sections 14 and other applicable provisions, if any, of the Companies Act, 2013, read with applicable Rules made there under, including any statutory amendment(s) or modification(s) thereto or enactment(s) or re-enactment(s) thereof for the time being in force and pursuant to the applicable provisions of the Articles of Association of the company, the existing Article 3 of the Articles of Association of the Company be and is hereby deleted, and in its place, the following Article 3 be substituted:

3. *The Authorised Share Capital of the Company is Rs. 10,00,00,000/- (Rupees Ten Crores Only) divided into 1,00,00,000 (One Crore Only) Equity Shares of Rs. 10/- (Rupees Ten Only) each to be increased, reduced or otherwise dealt with in accordance with the provisions of the Companies Act, 2013.*

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above Resolution, the Board of Directors of the Company (“the Board”, which expression shall also include a Committee thereof), and/or Company Secretary of the company, be and are hereby authorized severally to sign and submit the necessary e-forms with the Registrar of Companies, Hyderabad and to do all such acts, deeds, matters and things, including delegation of all or any of its powers herein conferred, to its Directors, Company Secretary or any other Executive(s) of the Company.

**8. Transactions with Related Parties under Section 188 of the Companies Act, 2013.**

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 of the Companies Act, 2013 and the rules made there under including any modification or amendments or clarifications thereon, if any, and pursuant to the Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, and pursuant to the Policy of the Company on Related Party Transactions, Consent of the members be and is here by accorded to enter into the Material Related party transactions, as detailed in the Explanatory Statement to this resolution, in the ordinary course of business at arms’ length basis.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to the above resolution and to do all such acts, deeds, things as may be necessary in its absolute discretion deem necessary, proper, desirable and to finalize any documents and writings related thereto.

**9. 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.**

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

**“RESOLVED THAT** pursuant to the provisions of Section 179 (3), 186, 62 (1) (c) and 42 of the Companies

Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, Companies (Prospectus and Allotment of Securities) Rules, 2014 and any other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification or re-enactment thereof for the time being in force), the Memorandum and Articles of Association of the Company, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (the SEBI (ICDR) Regulations”), the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as amended (the “SEBI (SAST) Regulations”), Foreign Exchange Management Act, 1999 (“FEMA”) read with “Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004 and Foreign Exchange Management (Non-Debt Instrument) Regulations, 2019” and the applicable regulations made thereunder (including any statutory modifications, amendments thereto or re-enactment thereof (“FEMA Regulations”) and subject to all other applicable laws, rules, regulations, circulars, guidelines and such approvals, permissions, sanctions and consents as may be necessary or required from regulatory or other

appropriate authority whether in India or abroad and on such terms and conditions which may be accepted and decided by the Board in its absolute discretion, and pursuant to the resolutions passed by the Board on 22nd May, 2021 approving the acquisition of 100% capital in IT CATS LLC, USA by issue of equity shares on Preferential Allotment basis in consideration of such acquisition to the owner of IT CATS LLC, USA, consent of the members of the Company be and is hereby accorded to the Board to acquire 100% capital in IT CATS LLC, a limited liability company incorporated under the laws of Unites States of America (“IT CATS”); and create, offer, issue and allot, on preferential basis 6,32,238 (Six Lakhs Thirty Two Thousand Two Hundred Thirty Eight Only) fully paid-up equity shares of the Company, having face value of Rs.10/- (Rupees Ten Only) each (hereinafter referred as the “Swap Shares”) at an issue price of Rs. 254/- (Rupees Two Hundred and Fifty Four Only) per equity share including a premium of Rs. 244/- (Rupees Two Hundred and Forty Four Only) per share to the owner of IT CATS LLC, as set out in the table below (“Proposed Allottee”) as consideration other than cash for an aggregate amount of Rs.16.06 Crores in terms of the definitive agreements as executed (hereinafter referred to as the “Share Swap Agreement”)

#### Proposed Allottee

S.No	Name of the proposed allottee	PAN	Nationality	No of shares
1	Mr.Kalva Satish Chander Reddy	AVXPk7636C	USA	6,32,238

**RESOLVED FURTHER THAT** the Equity Shares to be issued and allotted pursuant to this resolution shall be subject to the provisions of Memorandum of Association and Articles of Association of the Company and shall rank pari passu with the existing Equity Shares of the Company in all respects including entitlement to dividend.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to determine, vary, modify, alter any of the terms and conditions of the issue including reduction of the size of the issue, as it may deem expedient.

**RESOLVED FURTHER THAT** the issue price of the Equity Shares shall not be less than the price to be arrived at in accordance with the provisions of Chapter V of the “SEBI (ICDR) Regulations” and the FEMA Regulations as applicable.

**RESOLVED FURTHER THAT** “Relevant Date” for the purpose of determining the issue price of the Equity Shares under Regulation 161 of the “SEBI (ICDR) Regulations” is June 7, 2021 the date which is 30 days prior to the date of shareholders meeting concerned for approving the Preferential Issue.

**RESOLVED FURTHER THAT** the allotment of Equity Shares pursuant to this resolution shall be made in dematerialized form within 15 (fifteen) days from the date of receipt of approval of the shareholders or any approval from any regulatory authority / the Central Government, whichever is later or as specified under Regulation 170 of the “SEBI (ICDR) Regulations”.

**RESOLVED FURTHER THAT** the equity shares to be issued shall be subject to lock-in as per the applicable provisions of the SEBI (ICDR) Regulations.



**RESOLVED FURTHER THAT** the equity shares so offered, issued and allotted will be listed on the stock exchange where the existing equity shares of the Company are listed, subject to the receipt of necessary regulatory permissions and approvals as the case maybe.

**RESOLVED FURTHER THAT** the equity shares being offered, issued and allotted to the Proposed Allottee, are being issued for consideration other than cash, in full discharge of the purchase consideration of Rs.16.06 Crores for the acquisition of 100% capital of IT CATS LLC.

**RESOLVED FURTHER THAT** the draft of the private placement offer letter in Form PAS- 4 in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014 as tabled before the meeting be and is hereby approved and the Board is hereby authorized to issue the offer letter to the Proposed Allottee after passing this resolution and after completing requisite filings with Registrar of Companies.

**RESOLVED FURTHER THAT** the Company do record the name of the Investor and maintain such record of private placement offer of the Subscription Shares in Form PAS- 5 under the Companies (Prospectus and Allotment of Securities) Rules, 2014.

**RESOLVED FURTHER THAT** for the purpose of giving effect to above resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable or expedient for the purpose of the issue or allotment of the shares and listing thereof with the Stock Exchange, appoint bankers, consultants or advisors and to resolve and settle any questions and difficulties that may arise in the proposed issue, offer and allotment of the said securities, sign all such documents and undertakings as may be required and to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit, without being required to seek any further consent or approval of the shareholders.

**RESOLVED FURTHER THAT** the Board of Directors and/or Company Secretary of the company be and are hereby authorized severally to sign and submit the necessary e-forms with the Registrar of Companies, Hyderabad and to delegate all or any of the powers herein conferred by this resolution to any Committee of Directors or any one or more Directors/Officials of the Company to give effect to this resolution.”

## 10. Issue of Equity Shares on Preferential basis.

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

**“RESOLVED THAT** pursuant to the provisions of Sections 62(1)(c), 42 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), read with Companies (Share Capital and Debentures) Rules, 2014, Companies (Prospectus and Allotment of Securities) Rules, 2014 and the relevant rules framed there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with the provisions of the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, (“SEBI (ICDR) Regulations”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”),

the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (“SEBI (SAST) Regulations”) as amended and subject to the approval(s), consent(s), permission(s) and/ or sanction(s), if any, of any statutory/ regulatory authorities, Stock Exchange(s), SEBI, institutions or bodies, as may be required and subject to such terms and condition(s), alteration(s), correction(s), change(s) and/or modification(s) as may be prescribed by any of them while granting such approval(s), consent(s), permission(s), approval(s), or sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as ‘the Board’ which terms shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its power including the powers conferred by this Resolution), consent of the Members of the Company be and is hereby accorded to the Board to create, offer, issue and allot, in one or more tranches up to 2,00,000 equity shares of Rs.10/- each at a price

not below Rs.254/- (Rupees Two Hundred Fifty Four Only) per equity share or such other price not below the price as may be determined in accordance with the provisions of Chapter V of SEBI (ICDR) Regulations, aggregating to Rs.5.08 Crores for cash, to the below

mentioned entities (“Proposed Allottees”), on such terms and conditions as the Board may, in its absolute discretion think fit and in such form and in accordance with applicable laws and without requiring any further approval or consent from the members:

S.No	Name of the proposed allottee	Promoter/Non Promoter	No of shares
1	R V Consulting Services Private Limited	Promoter Group	1,00,000
2	Sapplica Info Technologies Private Limited	Non Promoter	1,00,000

**RESOLVED FURTHER THAT** the aforesaid issue of the Equity Shares shall be on the following terms & conditions:

- a. The equity shares shall be issued and allotted by the Company to the Proposed Allottees in dematerialised form within period of 15 (fifteen) days from the date of passing of this Special Resolution provided that where the issue and allotment of the said equity shares is pending on account of pendency of any approval for such issue and allotment by any regulatory authority or the Central Government, the issue and allotment shall be completed within a period of 15 (fifteen) days from the date of such approval;
- b. The equity shares to be offered, issued and allotted shall rank pari passu with the existing equity shares of the Company in all respects including entitlement to the dividend, if any;
- c. The ‘Relevant Date’ in relation to this preferential issue of Equity Shares as per the provision of Regulation 161 of SEBI (ICDR) Regulations, would be June 7, 2021.
- d. In accordance with the provisions of Regulation 167 of SEBI (ICDR) Regulations, the pre-preferential allotment shareholding, if any, of the Proposed Allottees shall be locked-in for a period mentioned therein.
- e. The equity shares to be offered, issued and allotted shall be subject to lock-in as provided under the applicable provisions of SEBI (ICDR) Regulations;
- f. The equity shares so offered, issued and allotted will be listed on Stock Exchange where the present equity shares of the Company are listed, subject to the receipt of necessary regulatory permissions and approvals as the case may be;

**RESOLVED FURTHER THAT** the monies received by the Company towards allotment of equity shares shall be kept in a separate bank account opened by the company for this purpose and shall be utilized in accordance with the provisions of Companies Act, 2013.

**RESOLVED FURTHER THAT** the draft of the private placement offer letter in Form PAS- 4 in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014 as tabled before the meeting be and is hereby approved and the Board is hereby authorized to issue the offer letter to the Proposed Allottees after passing this resolution and after completing requisite filings with Registrar of Companies.

**RESOLVED FURTHER THAT** the Company do record the name of the Investors and maintain such record of private placement offer of the Subscription Shares in Form PAS- 5 under the Companies (Prospectus and Allotment of Securities) Rules, 2014.

**RESOLVED FURTHER THAT** all or any of the powers conferred on the Company and the Board of Directors vide this Resolution may be exercised by the Board or a Committee of the Board (with power to delegate to any Officer of the Company), as the Board or the Committee, for the purpose of giving effect to this Resolution, may in its absolute discretion deem necessary, desirable or expedient, including the Listing Application to the Stock Exchange filing of requisite forms with Registrar of Companies and to resolve and settle any questions and difficulties that may arise in the proposed offer, issue and allotment of aforesaid securities, utilization of issue proceeds, signing of all deeds and documents as may be required and to do all acts, deeds and things in connection therewith and incidental thereto without being required to seek any further consent or approval of the Members of the Company or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution.”

**RESOLVED FURTHER THAT** the Board of Directors and/or Company Secretary of the company be and are hereby authorized severally to sign and submit the necessary e-forms with the Registrar of Companies, Hyderabad and to delegate all or any of the powers herein conferred by this resolution to any Committee of Directors or any one or more Directors/Officials of the Company to give effect to this resolution.”

**11. Appointment of Smt. Neelima Kaushik as Independent Director of the company.**

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

Resolved that in accordance with Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Act and the applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, Smt. Neelima Kaushik (DIN 06508030) an Independent Director of the Company be and is hereby re-appointed as an independent director for a further term of five consecutive years with effect from 12th November, 2020.

By Order of the Board of Directors

Sd/-

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

Hyderabad,  
June 7, 2021

**Registered Office:**

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

**NOTES:**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated 5th May, 2020 read with circulars dated 8th April, 2020, 13th April, 2020, 17th August, 2020 and 13th January, 2021 (collectively referred to as “MCA Circulars”) permitted holding of 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 circular SEBI/HO/ CFD/CMD2/ CIR/P/2021/11 dated January 15, 2021 (“SEBI Listing Regulations”), the 25th 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 Private Limited (“KFIN”), Registrar and Transfer Agent of the Company, 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, 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, physical attendance of Members has been dispensed with. Further as per the MCA Circulars, the facility for appointment of proxies by the Members will not be available for the e-AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
5. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) setting out material facts concerning the special business in respect of resolutions under Item No’s. 5 to 11 of the accompanying Notice, is given in the annexure-1. The Board of Directors of the Company at its meeting held on May 22, 2021 considered the special business under Item No’s. 5 to 11, as unavoidable and, be transacted at the 25th AGM of the Company.

6. 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 re-appointment at this AGM are given in the Annexure-2.
7. 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 [bssass99@gmail.com](mailto:bssass99@gmail.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).
8. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) is KFin Technologies Private Limited having office at Selenium Building, Tower B, Plot number 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad, Telangana - 500032.
9. **Attending e-AGM:** Member will be provided with a facility to attend the e-AGM through video conferencing platform provided by KFin Technologies Private 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 note no.19 below for detailed instruction for participating in e-AGM through Video Conferencing.
10. The Members can join the e-AGM 15 minutes before and immediately after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice.
11. As per the MCA Circular up to 1000 members will be able to join the e-AGM 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 Private 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 Private 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 June 4, 2021 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 July 1, 2021 up to July 7, 2021 (both days inclusive).
17. In compliance with the aforesaid MCA Circulars and SEBI Circulars dated May 12, 2020 and January 15, 2021, Notice of the e-AGM along with the Annual Report for the financial year ended on 31st March, 2021 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 website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). and the same is also available on the website of KFin Technologies Private Limited at the 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 Participants.
  - 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 Private 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 Private 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.
- iii. Those members who have registered their e-mail address, mobile no's., 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 Private Limited, the Registrar and Share Transfer Agent of the Company, in case the shares held in physical form.

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

- i. Attending the e-AGM: Member will be provided with a facility to attend the e-AGM through video conferencing platform provided by KFin Technologies Private 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 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 and are 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. 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 and marking a copy to evoting@kfintech.com mentioning their name, DP ID-Client ID/ Folio number at least 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.
- vii. 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(vi) above
- viii. 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 Private 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 July 3, 2021 (9.00 A.M. IST) and ends on July 6, 2021 (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 July 6, 2021 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 Wednesday, June 30, 2021. 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 June 4, 2021 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 June 4, 2021 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. June 30, 2021 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 1-800-3094-001. 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 Private Limited upon expiry of aforesaid period.
- viii. The procedure and instructions for the remote evoting facility for Individual shareholders holding securities in demat mode are provided as follows.
- vi. Details of persons to be contacted for issues relating to e-voting:  
Mr. K.Raj Kumar, Assistant General Manager - Corporate Registry, KFin Technologies Private Limited, Unit: Sagarsoft (India) Limited, Selenium Building, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032. Contact Toll Free No.: 18003094001.
- vii. Details of Scrutinizer: 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.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p><b>1. User already registered for IDeAS facility:</b> Visit URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> Click on the “Beneficial Owner” icon under “Login” under ‘IDeAS’ section.  On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-voting”  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>  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 points 1</p> <p><b>3. Alternatively by directly accessing the e-Voting website of NSDL</b>  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.  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.  Post successful authentication, you will requested to select the name of the company and the e-voting Service Provider name, i.e.KFintech.  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
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p><b>1. Existing user who have opted for Easi / Easiest</b>            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>            Click on New System Myeasi            Login with your registered user id and password.            The user will see the e-voting Menu. The Menu will have links of ESP i.e. KFintech e-voting portal.            Click on e-Voting service provider name to cast your vote.</p> <p><b>2. User not registered for Easi/Easiest</b>            Option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>            Proceed with completing the required fields.            Follow the steps given in point 1</p> <p><b>3. Alternatively, by directly accessing the e-Voting website of CDSL</b>            Visit URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a>            Provide your demat Account Number and PAN No.            System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account.            After successful authentication, user will be provided links for the respective ESP, i.e KFintech where the e-voting is in progress.</p>
<p>Individual Shareholder login through their demat accounts / Website of Depository Participant</p>	<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

- ix. 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:
- Open your web browser during the remote e-voting period and navigate to 'https://evoting.kfintech.com'.
  - 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.
  - 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.
  - You need to login again with the new credentials.
  - On successful login, the system will prompt you to select the e-voting Event Number for Sagarsoft (India) Limited.
  - 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.
  - On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date i.e. June 30, 2021 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.
  - You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
  - Members holding multiple folios/ demat accounts shall choose the voting process separately for each of the folios/demat accounts.
  - 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.
  - 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.
  - During the voting period, Members can login any number of times till they cast their vote on the Resolution(s).
  - 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: bssass99@gmail.com with a copy to evoting@kfintech.com. 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 General Manager of KFin Technologies Private 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 48 hours 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 Private Limited i.e. <https://evoting.kfintech.com>. The results shall simultaneously be communicated to BSE Limited. 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 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 and who have not cast their vote on resolutions through Remote e-voting 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. Members can avail the facility of nomination 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. Members desiring to avail this facility may send their nomination in the prescribed Form No. SH. 13 duly filled in to M/s KFin Technologies Private Limited on [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com). Members holding shares in demat form may contact their Depository Participant for availing this facility.
23. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. 1st 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 Private 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 July 6, 2021. 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 July 6, 2021.

24. Members seeking any information/documents referred to in the Notice and the Explanatory statement and 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 July 6, 2021 through email to info@sagarsoft.in for seeking information, If any, the same will be replied by the Company suitably.
25. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
26. As per Regulation 40 of SEBI 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-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. 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. Members can contact the Company or Company's Registrars and Transfer Agents, KFin Technologies Private Limited (KFin) for assistance in this regard.
27. 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 requisite changes.
28. 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.
29. 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 Private Limited.
30. The Company has fixed June 30, 2021 as the 'Record Date' for determining entitlement of members to dividend for the financial year ended 31st March, 2021, if approved at the AGM.
31. 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 as per the mandate registered with the Company or with their respective Depository Participants.
32. 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 to such Member, at the earliest once the normalcy is restored.
33. If the dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend subject to deduction of tax at source, will be made within 30 days from the date of AGM, 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 June 30, 2021.
  - 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 June 30, 2021.

34. Members who have not yet encashed their dividend warrants in respect of the dividend declared for subsequent years as detailed below are requested to make their claims to the Company. The details of dividend lying unclaimed in respect of these years are available in the Company's website. [www.sagarsoft.in](http://www.sagarsoft.in).

Year	Nature of Dividend	Rate of Dividend
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)

35. In compliance with the aforesaid MCA Circulars and SEBI Circular SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, Notice of the AGM along with the Annual Report 2020-2021 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 2020-2021 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 KFin Technologies Private Limited at <https://evoting.kfintech.com>
36. Members may note that the Annual Report for the year 2020-2021 is also available on the Company's website [www.sagarsoft.in](http://www.sagarsoft.in) for their download.
37. 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 25th AGM and facility for those Members participating in the AGM to cast vote through e-voting system during the AGM.
38. 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 only shall be entitled to avail the facility of remote e-voting or casting vote through e-voting system during the meeting.
39. During the 25th 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 AGM.
40. 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 Private 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.
41. 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

Sd/-

**J. Raja Reddy**

Company Secretary

M.No. A31113

Hyderabad,

June 7, 2021

**Registered Office:**

Plot No.111, Road No.10

Jubilee Hills, Hyderabad – 500 033, Telangana.

## Annexure to the Notice of the 25th 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 11 of the accompanying Notice dated June 7, 2021.

#### On Item No. 5, 6 and 7

Your Company is engaged in the business of software development and consultancy services. In order to accelerate the company's growth plans, your company has since identified a few investment opportunities for expanding its markets including through acquisition. This may necessitate issue of further equity and to facilitate the same, it is proposed to increase the authorised share capital of the company from the present level of Rs.7.00 crores to Rs.10.00 crores in the manner stated in Resolution 5.

Since this would also involve the alteration in the appropriate Clause/Article in the Memorandum and Articles of Association of the company, which would require the approval of the

shareholders through ordinary / special resolution under the relevant provisions of the Companies Act, 2013, proposals for increasing in the authorised capital and making consequent amendment to the Memorandum of Association and Articles of Association are submitted in Item 6 and 7 of the Notice of the meeting.

None of the directors or Key Managerial Personnel (KMP) or their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolutions.

Your directors recommend the resolutions for approval of the member.

#### On Item No. 8

The Company proposes to enter into the following transactions which may be considered as related party under Section 188(1) of the Companies Act, 2013 read with Rules 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Since this is material in nature approval of the shareholders is required for the above said resolution.

The particulars of contract/ arrangements/transactions with related parties are as under:

Nature of Transactions	Maximum value of Transactions per annum in Rs	Name of the Related Party	Interested Directors and nature of their interest
Availing and rendering of IT and Other related services. Sale, purchase or supply of any goods or materials.	100 Crores	Sagarsoft Inc, USA	Mr. Kalva Satish Chander Reddy is a director in Sagarsoft (India) Limited and is also a Director and shareholder in Sagarsoft Inc, USA
Acquisition of 100% Capital held by Mr. Kalva Satish Chander Reddy in IT CATS, LLC, USA by Sagarsoft (India) Limited. Availing and rendering of IT and Other related services.	50 Crores	IT CATS LLC, USA	Mr. Kalva Satish Chander Reddy is a director in Sagarsoft (India) Limited and is also holding 100% capital in IT CATS, LLC
Investments. Availing and rendering of IT and Other related services. Sale, purchase or supply of any goods or materials.	25 Crores	Sapplica Info Technologies Private Limited	Mr. M. Jagadeesh, Mr. Paul Franklin Paturi and Mr. K. Pradeep Kumar Reddy, are directors and shareholders of the company

Availing and rendering of IT and Other related services. Sale, purchase or supply of any goods or materials.	50 Crores	Amicuss Systems Inc USA	Mr. Kalva Satish Chander Reddy is a director in Sagarsoft (India) Limited and is also holding 100% capital in Amicuss Systems Inc USA.
Investments, Loans and Advances	10 Crores	R V Consulting Services Private Limited	Mr.S.Sreekanth Reddy, Director and Shareholder in Sagarsoft (India) Limited, and Smt.S. Rachana, is a shareholder of Sagarsoft (India) Limited is also a Director and shareholder in R V Consulting Services Private Limited

The members are further informed that no member/s of the Company being a related party or having any interest in the resolution as set out at item No.8 shall be entitled to vote on this Ordinary Resolution.

Mr.S.Sreekanth Reddy, Mr. Kalva Satish Chander Reddy, Mr. M.Jagadeesh, and Mr. K.Pradeep Kumar Reddy, Directors

of the Company are interested in the said resolution. None of the other Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in passing of this resolution.

Your Directors recommends the resolution set forth in item No. 8 for approval of the Members.

## On Item No.9

IT CATS, LLC, USA ("IT CATS") incorporated under the laws of USA, is a full-service IT consulting and staffing 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. It has its registered office at 388 Washington Rd, Suite A Sayreville NJ 08872.

The company proposes to acquire 100% Capital in IT CATS from its owner, the details of which are given below, for a consideration of Rs.16.06 Crores by allotting 6,32,238 (Six Lakhs Thirty Two Thousand Two Hundred Thirty Eight Only) equity shares on preferential basis, in Sagarsoft (India) Limited at issue price not below the price to be determined under chapter V of SEBI (ICDR) Regulations, (the "Swap Shares") and applicable FEMA Regulations or other provisions of law as may be prevailing at the time. The Proposed Transaction is subject to all applicable regulatory approvals"

S.No	Name of the proposed allottee	PAN	Nationality	No of shares
1	Mr. Kalva Satish Chander Reddy	AVXP7636C	USA	6,32,238

As per Section 62(1)(c), 42 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (the "Act") and other applicable provisions, if any, of the enactment thereof and Chapter V of "SEBI (ICDR) Regulations", approval of the shareholders by way of a special resolution is sought for the allotment of the above equity shares on preferential basis.

The Company hopes to complete the acquisition of the IT CATS after the approval of the shareholders in terms of Item No.9 and subject to the completion of the conditions precedent in terms of the definitive agreement in the form of a share swap agreement entered into between the parties in relation to the acquisition.

In terms of the provisions of the Companies Act, 2013 read with Rule 13 (2), of the Companies (Share Capital and Debentures) Rules, 2014, Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Regulation 163 of SEBI (ICDR) Regulations, the relevant disclosures are given below:

### a) The Object(s) of the preferential issue:

The object of issuing equity shares is to facilitate the acquisition of the 100% capital in IT CATS, LLC, USA and the payment of consideration other than cash for the same. For this purpose, it is proposed to issue 6,32,238 equity shares to the owner of IT CATS LLC.



**b) Maximum number of specified securities to be issued:**

The Board intends to offer, issue and allot 6,32,238 equity shares on preferential basis each to be issued at an issue price of Rs.254/- towards discharge of the purchase consideration.

**c) The intent of the Promoters / Directors / Key Managerial Personnel of the Issuer to subscribe to the offer:**

None of the promoter or Key managerial personnel of the Company will be subscribing to this offer. This offer is specifically made to Mr. Kalva Satish Chander Reddy who holds 100% Capital in IT CATS LLC for payment of consideration for the acquisition of the said entity. Mr. Kalva Satish Chander Reddy is a director of the Company and he will subscribe to the entire 6,32,238 equity shares being offered by way of preferential issue as consideration other than cash for the said acquisition.

**d) Shareholding pattern before and after the issue**

Category	Pre-Issue Holdings		Post-Issue Holdings*	
	Shares	%	Shares	%
Promoters	29,10,809	52.35	30,10,809	47.10
Bodies Corporate	4,49,246	8.08	5,49,246	8.59
Public - Individuals	16,58,955	29.84	16,58,955	25.95
Non-Resident Indians	68,421	1.23	7,00,659	10.96
Hindu Undivided Families	10,488	0.19	10,488	0.16
Banks	4,13,136	7.43	4,13,136	6.46
Clearing Members	48,945	0.88	48,945	0.77
<b>Total</b>	<b>55,60,000</b>	<b>100.00</b>	<b>63,92,238</b>	<b>100.00</b>

\*Taking into account the issue of shares for acquisition for consideration other than cash and preferential issue to the Promoter and Non-promoter group.

(The above shareholding pattern is based on the shareholding as on June 4, 2021.)

**e) The time frame within which the issue shall be completed:**

Subject to and as provided under Chapter V of the SEBI (ICDR) Regulations, the equity shares shall be allotted within a period of 15 (Fifteen) days from the date of passing of the Resolution by the Shareholders or such extended period as provided under the "SEBI (ICDR) Regulations 2018".

**f) The Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees and the percentage of pre and post Preferential Issue capital that may be held by them and change in control, if any, in the issuer consequent to the preferential issue:**

Name of the proposed allottee	Category	Ultimate beneficial owner	Pre-Issue shareholding		Proposed allotment		Post-Issue shareholding	
			No. of shares	%	No. of shares	%	No. of shares	%
Mr. Kalva Satish Chander Reddy	Non-Promoter	Mr. Kalva Satish Chander Reddy	Nil	Nil	6,32,238	9.89	6,32,238	9.89

There will be no change in the control or management of the Company or composition of the Board of the Company consequent to the said Preferential Issue.

**g) Pricing of the issue:**

The pricing of the Equity Shares to be allotted shall not be lower than the price to be determined in accordance with the Chapter V of SEBI (ICDR) Regulations for frequently traded shares, which provides that the issue of shares on a preferential basis can be made at a price not less than the higher of the following:

- The average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognised stock exchange during the twenty six weeks preceding the relevant date; or
- The average of the weekly high and low of the volume weighted average prices of the equity shares quoted on the recognised stock exchange during the two weeks preceding the relevant date.

Accordingly, the price per equity share, to be issued, is fixed at Rs.254/- (Rupees Two Hundred and Fifty Four Only) which shall be higher than the price as computed under Regulation 164 of SEBI (ICDR) Regulations.

The requirement of obtaining valuation report from registered valuer for issue of shares on preferential basis in terms of Section 62(1)(c) is not applicable in the present case since the Company is a listed company and the pricing of shares is determined in terms of SEBI (ICDR), Regulations, 2018

The price shall be determined on the basis of the quotes available on the Stock Exchange having highest trading volume during the preceding twenty six weeks prior to the Relevant Date.

**h) Relevant Date:**

The relevant date as per the SEBI (ICDR) Regulations for the determination of the price per equity share pursuant to the preferential allotment is June 7, 2021 (i.e. the date which is 30 days prior to the date of proposed AGM which to be held on July 7, 2021 to approve the proposed Preferential Issue).

**i) Lock-in Period:**

The Equity Shares to be allotted on preferential basis shall be subject to lock-in as per SEBI (ICDR) Regulations.

The entire pre-preferential allotment shareholding of the above allottee, if any, shall be locked-in from the Relevant Date upto the period of 6 months from the date of Trading Approval as per the Regulations 167 (6) of SEBI (ICDR) Regulations.

**j) Auditors' Certificate:**

The certificate from M/s. T Mohan & Associates, Chartered Accountants, being the Statutory Auditors of the Company certifying that the preferential issue is being made in accordance with the requirements of Chapter V of the SEBI ICDR Regulations, 2018 shall be available for inspection at the Registered office of the Company on all working days (excluding Saturday) during 10:00 A.M. to 5:00 P.M. up to the date of Annual General Meeting and shall also be available during the Annual General Meeting. The members desirous to inspect the auditor certificate may send an email at 'info@sagarsoft.in', for inspection of said certificate electronically during the AGM, at-least 5 days before the date of AGM, in advance.



**k) Undertakings**

In terms of SEBI (ICDR) Regulations, the Company hereby undertakes that:

1. It shall re-compute the issue price of the specified securities in terms of the provisions of SEBI (ICDR) Regulations where it is required to do so.
2. If the amount payable on account of re-computation of price is not paid within the time stipulated in SEBI (ICDR) Regulations, the specified securities shall continue to be locked in till the time such amount is paid by Proposed Allottees.
3. The Company, directors and none of our promoters are categorized as willful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the RBI.

**l) The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer**

The consideration payable to the Proposed Allottee towards payment of the purchase consideration as mentioned in the definitive agreements for acquisition of 100% capital in IT CATS shall be discharged by the issuance of 6,32,238 (Six Lakhs Thirty Two Thousand Two Hundred Thirty Eight Only) equity shares of face value of Rs. 10/- (Rupees Ten only) (hereinafter referred as the "Swap Shares") at an issue price of Rs. 254/- (Rupees Two Hundred Fifty Four only) per equity share including a premium of Rs. 244/- (Rupees Two Hundred Forty Four only) which is not less than the price determined in accordance with Chapter V of the SEBI (ICDR) Regulations and the Foreign Exchange Management (Non-Debt Instrument) Regulations, 2019.

The value of the assets in consideration for which the equity shares are issued has been arrived based on Valuation Report dated May 21, 2021 read with addendum dated June 7, 2021 issued by M/s Sejal Agrawal & Associates, an independent registered valuer having registration number IBBI/RV/06/2020/13106 in terms of Regulation 163(3) of SEBI (ICDR) Regulations, 2018 and the report from M/s. Anand Rathi Advisors Limited, Merchant Banker dated May 21, 2021 read with addendum dated June 7, 2021 in terms of Foreign Exchange Management (Non-Debt Instrument) Regulations, 2019 and approval of the purchase consideration by the Board of Directors in definitive agreements.

**m) Change in control, if any, in the Company that would occur consequent to the preferential offer**

There will not be any change in the composition of the Board. Further, the existing Promoters of the Company will continue to be in control of the Company and there will not be any change in the management or control of the Company as a result of the proposed preferential allotment.

**n) Number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price**

The Company has not made any allotments on preferential basis during the financial year 2020-21.

**o) Listing**

The Company will make an application to the BSE Limited where its existing shares are listed, for listing of the equity shares proposed to be allotted pursuant to the preferential issue. Such equity shares, once allotted, shall rank pari passu with the existing equity shares of the Company in all respects, including dividend.

The Company is eligible to make the preferential allotment to the proposed allottee under Chapter V of the SEBI (ICDR) Regulations.

Except Mr. Kalva Satish Chander Reddy, None of the Directors or any Key Managerial Personnel or any of their relative /Key Managerial Personnel of the Company is, in anyway, concerned or interested in the above resolution.

The Board of Directors commends the resolution as set out at Item No.9 for approval of the shareholders as a Special Resolution.

**On Item No.10**

Your Board, in its meeting held on 22<sup>nd</sup> May, 2021 approved a proposal to issue and allot up to 2,00,000 equity shares at a price not below Rs.254/- (Rupees Two Hundred and Fifty Four Only) each on preferential basis in accordance with Chapter V of SEBI (ICDR) Regulations to fund the future acquisitions and for other general corporate purposes.

As per Section 62(1)(c) read with Section 42 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (the "Act") and other applicable provisions, if any, of the enactment thereof and Chapter V of SEBI (ICDR) Regulations, further approval of the shareholders by way of a special resolution is required for the above proposed to issue and allot the said Equity shares on preferential basis.

The relevant disclosures as required in terms of the Act and SEBI (ICDR) Regulations are as under:

**a) The Object(s) of the preferential issue:**

The object of issuing equity shares is to meet the future acquisitions as the company may come across and for other general corporate purposes.

**b) The total number of securities to be issued:**

The Company proposes to issue 2,00,000 (Two Lakhs only) equity shares.

**c) The class or classes of persons to whom the allotment is proposed to be made;**

The preferential issue is being made to the entities belonging to the promoter group as well as non-promoter, as mentioned in (g) below.

**d) The intent of the Promoters / Directors / Key Managerial Personnel of the Issuer to subscribe to the offer:**

One of the promoter entities namely R V Consulting Services private Limited, will be subscribing to 1,00,000 equity shares in the proposed issue.

**e) Shareholding pattern before and after the issue:**

Category	Pre-Issue Holdings		Post-Issue Holdings*	
	Shares	%	Shares	%
Promoters	29,10,809	52.35	30,10,809	47.10
Bodies Corporate	4,49,246	8.08	5,49,246	8.59
Public - Individuals	16,58,955	29.84	16,58,955	25.95
Non-Resident Indians	68,421	1.23	7,00,659	10.96
Hindu Undivided Families	10,488	0.19	10,488	0.16
Banks	4,13,136	7.43	4,13,136	6.46
Clearing Members	48,945	0.88	48,945	0.77
<b>Total</b>	<b>55,60,000</b>	<b>100.00</b>	<b>63,92,238</b>	<b>100.00</b>

\*Taking into account the issue of shares for acquisition for consideration other than cash and preferential issue to the Promoter and Non-promoter group.

(The above shareholding pattern is based on the shareholding as on June 4, 2021.)

**f) The time within which the preferential issue shall be completed:**

Allotment of equity shares will be completed within 15 (Fifteen) days of the passing of the Special Resolution proposed in the Notice of the meeting or within such extended period as provided under Regulation 170 of SEBI (ICDR) Regulations.

- g) The Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees and the percentage of their pre and post Preferential Issue, capital that may be held by them and change in control, if any, in the issuer consequent to the preferential issue:**

S. No.	Name of the proposed allottee	Category	Ultimate beneficial owner	Pre-Issue shareholding		Proposed allotment	Post-Issue shareholding	
				No. of shares	% shares	No. of shares	No. of shares	% shares
1	R V Consulting Services Private Limited	Promoter Group	Smt. S. Rachana	700	0.01	1,00,000	1,00,700	1.57
2	Saplica Info Technologies Private Limited	Non Promoter	Shri M. Jagadeesh and Shri Paul Franklin Paturi	Nil	Nil	1,00,000	1,00,000	1.56

There will be no change in the control or management of the Company or composition of the Board of the Company consequent to the proposed Preferential Issue.

**h) Pricing of the issue:**

The pricing of the Equity Shares to be allotted shall not be lower than the price determined in accordance with the Chapter V of SEBI (ICDR) Regulations for frequently traded shares, which provides that the issue of shares on a preferential basis can be made at a price not less than the higher of the following:

- The average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognised stock exchange during the twenty six weeks preceding the relevant date; or
- The average of the weekly high and low of the volume weighted average prices of the volume weighted average prices of the equity shares quoted on the recognised stock exchange during the two weeks preceding the relevant date.

Accordingly, the price per equity share, to be issued, is fixed at Rs.254/- (Rupees Two Hundred and Fifty Four Only) which shall be higher than the price as computed under Regulation 164 of SEBI (ICDR) Regulations.

The requirement of obtaining valuation report from registered valuer for issue of shares on preferential basis in terms of Section 62(1)(c) is not applicable in the present case since the Company is a listed company and the pricing of shares is determined in terms of SEBI (ICDR), Regulations, 2018

The price shall be determined on the basis of the quotes available on the Bombay Stock Exchange during the preceding twenty six weeks prior to the Relevant Date.

**i) Relevant Date:**

The relevant date as per the SEBI (ICDR) Regulations for the determination of the price for equity shares pursuant to the preferential allotment is June 7, 2021 ("Relevant Date"), being the date calculated in accordance with Regulation 161 of the SEBI (ICDR) Regulations read with the explanation thereto.

**j) Lock-in Period:**

The Equity Shares to be allotted shall be subject to lock-in as per SEBI (ICDR) Regulations. The entire pre-preferential allotment shareholding of the above allottees shall also be locked-in as per the Regulation 167 of the SEBI (ICDR) Regulations.

**k) Auditors' Certificate:**

The certificate from M/s. T Mohan & Associates, Chartered Accountants, being the Statutory Auditors of the Company certifying that the preferential issue is being made in accordance with the requirements of Chapter V of the SEBI (ICDR) Regulations, 2018 shall be available for inspection at the Registered office of the Company on all working days (excluding Saturday) during 10:00 A.M. to 5:00 P.M. up to the date of Annual General Meeting and shall also be available during the Annual General Meeting. The members desirous to inspect the auditor certificate may send an email at 'info@sagarsoft.in', for inspection of said certificate electronically during the AGM, at-least 5 days before the date of AGM, in advance.

**l) Undertakings**

In terms of "SEBI (ICDR) Regulations", the company hereby undertakes that:

- a) It shall re-compute the price of the specified securities in terms of the provision of the said regulations where it is required to do so.
- b) If the amount payable on account of any recomputation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked- in till the time such amount is paid by the allottees.
- c) Disclosure as specified under Regulation 163(1) (i) of SEBI (ICDR) Regulations . Disclosure is not applicable in the present case as neither the company nor its promoters / directors are wilful defaulters.

**m) The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price;**

The Company has not made any preferential allotments during the year.

**n) The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer - Not Applicable as allotment will be made only against cash.**

**o) Other Disclosures:**

In accordance with the SEBI ICDR Regulations,

- (i) All the Equity Shares held by the proposed allottees in the Company are in dematerialized form only;

- (ii) No person belonging to the Promoters / Promoter Group have sold/ transferred any Equity Shares of the Company during the 6 (Six) months preceding the Relevant Date;
- (iii) No person belonging to the Promoters / Promoter Group has previously subscribed to any Shares of the Company but failed to exercise them;
- (iv) Neither the Company nor any of its Promoters and Directors is a wilful defaulter or a fugitive economic offender.

**(p) Change in control, if any, in the Company that would occur consequent to the preferential offer**

There will not be any change in the composition of the Board. Further, the existing Promoters of the Company will continue to be in control of the Company and there will not be any change in the management or control of the Company as a result of the proposed preferential allotment.

**q) Listing**

The Company will make an application to the BSE Limited at which its existing shares are listed, for listing of the equity shares allotted pursuant to preferential issue. Such equity shares, once allotted, shall rank pari passu with the existing equity shares of the Company in all respects, including dividend.

The Company is eligible to make the preferential allotment to its promoter under Chapter V of the SEBI (ICDR) Regulations.

The issue of Equity Shares shall be made in accordance with the provisions of the Memorandum and Articles of Association of the Company and shall be made in a dematerialized form only.

Allotment of the Equity Shares would be well within the Authorised Share Capital of the Company.

Mr.S.Sreekanth Reddy, Mr. M.Jagadeesh, and Mr. K.Pradeep Kumar Reddy, Directors of the Company are interested in the said resolution. None of the other Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in passing of this resolution.

The Board of Directors commends the resolution as set out at Item No. 10 for approval of the shareholders as a Special Resolution.

## On Item No.11

Pursuant to Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and applicable listing regulations, Smt.Neelima Kaushik (DIN 06508030) was appointed as Independent Director of the Company on 12th November, 2015 and later approved by the members at the 20th AGM held on 28th September, 2016 to hold office for five consecutive years up to 11th November, 2020 (first term). Section 149(10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report.

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation and based on the experience and contributions made by her during her tenure as Independent Directors, has recommended re-appointment of Smt.Neelima Kaushik (DIN 06508030) as Independent Director for a second term of 5 (five) consecutive years on the Board of the Company with effect from 12th November, 2020.

The Board, based on the performance evaluation of Independent Director and as per the recommendation of the Nomination and Remuneration Committee, considers that, given her background and experience and contributions made by her during her tenure, the continued association of Smt. Neelima Kaushik (DIN 06508030) would be beneficial to the Company and it is desirable to continue to avail her services as Independent Director.

Accordingly, it is proposed to re-appoint Smt.Neelima Kaushik (DIN 06508030) as Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company with effect from 12th November, 2020.

Smt.Neelima Kaushik (DIN 06508030) is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given her consent to act as Director and a declaration stating that she meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations. The Company has received notices in writing from a member under Section 160 of the Act proposing the candidature of Smt.Neelima Kaushik (DIN 06508030) for the office of Independent Director of the Company. In the opinion of the Board, Smt.Neelima Kaushik (DIN 06508030) fulfill the conditions for appointment as Independent Director as specified in the Act and the Listing Regulations. Smt.Neelima Kaushik (DIN 06508030) is independent of the management.

Except Smt.Neelima Kaushik (DIN 06508030), who is seeking re-appointment as Independent Director, none of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives are in any way, concerned or interested, financially or otherwise in the Resolutions concerning her appointment proposed at Item No.11. A Statement containing brief profile of the Director proposed to be appointed is given in the annexure, which may also be regarded as a disclosure under SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

Your Directors recommend the resolutions for the approval of the shareholders

By Order of the Board of Directors

Sd/-

**J.Raja Reddy**

Company Secretary

M.No. A31113

Hyderabad,

June 7, 2021

**Registered Office:**

Plot No.111, Road No.10,

Jubilee Hills,

Hyderabad – 500 033, Telangana.

## Annexure 2

**(Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standard-2)**

### Details of Directors seeking re-appointment at the Annual General Meeting

S. No.	Particulars	Name of the Director		
		Shri M Jagadeesh	Shri K Pradeep Kumar Reddy	Smt. Neelima Kaushik
1	DIN	01590689	02598624	06508030
2	Date of birth	26.07.1971	03.05.1973	15.08.1972
3	Qualification	-	Bachelor's Degree in Technology and Masters in Business Management.	MBA - HR & Marketing
4	Nature of 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.	Has been on the Board since 06.11.2012 as Director (Operations) and appointed as Whole-time Director wef 06.11.2015. He has wide experience in Information Technology and Business Administration.	HR Advisory Consultant
5	Brief resume of the Director	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.	Smt.Neelima Kaushik is a Master in Business Administration and has vast experience in HR advisory and consultancy.
6	Nature of Appointment	Retires by rotation and offers himself for Re-appointment.	Retires by rotation and offers himself for Re-appointment.	Re-appointment
7	Terms and Conditions of Reappointment	Appointment as a Director subject to Retirement by Rotation.	Appointment as a Director subject to Retirement by Rotation.	Terms and Conditions of Reappointment are as per the resolution No.11 of the Notice of the AGM read with explanatory statement thereto.
8	Date of first appointment on the Board	13.06.2002	06.11.2012	12.11.2015
9	Directorships in other listed entities	Nil	Nil	Nil
10	Membership of Audit / Shareholders / Investors Grievances Committees of other Public Limited Companies	Nil	Nil	Nil
11	Shareholding in the Company	11,400	365	Nil
12	Number of Board Meetings attended	4	4	4
13	Details of Remuneration last drawn	As MD, was in receipt of a Remuneration of Rs.48 Lakhs during the financial year 2020-21.	As ED, was in receipt of a Remuneration of Rs.48 Lakhs during the financial year 2020-21.	An aggregate sitting fee of Rs. 30,000 was paid for attending the meetings of the Board and its committees during the financial year 2020-21.
14	Inter-se relationship with other directors, Managers Other Key managerial Personnel of the company	Nil	Nil	Nil

By Order of the Board of Directors

Sd/-

**J. Raja Reddy**

Company Secretary

M.No. A31113

Hyderabad,  
June 7, 2021

**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 25<sup>th</sup> Annual Report together with the audited financial statements of the company for the year ended March 31, 2021.

### 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 financial statements and notes thereto for the year ended 31<sup>st</sup> March, 2021 which are summarized below:

(Rs.in Lakhs)

Particulars	Year ended	
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Income from operations	<b>4,102.58</b>	3,673.22
Other Income	<b>84.41</b>	81.01
Total Income	<b>4,186.99</b>	3,754.23
Total Expenditure	<b>3,245.48</b>	3,267.84
Profit before depreciation, interest and tax	<b>941.51</b>	486.39
Depreciation	<b>215.12</b>	180.71
Profit before tax	<b>726.39</b>	305.68
Provision for Tax	<b>190.41</b>	84.64
Deferred Tax Asset / (Liability) for the year	<b>0.96</b>	(12.50)
Net Profit	<b>535.02</b>	233.54

### 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.2.50 (25%) per share on the 55,60,000 equity shares of Rs.10/- each for the year 2020-21. This would result in a total outflow of Rs.139.00 Lakhs.

### 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

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

## VARIATIONS IN NET WORTH

The Net worth of the Company as at the Financial Year ending on March 31, 2021 is Rs.2697.58 Lakhs as compared to Rs.2234.49 Lakhs as at the end of previous financial year ended on March 31, 2020.

## 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

Your Company is an IT, Consulting, and next generation Digital Solutions provider, offering business technology and related services to global enterprises. All our services and solutions are designed with 'High spectrum Customer experience' and 'Business performance (of the customer)' as objectives we cater to. We call this 'Business first' approach.

Global impact of the COVID-19 pandemic has led to two major resets or shifts - an acceleration in the pace of digital transformation and a novel, hybrid work model that has redefined the dimensions of already evolving workplace and work culture

The underlying theme this year is the pandemic-led global reset, the digital transformation imperative and the changing value proposition for businesses.

Signals across global industries have unequivocally suggested significant increase in digital investments with heightened urgency to execute in months what was expected in years earlier, the focus is on delivering customer-centric solutions through new data-led business models, while enabling hybrid work and mass-scale digital skilling.

Despite headwinds in 2020, Indian tech industry continues to be a net hirer with significant focus on digital up skilling. Investing in digital continues to rise as an imperative for the industry, with organisations building their capabilities and aligning business models to digital practices.

Enterprises are re-balancing their technology spends to prioritize digitization. Companies saw a significant rise in cloud adoption during the year as against previous year. COVID -19 has accelerated digital adoption across industries and technology service providers are witnessing a sharp growth in digital deals.

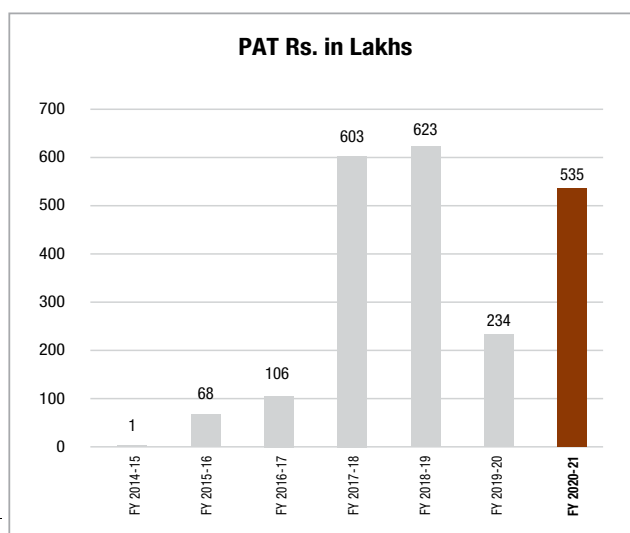
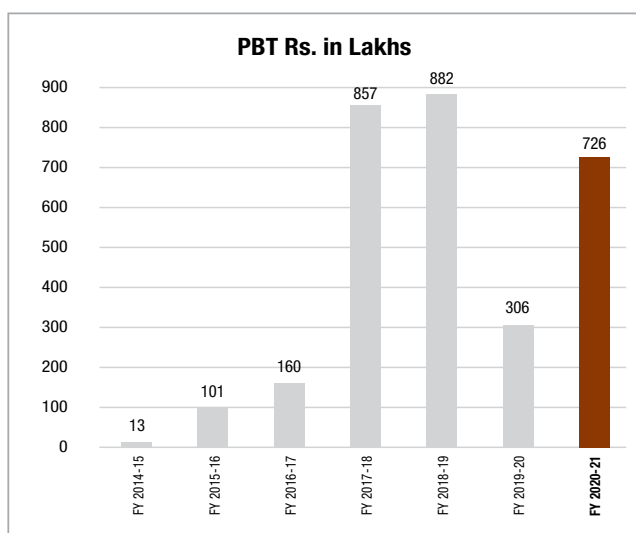
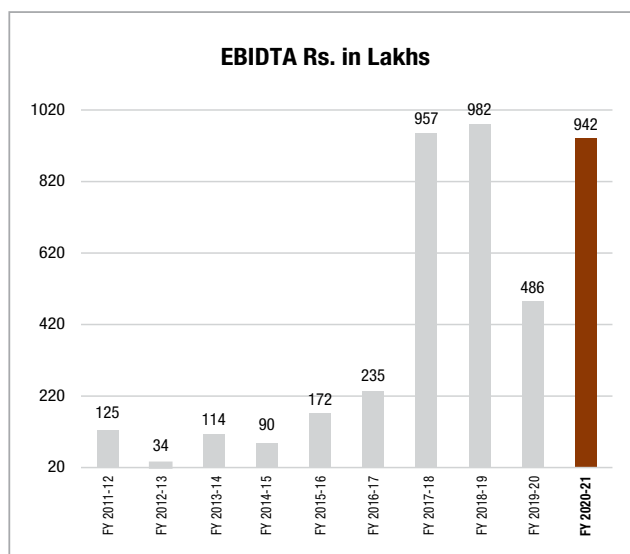
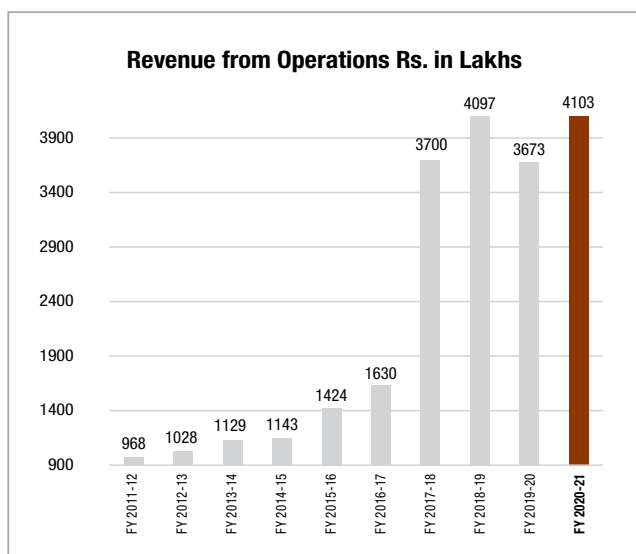
As we enter the new normal, however, analysts are cautiously optimistic, and technology is expected to drive frontend operations and customer experience. In terms of hiring, interestingly, as the industry looks forward at leaner structures with more flexibility and faster adoption of cloud-based products and services in 2021, the industry, expect larger digitization deals in 2021, with investments likely to recover in core sectors, Retail and Manufacturing. With hyper-digitization and technology adoption accelerating across sectors, 2021 will put the spotlight on emergence of growth verticals like healthcare, pharma, medical devices, software & internet, consumer electronics. As India stands at the cusp of a re-imagined Techade, 2021 will re-define the industry narrative for the future.

## COMPANY'S PERFORMANCE

During the year, your company earned a revenue of Rs.4102.58 Lakhs as against Rs.3673.22 Lakhs in the previous year, registering an increase of around 11.69%. Earnings before interest, tax, depreciation and amortization (EBITDA) was Rs.941.51 Lakhs against Rs.486.39 Lakhs in the previous year. Profit after tax (PAT) for the year was Rs.535.02 Lakhs as against Rs.233.54 Lakhs in the previous year.



## PERFORMANCE HIGHLIGHTS



## KEY RATIOS

S.No	Ratio	2020-21	2019-20
1	Debtors Turnover Ratio	5.15	4.31
2	Inventory Turnover Ratio	Not Applicable	Not Applicable
3	Interest Coverage Ratio*	Not Applicable	464.55
4	Current Ratio	6.01	7.58
5	Debt Equity Ratio	0.27	0.20
6	Operating Profit Margin (%)	17.71	8.30
7	Net Profit Margin (%)	13.04	6.36
8	Return on Net worth	19.83	10.45

\* On account of vehicle loans

There was an increase in the operating profit margin, net profit margin and return on net worth due to increase in the turnover.

## SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

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

## OPPORTUNITIES AND THREATS

The client market segments we serve are faced with challenges and opportunities arising from the COVID-19 pandemic and its resulting impact on the economy. We believe the investments we have made, and continue to make, in our strategy will enable us to advise and help our clients as they tackle these market conditions.

## OUR STRATEGY

There are many more reasons for optimism, though. As with last year, IT pros see a bright outlook thanks to the high demand for skills, driven by the increasing importance of technology to business strategy. This dynamic has been in play for the past several years, as companies have moved away from a traditional mindset around tactical IT. In some ways, tactical IT will have a resurgence in 2021 as companies continue responding to needs highlighted during the pandemic. However, the long-term trends toward strategic thinking and digital transformation will be the primary forces impacting the technology function.

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

Translating the Business first approach into solutions, services and Corporate messaging: At a very broad level, our focus areas are: Applications (+ platforms/ products), Infrastructure, Data (& Analytics) and Security. Bringing those 4 components together, we crafted a unique and holistic approach to Digital transformation which we call as Digital DAIS™. Digital DAIS delivers Data and Technology services in a 'Business first' manner; amplifying Business capabilities of our customers and enabling enhanced Business Performance.

## OUTLOOK, RISKS AND CONCERNS

For everything that changed in 2020, one thing that stayed the same was the importance of technology to business success. In fact, that importance grew as organizations had to quickly restructure their operations in order to support a remote workforce and improve flexibility and resiliency. Heading into 2021, there is no well defined blueprint for the ongoing rebuilding effort, but it is certain that technology will continue to play a pivotal role. It is no surprise, then, that IT professionals overwhelmingly have a positive outlook for their job prospects. Nearly 80% of IT pros feel good about their role as a technologist, with 20% having mixed feelings and a very small minority feeling concerned. This represents a slight drop in sentiment from last year, with most of the shift going from the optimistic end of the scale into mixed feelings. Obviously, the current environment plays a major role-the leading case for pessimism is uncertainty around job security following the COVID pandemic.

New concerns that stem from a remote workforce have been a primary trigger for both security awareness education and security investments. Risk analysis, cyber security analytics, and penetration testing are all areas that need improvement as companies adopt a zero trust mindset. Cyber security metrics rank lowest for the coming year, which signals the ongoing challenge in bridging the gap between cyber security best practices and business health.

The second half of FY2021 is witnessing strong recovery of the technology sector in India, and industry seems to be back to pre-COVID level growth, coupled with strong deal pipelines, and solid margins. Survey expect global India's technology sector to grow significantly higher in 2021 as compared to 2020.

Your company has engaged Ernst & Young to study the current status of our Infrastructure, security, policies, procedures and associated risks due to the current change to WFH delivery model and advice on measures to mitigate the risks identified.

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

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 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.

Your Company 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.

The Audit Committee reviewed the physical and digital risks and controls around scenarios arising on account of COVID-19 and the Company's assessment of the impact of COVID-19 on various items of the financial statement ending 31st March, 2021. The Committee also reviewed accounting judgments and other matters in light of COVID-19.

## 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 online 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**

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

The term of office of Smt.Neelima Kaushik as Independent Director of the company was expired on 11th November, 2020 and she has been re-appointed for a further period of 5 consecutive years as Independent Directors by your Board based on the recommendation of its Nomination and Remuneration Committee. Shareholders' approval is being sought for the above said re-appointment.

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

## **INDEPENDENT DIRECTORS DECLARATION**

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

## **MEETING OF INDEPENDENT DIRECTORS**

The Independent Directors met on January 18, 2021, 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 (Formerly M/s.Lakshmi & Associates), Chartered Accountants (Firm Registration No.012482S) were appointed as the statutory auditors of the Company by the shareholders at their 21st Annual General Meeting held on 22nd September, 2017, to hold office from the conclusion of the said Annual General Meeting till the conclusion of the 26th Annual General Meeting to be held in the year 2022.

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

### **AUDITORS' REPORT**

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

### **SECRETARIAL AUDITORS' REPORT**

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

### **SECRETARIAL STANDARDS**

The Company has complied with all the applicable secretarial standards.

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

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

### **TRANSACTIONS WITH RELATED PARTIES**

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

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

## **EXTRACT OF ANNUAL RETURN**

As provided under Section 92 (3) of the Act, an extract of annual return in the prescribed Form MGT-9 is given in Annexure -3 which forms part of this report and Annual return in Form MGT-7 is also available on the company's website and can be assessed at <https://www.sagarsoft.in/wp-content/uploads/2021/06/Sagarsoft-Annual-Return.pdf>

## **NUMBER OF MEETINGS OF THE BOARD**

Four Board meetings were held during the financial year 2020-21 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 committee have been given in the corporate governance report, which forms part of the annual Report.

## **SUB COMMITTEES OF THE BOARD**

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

## **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**

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

## BOARD EVALUATION

The Board of directors have carried out 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	3.84
Shri. K.Pradeep Kumar Reddy, Executive Director & CFO	3.84

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

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

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 Kalva Satish Chander Reddy	
Shri K. Prasad	
Shri N. Hari Mohan	
Shri K. Rakesh Rao	
Shri K. Ganesh	
Smt. Neelima Kaushik	
Shri M. Jagadeesh, Managing Director	Nil
Shri K. Pradeep Kumar Reddy, Executive Director & CFO	Nil
Shri J.Raja Reddy, Company Secretary	7.25



- c. The percentage increase in the median remuneration of employees in the financial year: 35.77%.
- d. The number of permanent employees on the rolls of Company: 175
- e. Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average annual increase was around 7.5% for personnel other than managerial personnel.

Increase in the managerial remuneration for the year was Nil.

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

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

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

## VIGIL MECHANISM

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

## DEPOSITS FROM PUBLIC

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

## INSURANCE

All the properties of the Company have been adequately insured.

## INDUSTRIAL RELATIONS

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

## CORPORATE GOVERNANCE

As stipulated vide regulation 15(2) of the SEBI (LODR) Regulations, 2015, the report on corporate governance is given as part of this report.

## COMPLIANCE CERTIFICATE

A Certificate as stipulated under Schedule V (E) of the Listing Regulation from the Statutory Auditors of the company regarding compliance with the condition 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	2020-21	2019-20
Foreign Exchange inflow	3,902.44	3,826.24
Foreign Exchange outflow	3.91	49.25

## 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. Your Board also takes this opportunity to place on record its appreciation of the contributions made by its employees at all levels and last but not least, of the continued confidence reposed by you in the Management.

For and on behalf of the Board

Hyderabad  
May 22, 2021

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

## Annexure - 1

### Form No. MR-3

#### Secretarial Audit Report For the Financial Year ended March 31, 2021

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

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by 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 Sagarsoft (India) Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company, during the audit period covering the financial year ended on March 31, 2021, complied with the statutory provisions listed hereunder and also the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Sagarsoft (India) Limited for the financial year ended on March 31, 2021 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 - Not applicable to the Company during the audit period;
- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - Not applicable to the Company during the audit period;
- e. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable to the Company during the audit period;
- f. Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - Not applicable to the Company during the audit period;
- g. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable to the Company during the audit period; and
- h. Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable to the Company during the audit period;
- 6) Laws specially applicable to the industry to which the Company belongs, as identified by the Management:
  - a) Information Technology Act, 2000 and the rules made thereunder;
  - b) The Indian Copy Rights Act, 1957;
  - c) The Patents Act, 1970; and
  - d) The Trade Marks Act, 1999.

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

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

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

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

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

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

We further report that adequate notice was given to all directors to schedule the Board meetings and agenda with detailed notes 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 on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

We further report that, during the audit period, the following events were occurred which has a major bearing of the Company's affairs.

- i. Approved power to borrow funds pursuant to the provisions of section 180(1)(c) of the Companies Act, 2013, not exceeding Rs.50.00 Crores by passing a special resolution at the AGM held on 15.07.2020.
- ii. Approved the power to create charge on the assets of the company to secure borrowings up to Rs.50.00 Crores pursuant to section 180(1)(a) of the Companies Act, 2013 by passing a special resolution at the AGM held on 15.07.2020.
- iii. Approved to make investments, give loans, guarantees and provide securities under section 186 of the Companies Act, 2013, not exceeding Rs.100 Crores by passing a special resolution at the AGM held on 15.07.2020.

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

**S.Srikanth**  
Partner

Place: Hyderabad  
Date: May 14, 2021

ACS No.: 22119  
C P No.: 7999  
UDIN: A022119C000311012

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

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

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

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

**S.Srikanth**  
Partner

ACS No.: 22119

C P No.: 7999

UDIN: A022119C000311012

Place: Hyderabad  
Date: May 14, 2021

**Secretarial Compliance Report of  
Sagarsoft (India) Limited  
for the year ended March 31, 2021**

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, 2021 ("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; -Not applicable to the Company during the Review Period.
- (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 to the Company during the Review Period;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - Not applicable to the Company during the Review Period;

- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not applicable to the Company 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 to the Company 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.
- (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 our examination of those records.
- (c) During the Reporting Period, there were no 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.
- (d) The reporting of actions by the listed entity to comply with the observations made in previous reports does not arise during the Review Period.

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

**S. Srikanth**  
Partner

Place: Hyderabad  
Date: May 14, 2021

ACS No.: 22119  
C P No.: 7999  
UDIN: A022119C000311034

## Annexure - 2

### 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 2020-2021.

**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 2020-2021.

On behalf of the Board of Directors

Place: Hyderabad  
Date: May 22, 2021

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

## Annexure - 3

### Form No. MGT-9

#### Extract of Annual Return as on the financial year ended on March 31, 2021

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

#### I. Registration and other details

i.	CIN	:	L72200TG1996PLC023823
ii.	Registration Date	:	17 <sup>th</sup> April, 1996
iii.	Name of the Company	:	Sagarsoft (India) Limited
iv.	Category / Sub-Category of the Company	:	Company Limited by Shares / Indian Non- Government Company
v.	Address of the Registered Office and contact details	:	Plot No.111, Road No.10 Jubilee Hills, Hyderabad-500 033 Tel : 91 40 67191000, Fax: 91 40 23114607 E-Mail: info@sagarsoft.in Website: www.sagarsoft.in
vi.	Whether listed company	:	Yes
	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	KFin Technologies Private Limited Selenium Building, Tower B, Plot Nos.31 & 32, Financial District, Nanakramguda, Hyderabad -500032 Toll Free No: 1800-3094-001 E-Mail: einward.ris@kfintech.com Website: https://www.kfintech.com

#### II. Principal Business Activities of the Company

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

#### III. Particulars of Holding, Subsidiary and Associate Companies

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



#### IV. SHARE HOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)

##### (i) Category-wise Shareholding

Category of Shareholder	No. of shares held at the beginning of the year				No. of shares at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(A) Shareholding of Promoter and Promoter Group <sup>2</sup>									
1 Indian									
(a) Individuals/ Hindu Undivided Family	29,09,109	0	29,09,109	52.32	29,10,109	0	29,10,109	52.34	0.02
(b) Central Government/ State Government(s)									
(c) Bodies Corporate					700	0	700	0.01	0.01
(d) Financial Institutions/ Banks									
(e) Any Others (Specify)									
<b>Sub Total (A) (1)</b>	<b>29,09,109</b>	<b>0</b>	<b>29,09,109</b>	<b>52.32</b>	<b>29,10,809</b>	<b>0</b>	<b>29,10,809</b>	<b>52.35</b>	<b>0.03</b>
2 Foreign									
a Individuals (Non-Resident Individuals/Foreign Individuals)									
b Bodies Corporate									
c Institutions									
d Qualified Foreign Investors									
e Any Others (Specify)									
<b>Sub Total (A) (2)</b>									
<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A) (2)</b>	<b>29,09,109</b>	<b>0</b>	<b>29,09,109</b>	<b>52.32</b>	<b>29,10,809</b>	<b>0</b>	<b>29,10,809</b>	<b>52.35</b>	<b>0.03</b>
(B) Public shareholding									
1 Institutions									
(a) Mutual Funds									
(b) Financial Institutions/ Banks	4,13,136	0	4,13,136	7.43	4,13,136	0	4,13,136	7.43	

Category of Shareholder	No. of shares held at the beginning of the year				No. of shares at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(C) Central Government/ State Government(s)									
(d) Venture Capital Funds									
(e) Insurance Companies									
(f) Foreign Institutional Investors/FCIs									
(g) Foreign Venture Capital Investors									
(h) Qualified Foreign Investors									
(i) Any Other (specify)									
<b>Sub-Total (B)(1)</b>	<b>4,13,136</b>	<b>0</b>	<b>4,13,136</b>	<b>7.43</b>	<b>4,13,136</b>	<b>0</b>	<b>4,13,136</b>	<b>7.43</b>	<b>0</b>
B 2 Non-institutions									
(a) Bodies Corporate	4,15,037	39,500	4,54,537	8.18	4,17,402	39,500	4,56,902	8.22	0.04
(b) Individuals									
I (i) Individual shareholders holding nominal share capital up to	9,70,023	2,33,355	12,03,378	21.64	10,82,203	2,27,055	13,09,258	23.54	1.27
II (ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	4,57,008	0	4,57,008	8.22	3,58,913	0	3,58,913	6.46	-1.76
(c) NRIs	86,346	0	86,346	1.55	75,750	0	75,750	1.36	-0.19
(c-i) Foreign Corporate Body	0	0	0	0	0	0	0	0	0
(c-ii) Hindu Undivided Families	34,740	0	34,740	0.62	23,698	0	23,698	0.43	-0.19
(c-iii) Clearing Members	1746	0	1746	0.03	11534	0	11534	0.21	0.18
(c-iv) NBFC	0	0	0	0	0	0	0	0.00	0
<b>Sub-Total (B)(2)</b>	<b>19,64,900</b>	<b>2,72,855</b>	<b>22,37,755</b>	<b>40.25</b>	<b>19,69,500</b>	<b>2,66,555</b>	<b>22,36,055</b>	<b>40.22</b>	<b>-0.03</b>
<b>(B) Total Public Shareholding (B)= (B)(1) + (B)(2)</b>	<b>23,78,036</b>	<b>2,72,855</b>	<b>26,50,891</b>	<b>47.68</b>	<b>23,82,636</b>	<b>2,66,555</b>	<b>26,49,191</b>	<b>47.65</b>	<b>-0.03</b>
<b>TOTAL (A)+(B)</b>	<b>52,87,145</b>	<b>2,72,855</b>	<b>55,60,000</b>	<b>100.00</b>	<b>52,93,445</b>	<b>2,66,555</b>	<b>55,60,000</b>	<b>100.00</b>	<b>0</b>
(C) Shares held by Custodians for GDRs & ADRs	0	0	0	0	0	0	0	0	0.00
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>52,87,145</b>	<b>2,72,855</b>	<b>55,60,000</b>	<b>100.00</b>	<b>52,93,445</b>	<b>2,66,555</b>	<b>55,60,000</b>	<b>100.00</b>	<b>0</b>

**(ii) Shareholding of promoters**

SI No.	Shareholder's name	Shareholding at the beginning of the year (01-04-2020)			Shareholding at the end of the year (31-03-2021)			% Change in share holding during the year
		No. of Shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	No. of Shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	
1	S Sreekanth Reddy	11,67,950	21.01	Nil	11,67,950	21.01	Nil	0
2	S Rachana	6,45,559	11.61	Nil	6,46,559	11.63	Nil	0.02
3	S Vanajatha	1,47,100	2.65	Nil	1,47,100	2.65	Nil	0
4	Dr.S Anand Reddy	1,52,200	2.74	Nil	1,52,200	2.74	Nil	0
5	P Sucharitha Reddy	1,05,200	1.89	Nil	1,05,200	1.89	Nil	0
6	S Aruna	1,18,400	2.13	Nil	1,18,400	2.13	Nil	0
7	W Malathi	1,20,900	2.17	Nil	1,20,900	2.17	Nil	0
8	N Madhavi	1,16,400	2.09	Nil	1,16,400	2.09	Nil	0
9	M Radhika Reddy	55,200	0.99	Nil	55,200	0.99	Nil	0
10	P Sudershan Reddy	50,000	0.90	Nil	50,000	0.90	Nil	0
11	P Rajith Reddy	50,000	0.90	Nil	50,000	0.90	Nil	0
12	S Siddarth	90,100	1.62	Nil	90,100	1.62	Nil	0
13	S Aneesh Reddy	90,100	1.62	Nil	90,100	1.62	Nil	0
14	R V Consulting Services Private Limited	0	0	Nil	700	0.01	Nil	0.01
	<b>TOTAL</b>	<b>29,09,109</b>	<b>52.32</b>	<b>Nil</b>	<b>29,10,809</b>	<b>52.35</b>	<b>Nil</b>	<b>0.03</b>

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

SI No.	Description	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of the total shares of the Company	No. of shares	% of the total shares of Company
	At the beginning of the year	29,09,109	52.32	29,09,109	52.32
	Acquired *	1,700	0.03	29,10,809	52.35
	Sold *	0	0	29,10,809	52.35
	At the end of the year			29,10,809	52.35

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

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

SI No.	Top 10 Shareholders	Shareholding at the beginning of the year 01-04-2020 *		Shareholding at the end of the year 31-03-2021 **	
		No. of shares	% of the total shares of the Company	No. of shares	% of the total shares of Company
1	The Madhavpura Mercantile Co-op. Bank Ltd.	3,99,836	7.19	3,99,836	7.19
2	Twinvest Financial Services Ltd	2,71,806	4.89	2,71,806	4.89
3	Savyasachi Constructions Pvt Ltd	57,900	1.04	1,03,088	1.85
4	Mita Dharmesh Doshi	52,000	0.94	52,000	0.94
5	Rajiv Verma	50,500	0.91	32,500	0.58
6	M V S Ananthkrishnan	40,800	0.73	40,800	0.73
7	Byna Murali	39,905	0.72	46,000	0.83
8	Padmavathi Noothalapati	24,100	0.43	30,000	0.54
9	Vinaychand Dharamchand Shah	25,600	0.46	25,600	0.46
10	K S S Prasad Raju	25,000	0.45	25,000	0.45

\* In the list of top 10 as on 1-4-2020.

\*\* In the list of top 10 as on 31-03-2021.

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

SI No.	For each of the Directors and KMP	Date	Reason	Shareholding at the beginning of the year 01-04-2020 *		Shareholding at the end of the year 31-03-2021 **	
				No. of shares	% of the total shares of the Company	No. of shares	% of the total shares of the Company
	<b>Directors/KMP</b>						
1	S.Sreekanth Reddy	01.04.20	At the beginning of the year	11,67,950	21.01		
		31.03.21	At the end of the year			11,67,950	21.01
2	M.Jagadeesh	01.04.20	At the beginning of the year	11,400	0.20		
		31.03.21	At the end of the year			11,400	0.20
3	K.Pradeep Kumar Reddy	01.04.20	At the beginning of the year	267	0.004		
		31.03.21	At the end of the year			365	0.006
4	Kalva Satish Chander Reddy	01.04.20	At the beginning of the year	Nil	0		
		31.03.21	At the end of the year			Nil	0
5	K.Prasad	01.04.20	At the beginning of the year	14,559	0.26		
		31.03.21	At the end of the year			14,959	0.26

6	N.Hari Mohan	01.04.20	At the beginning of the year	51,581	0.93		
		31.03.21	At the end of the year			52,110	0.94
7	K.Rakesh Rao	01.04.20	At the beginning of the year	Nil	0		
		31.03.21	At the end of the year			Nil	0
8	K.Ganesh	01.04.20	At the beginning of the year	Nil	0		
		31.03.21	At the end of the year			Nil	0
9	Neelima Kaushik	01.04.20	At the beginning of the year	Nil	0		
		31.03.21	At the end of the year			Nil	0
10	J.Raja Reddy	01.04.20	At the beginning of the year	1,200	0.02		
		31.03.21	At the end of the year			1,200	0.02

## V. INDEBTEDNESS

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

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

## VI. Remuneration of Directors and Key Managerial Personnel

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

Sl. No	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Shri M.Jagadeesh (Managing Director)	Shri K. Pradeep Kumar Reddy (Executive Director & CFO)	
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17 (1) of the Income-tax Act, 1961	48,00,000	48,00,000	96,00,000
	(b) Value of perquisites/s.17(2) of Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17 (3) of Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit	-	-	-
	- others, specify (arrears relating to previous year)	-	-	-
5	Total (A)	48,00,000	48,00,000	96,00,000
	Ceiling as per the Act (As minimum remuneration)*	48,00,000	48,00,000	96,00,000

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

### B. Remuneration to other Directors

Sl. No	Particulars of Remuneration	Fee for attending board/ committee meetings	Commission	Others, please specify	Total
<b>(1)</b>	<b>Independent directors</b>				
	Shri K.Prasad	55,000	-	-	55,000
	Shri K.Ganesh	50,000	-	-	50,000
	Shri N.Hari Mohan	35,000	-	-	35,000
	Shri K.Rakesh Rao	25,000	-	-	25,000
	Smt.Neelima Kaushik	30,000	-	-	30,000
	<b>Total (1)</b>	<b>1,95,000</b>	<b>-</b>	<b>-</b>	<b>1,95,000</b>
<b>(2)</b>	<b>Other Non-Executive Directors</b>				
	Shri S.Sreekanth Reddy	20,000	-	-	20,000
	Shri Kalva Satish Chander Reddy	5,000	-	-	5,000
	<b>Total (2)</b>	<b>25,000</b>	<b>-</b>	<b>-</b>	<b>25,000</b>
	<b>Total (B) = (1 + 2)</b>	<b>2,20,000</b>	<b>-</b>	<b>-</b>	<b>2,20,000</b>
	<b>Total Managerial Remuneration</b>	<b>2,20,000</b>	<b>-</b>	<b>-</b>	<b>2,20,000</b>
	Overall Ceiling as per the Act*	-	-	-	-

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

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		Company Secretary	Total Amount
1	Gross Salary		
	a. Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	25,57,884	25,57,884
	b. Value of perquisites u/s.17 (2) of Income-tax Act, 1961	-	-
	c. Profits in lieu of salary under Section 17 (3) of Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission As % of profit	-	-
	- Others, specify	-	-
5	Others, Allowances	-	-
	Total	25,57,884	25,57,884

**VI. Remuneration of Directors and Key Managerial Personnel**

There were no penalties, punishment or compounding of offences during the year ended March 31, 2021.



## Annexure - 4

### 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:

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

During the year, one meeting of the Committee was held on 18.01.2021 and all the committee members were present.

#### 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 : Nil
6. Average net profit of the company as per section 135(5): Rs.681.44 lakhs
7.
  - a) Two percent of average net profit of the company as per section 135(5) : Rs.13,62,887/-
  - b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - Nil
  - c) Amount required to be set off for the financial year, if any - Nil
  - d) Total CSR obligation for the financial year (7a+7b-7c). - Rs.13,62,887/-

#### 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
13.69 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	6,20,691	Yes	-	-
			No	Andhra Pradesh	SPS Nellore	4,32,135			
2.	Training and Educating	Promotion of Education and Infrastructure for it.	Yes	Telangana	Hyderabad	1,98,767	Yes	-	-
3.	Rural Development	Laying of Roads and related works.	Yes	Telangana	Hyderabad	1,17,000	Yes	-	-
<b>Total</b>						<b>13,68,593</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. 13,68,593/-  
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.13,62,887/-
(ii)	Total amount spent for the Financial Year	Rs.13,68,593/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Rs.5,706/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Rs.5,706/-

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  
Corporate Social Responsibility Committee  
DIN: 01808491

Hyderabad,  
May 22, 2021

## Corporate Governance Report for the year 2020-21

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, 2021, the Board of Directors had an optimum combination of Executive and Non-Executive Directors and its composition was in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Companies Act, 2013 ("Act"). All the Directors have made the requisite disclosures regarding directorships and Committee positions held by them in other Companies.

(i) As on 31st March, 2021, the Company had nine 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, 2021 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 held during the year 2020-21		Whether attended last AGM held on 15.7.2020	Number of Directorships in other Public Companies		Number of Committee positions held in other Public Companies	
		Held	Attended		Chairman	Member	Chairman	Member
Shri S.Sreekanth Reddy	Non-Executive Director (Promoter)	4	4	Yes	-	4	-	-
Shri M. Jagadeesh	Managing Director	4	4	Yes	-	-	-	-
Shri K. Pradeep Kumar Reddy	Executive Director and CFO	4	4	Yes	-	-	-	-
Shri Kalva Satish Chander Reddy	Non-Executive Director	4	4	Yes	-	-	-	-
Shri K. Prasad	Independent Director	4	4	Yes	-	-	-	-
Shri N. Hari Mohan	Independent Director	4	3	Yes	-	-	-	-
Shri K. Rakesh Rao	Independent Director	4	3	No	-	-	-	-
Shri K. Ganesh	Independent Director	4	4	Yes	-	-	-	-
Smt. Neelima Kaushik	Independent Director	4	4	Yes	-	-	-	-

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

S No.	Name of the Director	Category of Directorship	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	Non-Executive Director (Promoter)	Sagar Cements Limited	Joint Managing Director

- (iv) As on 31st March, 2021, none of the Directors on the Board held directorships in more than eight 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 public companies in which he/she was a Director. Necessary disclosures regarding Committee positions in other public companies as on 31st March, 2021 have been made by the Directors.
- (v) Disclosure of relationships between directors inter-se; - Nil
- (vi) All the Independent Directors are non-executive directors in accordance with Regulation 16(1)(b) of the SEBI Listing Regulations read with 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 SEBI Listing Regulations read with Section 149(6) of the Act.
- (vii) The Board held four 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:  
27.05.2020, 30.07.2020, 19.10.2020 and 18.01.2021.
- (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 18.01.2021.
- (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 ([www.sagarsoft.in](http://www.sagarsoft.in)).
- (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.

## 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:

Business & Industry	Domain Knowledge in Business and understanding of business environment, Optimising the development in the industry for improving Company's business
Financial Expertise	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
Governance & Compliance	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 K. Prasad	Financial Expertise, Governance & Compliance
6	Shri N. Hari Mohan	Business & Industry, Governance & Compliance
7	Shri K. Rakesh Rao	Business & Industry, Governance & Compliance
8	Shri K. Ganesh	Business & Industry, Financial Expertise, Governance & Compliance
9	Smt. Neelima Kaushik	Business & Industry, Governance & Compliance

(xv) Details of equity shares of the Company held by the Directors as on 31st March, 2021 are given below:

Name	Category	Number of equity shares
Shri S.Sreekanth Reddy	Non-Executive Director, Promoter	11,67,950
Shri K.Prasad	Independent Director	14,959
Shri M.Jagadeesh	Managing Director	11,400
Shri N.Hari Mohan	Independent Director	52,110
Shri K. Pradeep Kumar Reddy	Executive Director and CFO	365

As on 31st March, 2021, none of the other Directors other than the one mentioned above were holding any shares in the company.

(xvi) 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 - Nil.

### 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, read with 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 15, 2020 and the Chairman of the audit committee was present at the said meeting.

- vi. The composition of the Audit Committee as on March 31, 2021 and the details of attendance at its meetings held during the year 2020-21 are given below:

Name of the Member	Category of Directors	Number of meetings held during the financial year 2020-21	
		Held	Attended
Shri K.Prasad, Chairman	Independent Director	4	4
Shri M.Jagadeesh, Member	Managing Director	4	4
Shri K.Ganesh, Member	Independent Director	4	4

- vii. The Audit committee met 4 times during the year 2020-21 and the dates of such meeting are:

27.05.2020, 30.7.2020, 19.10.2020 and 18.01.2021.

#### 4. Nomination and Remuneration Committee

- Composition of the Nomination and Remuneration Committee (NRC) of the Board is in line with the Regulation 19 of SEBI Listing Regulations, read with 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 March 31, 2021, the attendance at its meetings during the year 2020-21, are given below:

Name of the Member	Category of Directors	Number of meetings held during the financial year 2020-21	
		Held	Attended
Shri K.Prasad, Chairman	Independent Director	1	1
Shri N.Hari Mohan, Member	Independent Director	1	1
Shri K.Ganesh, Member	Independent Director	1	1

The NRC met once during the year 2020-21, held its meeting on October 19, 2020.

- The Company presently does not have any Employee Stock Option Scheme.
- 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 2020-21 are given below:

S. No.	Name of the Director	Sitting Fee (In Rupees)
1	Shri S.Sreekanth Reddy	20,000
2	Shri Kalva Satish Chander Reddy	5,000
3	Shri.K.Prasad	55,000
4	Shri.N.Hari Mohan	35,000
5	Shri. K.Rakesh Rao	25,000
6	Shri.K.Ganesh	50,000
7	Smt.Neelima Kaushik	30,000
	<b>Total</b>	<b>2,20,000</b>

There is no other pecuniary relationship or transactions between the Non-Executive Directors and the Company.

Remuneration to the Managing Director and Whole time Director:

The Company pays remuneration to its Managing Director (MD) and Whole-time Director and/or Manager by way of salary and perquisites, which are fixed components and also includes gratuity and provident fund components. 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 2020-21.

Description	Shri M.Jagadeesh (Managing Director)	Shri K.Pradeep Kumar Reddy (Executive Director & CFO)
Salary	Rs. 48,00,000/-	Rs. 48,00,000/-
<b>Total</b>	<b>Rs. 48,00,000/-</b>	<b>Rs. 48,00,000/-</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 read with 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. The details of composition of the Committee as on 31st March, 2021, and attendance and its meetings during the year are given below:

Name of the Member	Category of Directors	Number of meetings held during the financial year 2020-21	
		Held	Attended
Shri K.Prasad, Chairman	Independent Director	1	1
Shri N.Hari Mohan, Member	Independent Director	1	1
Shri K. Rakesh Rao, Member	Independent Director	1	1

During the year, one meeting of the Stakeholders' Relationship Committee was held on 18.01.2021.

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 received 01 complaint from the investors during the year 2020-21 as detailed below and the complaint, being routine in nature, was redressed in the normal course by the Registrars themselves. There were no complaints pending as on 31st March, 2021.

S. 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	1	1	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
	<b>Total</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>

- 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.

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

Name of the Member	Category of Directors	Number of meetings held during the financial year 2020-21	
		Held	Attended
Shri N.Hari Mohan, Chairman	Independent Director	1	1
Shri M.Jagadeesh, Member	Managing Director	1	1
Smt Neelima Kaushik, Member	Independent Director	1	1

During the year, one meeting of the Committee was held on 18.01.2021.

## 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
24th AGM	15th July, 2020	3.30 p.m.	Through Video Conference ("VC") / Other Audio Visual Means
23rd AGM	24th July, 2019	11.30 a.m.	Hotel Golkonda, Masab Tank, Hyderabad-500 028
22nd AGM	27th September, 2018	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 22nd AGM, following special resolutions were passed:

1. Re-appointment of Shri M.Jagadeesh as Managing Director of the Company
2. Re-appointment of Shri K.Pradeep Kumar Reddy as Executive Director of the Company

#### At the 23rd AGM, following special resolutions were 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 24th AGM, following special resolutions were 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.

Whether any special resolution passed last year through postal ballot - details of voting pattern if any - Nil

## 8. Means of communication

### Quarterly results:

As part of compliance with Regulation 33, 10 and 47 of the SEBI 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 2020-21 were published are given below:

Quarter ended	Date of Publication	Name of the newspapers carrying the publication
June 30, 2020	31/07/2020	Financial Expression and Andhra Prabha news papers
September 30, 2020	20/10/2020	Financial Expression and Andhra Prabha news papers
December 31, 2020	19/01/2021	Financial Expression and Andhra Prabha news papers
March 31, 2021	15/05/2021	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 'https://www.sagarsoft.in/investors/' and also on the website of BSE as part of corporate filing made by the Company from time to time with the said stock exchange.

### 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 2020-21. Copies of the press-release, as and when issued by the Company, mostly after submission of financial results to the Stock Exchange, are simultaneously made available to the Stock Exchange.

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 no subsidiaries.

## 9. General Shareholder information:

### a. Annual General Meeting:

Date & Time: July 7, 2021 at 4.00 p.m.

Venue: Through Video Conferencing / other Audio Visual Means as set out in the Notice convening the Annual General Meeting

### b. Financial Year: 1st April, 2020 to 31st March, 2021.

### c. Book Closure Dates: From July 1, 2021 to July 7, 2021 (both days inclusive)

### d. Dividend payment date:

The Board has recommended a dividend Rs.2.50 per share (25%), 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 Exchange:

The paid up share capital of the company as on 31st March, 2021 was Rs. 5,56,00,000/- consisting of 55,60,000 equity shares of Rs.10/- each. All these shares have been listed on the BSE Ltd. Mumbai. There are no dues against listing fee payable to the stock exchange.

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

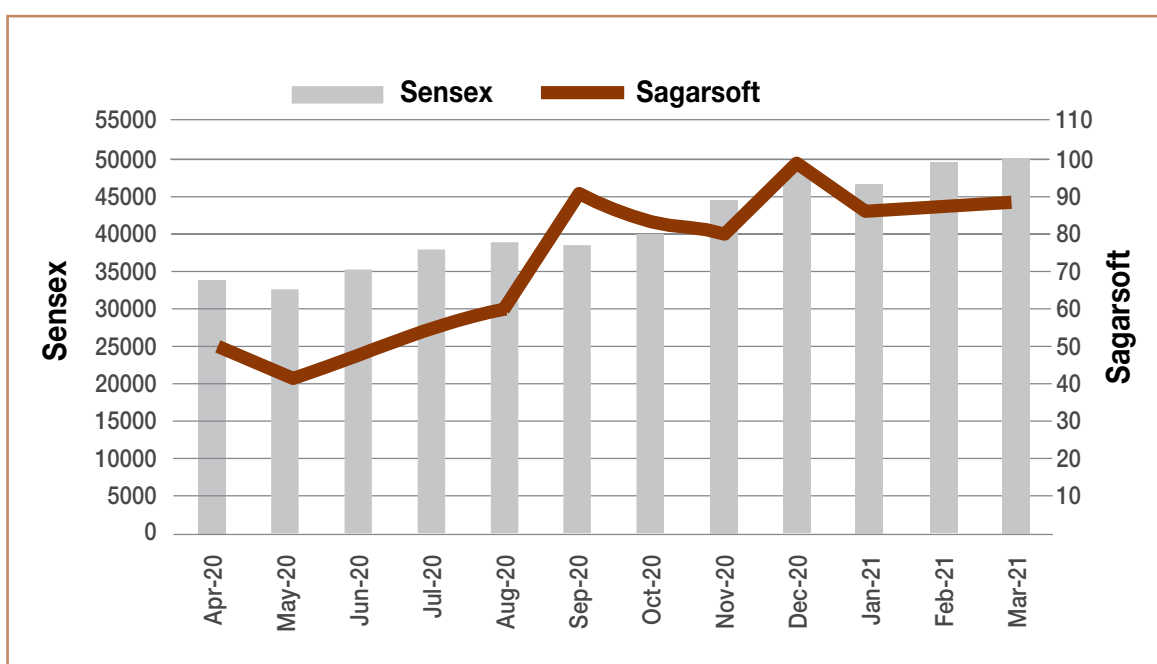
Name of the Stock Exchange	Scrip Code
BSE Limited, P J Towers, Dalal Street, Mumbai - 400 001	540143
ISIN	INE184B01012

**g. Market price details:**

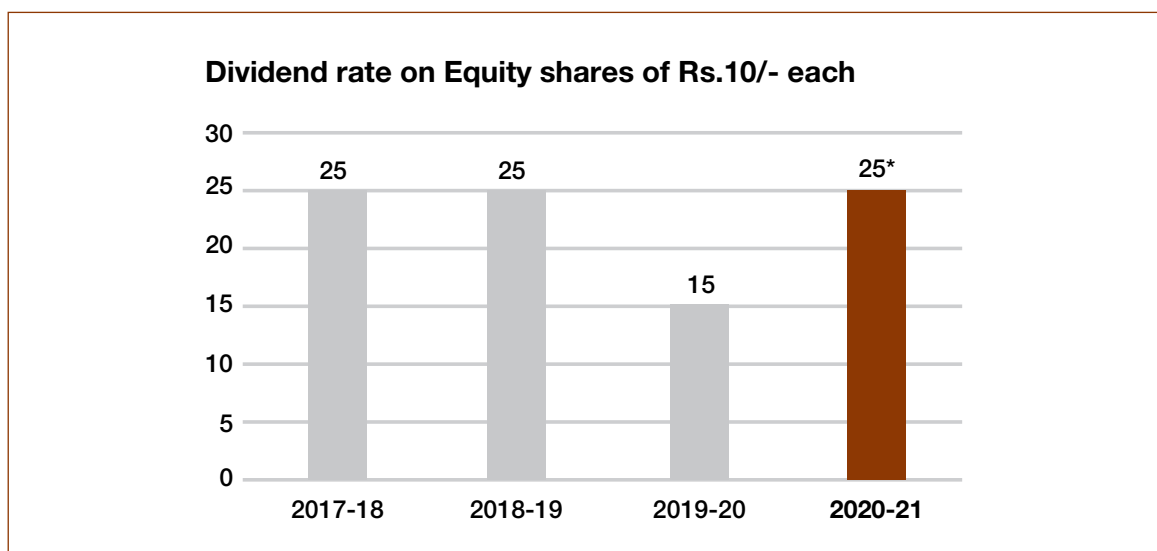
Monthly High, Low and closing prices for the Company's shares during the Financial Year as traded on the BSE Limited (BSE) are given below:

Month	BSE		
	High	Low	Close
April 2020	60.90	29.00	44.55
May 2020	48.00	31.30	37.30
June 2020	44.55	36.10	42.30
July 2020	60.00	40.25	49.80
August 2020	65.30	46.80	54.50
September 2020	84.90	45.05	81.90
October 2020	84.90	69.00	75.00
November 2020	77.40	65.00	72.85
December 2020	99.00	68.10	89.10
January 2021	106.95	75.00	77.75
February 2021	88.50	75.00	79.00
March 2021	83.80	73.00	80.25

The Company Share Price movements during the year 2020-21 as compared with SENSEX, are depicted below:



## Dividend History



\* The Board has recommended a dividend of Rs.2.50 per share (25%) for the year 2020-21 subject to the approval of the shareholders at the ensuing AGM.

**i. 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 were required to be transferred to the Investor Education and Protection Fund by the Company. Details of the unclaimed dividends are available on the company's website, [www.sagarsoft.in](http://www.sagarsoft.in).

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

KFin Technologies Private Limited  
(Formerly Karvy Fintech Private Limited)  
Selenium Building, Tower B, Plot 31-32,  
Financial District, Nanakramguda,  
Serilingampally Mandal  
Hyderabad -500032.  
Toll Free No: 1800-3094-001  
e-mail: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)  
Website: <https://www.kfintech.com>

**k. Share Transfer System:**

Around 95.21% 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 Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 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-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. 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. Members can contact the Company or Company's Registrars and Transfer Agents, KFin Technologies Private Limited ("KFin") for assistance in this regard.

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.

**I. Shareholding particulars as on 31st March, 2021**
**(i) Distribution of shareholdings:**

Shareholding range	No. of Shares	%	No. of Holders	%
1 to 50	13,756	0.25	779	26.42
51 to 100	74,336	1.34	776	26.31
101 to 200	66,255	1.19	368	12.48
201 to 300	40,765	0.73	147	4.98
301 to 500	1,19,977	2.16	277	9.39
501 to 1000	2,26,088	4.07	279	9.46
1001 to 5000	5,70,479	10.26	243	8.24
5001 to 10000	3,20,763	5.77	46	1.56
10001 to 20000	1,18,032	2.12	9	0.31
20001 to 50000	3,20,600	5.77	9	0.31
50001 to 100000	3,39,510	6.11	5	0.17
100001 and above	33,49,439	60.24	11	0.37
<b>TOTAL</b>	<b>55,60,000</b>	<b>100.00</b>	<b>2,949</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	29,10,809	52.35	29,10,809	52.35
Domestic Companies/ Body Corporates	39	4,56,902	8.22	4,17,402	7.51
Public - Individuals	2,834	16,91,869	30.42	14,64,814	26.35
Non Resident Indians	43	75,750	1.37	75,750	1.36
Clearing Members	17	11,534	0.21	11,534	0.21
Indian Financial Institutions/Banks	2	4,13,136	7.43	4,13,136	7.43
<b>Total</b>	<b>2,949</b>	<b>55,60,000</b>	<b>100</b>	<b>52,93,445</b>	<b>95.21</b>

**m. 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 more than 95% of the share capital were in dematerialized form as on 31st March, 2021 as detailed below:

In physical form		In Demat Form				Total	
		with CDSL		with NSDL			
Shares	%	Shares	%	Shares	%	Shares	%
2,66,555	4.79	20,92,670	37.64	32,00,775	57.57	55,60,000	100.00

**n. 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.

**o. Branches: Nil**

**p. 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

**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 Exchange, SEBI or other statutory authorities relating to capital market during the said period.

**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:**

- (a) The Company had implemented all the mandatory requirements applicable to it under SEBI 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.

**v. The Policy on dealing with related party transactions and the policy for determining 'material' subsidiaries are available on the company's website [www.sagarsoft.in](http://www.sagarsoft.in) respectively.**

**10. Other disclosures**

**i. Related Party Transactions:**

Full disclosures of related party transactions entered into during the year 2020-21 as per the Ind As 24 issued by the ICAI have been given under Note 2.1 of the Notes to Financial Statements for the year ended 31st March, 2021. 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.



**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. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) - Nil

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. None of the recommendation made by the Audit Committee at its meetings was rejected by the Board.

**x. Fee paid to Statutory Auditors:**

A fee of Rs.2 lakhs was paid to the Statutory Auditors towards services rendered by them to the company for the year 2020-21.

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

During the year 2020-21, 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, 2021 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 SEBI Listing Regulation.

**12.** The following discretionary requirements have been adopted pursuant to Part E of Schedule II of SEBI 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 SEBI Listing Regulations.

**14.** Disclosures with respect to demat suspense account/ unclaimed suspense account : If any - Nil-

**15.** The compliance certificate from the auditors regarding compliance of conditions of corporate governance has been annexed to the Directors Report.

## 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 Sagarsoft (India) Limited ("the company"), have examined the compliance of conditions of Corporate Governance by the Company for the year ended on March 31, 2021, 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, 2021.

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  
FR No.012482S

**MOHAN REDDY T**  
Partner

Place: Hyderabad  
Date: May 14, 2021

Membership No. 239635  
UDIN: 21239635AAAACM3916

## 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 of  
**M/s. 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) as considered necessary and explanations furnished to us by the Company & 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 31st March, 2021 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 Authority.

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

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 22, 2021

ACS No.: 22119  
C P No.: 7999  
UDIN: A022119C000356112

**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 2021, 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 2021.

Hyderabad  
May 22, 2021

**M.Jagadeesh**  
Managing Director

## INDEPENDENT AUDITOR'S REPORT

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

### 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, 2021, 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, 2021, 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 the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matter	Auditor's Response
1	<p><b>Review of Ind-AS116 (Accounting for leases)</b> Application of Ind-AS116, accounting for leases, is effective from Financial Year 2019-20. Under this model lessee's Right-of-Use (ROU) of the leased asset during the lease period as per contract is accounted for as an asset and payments to be made during the duration of lease as per contract period to lesser is accounted for as a liability by discounting the future lease payments to be made during the lease period. Thus, lease asset and lease liability are reflected in the Balance sheet. Review of the standard involves significant judgments and estimates including, determination of the discount rates and the lease term. The standard requires detailed disclosure of the transaction.</p>	<p><b>Principal Audit Procedures</b></p> <p>We have reviewed and assessed the lease agreements including lease renewals, all important terms of the lease agreements that have a bearing on the underlying contract.</p> <p>Reviewed calculations made in accounting for leased assets and liabilities. Also, assessed the reasonableness and appropriateness of discount rate applied for arriving at present value of future lease payments.</p> <p>Further, robustness of accounting and presentation is ascertained by reconciling lease payments as per contract for entire lease period with ROU asset and leased liabilities accounting.</p> <p>Disclosures made are assessed for compliance with IndAS116.</p>

## Emphasis of matter

We draw your attention to Note 1(M) under the sub-heading dealing with uncertainties thrown up as a consequence of COVID-19 pandemic, management's assessment of impact on financial reporting and future operations of the company and the remedial measure put in place to mitigate adverse effects. However, the actual impact of COVID-19 on the financial statements may differ from that estimated. Our opinion is not modified in respect of this matter.

## 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 individual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Individual Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these 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 individual financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the 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 individual financial statements.

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

- a. Identify and assess the risks of material misstatement of the individual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.
- e. Evaluate the overall presentation, structure and content of the individual 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.



## Report on Other Legal and Regulatory Requirements

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

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the 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, 2021 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on March 31, 2021 from being appointed as a director in terms of Sub-section 2 of Section 164 of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and the operating effectiveness of the Company's internal financial controls over financial reporting.

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has no pending litigations on its financial position in its financial statements.

ii. There is no requirement for any provision as required by any act or Indian Accounting Standards for material foreseeable losses, if any, on long term contracts including derivative contracts.

iii. There are no amounts which are required to be transferred to Investor Education and protection fund.

For **T MOHAN & ASSOCIATES**

Chartered Accountants

FR No. 012482S

**MOHAN REDDY T**

Partner

Place: Hyderabad

Date: May 14, 2021

Membership No. 239635

UDIN: 21239635AAAACM3916



## Annexure-A to the Auditor's Report

### Annexure referred to in paragraph under 'Report on Other Legal and Regulatory Requirements' section of our report of the Independent Auditor's Report of even date of M/s Sagarsoft (India) Limited, on the financial statements for the year ended March 31, 2021.

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

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The company has verified fixed assets at regular intervals. There were no material discrepancies noticed on such verification.
- (c) According to information and explanation given to us, the company has no immovable property. Thus, paragraph 3 (i)(c) of the Order is not applicable to the company.
- ii. The Company is rendering software and related consultancy services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- iii. The company has granted loan to a body corporate covered in the register maintained under Section 189 of the Act.
  - (a) In our opinion, the rate of interest and other terms and conditions on which the loan had been granted to the body corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the company.
  - (b) In the case of the loan granted to the body corporate listed in the register maintained under Section 189 of the Act, the borrower has been regular in the payment of the principal and interest as stipulated.
  - (c) There is no overdue amount in respect of the loan granted to a body corporate listed in the register maintained under Section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.
- v. The company has not accepted any deposits, within the meaning of provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Thus, paragraph 3(v) of the Order is not applicable to the company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under clause 3(vi) of the order is not applicable to the Company.
- vii. (a) According to the information and explanations given to us and the records of the companies examined by us, in our opinion, the company is regular in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, and other material statutory dues as applicable with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, and other material statutory dues in arrears as at March 31, 2021 for the period of more than six months from the date they became payable.
  - (c) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, and other material statutory dues as applicable which have not been deposited on account of any dispute.
- viii. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.
- ix. The company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the reporting period. The company has not availed any term loans during the financial year.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to information and explanation given to us, the company has provided managerial remuneration in accordance with Section 197 read with schedule V to the Companies Act, 2013.

- xii. In our opinion, the company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable for the company.
- xiii. In our opinion and according to information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 and the details of such transactions have been disclosed in the Ind AS Financial statements of the company as required by applicable Accounting Standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. In our opinion, the company is not required to be registered under section 45IA of Reserve Bank of India Act 1934. Thus, paragraph 3(xv) of the Order is not applicable to the company.

For **T MOHAN & ASSOCIATES**

Chartered Accountants

FR No. 012482S

**MOHAN REDDY T**

Partner

Place: Hyderabad

Date: May 14, 2021

Membership No. 239635

UDIN: 21239635AAAACM3916

## Annexure - B to the Auditor's Report

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

We have audited the internal financial controls over financial reporting of M/s Sagarsoft (India) Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### Auditors' Responsibility

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

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

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

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

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

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

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021 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

FR No.012482S

**MOHAN REDDY T**

Partner

Place: Hyderabad

Date: May 14, 2021

Membership No. 239635

UDIN: 21239635AAAACM3916

## Balance Sheet as at March 31, 2021

All amounts in Rs.

Particulars	Note	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non Current Assets</b>			
(a) Property, Plant and Equipment	<b>3</b>	2,94,71,447	3,38,32,400
(b) Right of use assets	<b>3.1</b>	3,23,54,671	2,19,74,938
(c) Financial Assets	<b>4</b>		
Loans and Advances		8,78,88,195	5,63,26,308
(d) Deferred Tax Asset (net)		29,23,763	32,13,601
<b>Total Non Current Assets</b>		<b>15,26,38,076</b>	<b>11,53,47,247</b>
<b>Current Assets</b>			
(a) Financial Assets			
(i) Trade Receivables	<b>5</b>	8,27,13,969	7,64,90,757
(ii) Cash and Cash Equivalents	<b>6</b>	7,09,00,462	5,64,32,714
(iii) Other Financial Assets	<b>7</b>	6,26,861	7,30,032
(b) Other Current Assets	<b>8</b>	3,51,42,051	2,01,15,007
<b>Total Current Assets</b>		<b>18,93,83,343</b>	<b>15,37,68,510</b>
<b>TOTAL ASSETS</b>		<b>34,20,21,419</b>	<b>26,91,15,757</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	<b>9</b>	5,56,00,000	5,56,00,000
(b) Other Equity	<b>10</b>	21,41,57,925	16,78,48,899
<b>Total Equity</b>		<b>26,97,57,925</b>	<b>22,34,48,899</b>
<b>Non Current Liabilities</b>			
(a) Financial Liabilities			
Borrowings		-	-
(b) Other Non Current Liabilities	<b>11</b>	3,74,29,841	2,42,81,478
(c) Long Term Provisions	<b>12</b>	33,01,807	21,03,139
<b>Total Non Current Liabilities</b>		<b>4,07,31,648</b>	<b>2,63,84,617</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
Trade Payables	<b>13</b>	7,04,390	12,53,161
(b) Other Current Liabilities	<b>14</b>	38,18,675	27,28,371
(c) Provisions	<b>15</b>	2,70,08,781	1,53,00,709
<b>Total Current Liabilities</b>		<b>3,15,31,846</b>	<b>1,92,82,241</b>
<b>Total Liabilities</b>		<b>7,22,63,494</b>	<b>4,56,66,858</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>34,20,21,419</b>	<b>26,91,15,757</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.012482S)

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

Place : Hyderabad  
Date : May 14, 2021

For and on Behalf of the Board

**M JAGADEESH**  
Managing Director  
DIN: 01590689

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

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

## Statement of Profit and Loss for the year ended March 31, 2021

All amounts in Rs.

Particulars		For the year ended March 31, 2021	For the year ended March 31, 2020
I. Revenue from operations	16	41,02,58,131	36,73,21,562
II. Other income	17	84,41,040	81,01,166
<b>III. Total income</b>		<b>41,86,99,171</b>	<b>37,54,22,728</b>
<b>IV. Expenses</b>			
Employee Benefits Expenses	18	27,87,89,932	27,52,11,579
Depreciation	3	2,15,11,959	1,80,71,282
Other Expenses	19	4,57,58,216	5,15,72,394
<b>Total Expense</b>		<b>34,60,60,107</b>	<b>34,48,55,255</b>
<b>V. Profit before tax (I-II)</b>		<b>7,26,39,064</b>	<b>3,05,67,473</b>
<b>VI. Tax expense</b>	<b>20</b>		
(a) Current tax		1,90,41,187	84,63,990
(b) Deferred tax		95,968	(12,50,056)
<b>Total Tax Expense</b>		<b>1,91,37,155</b>	<b>72,13,934</b>
<b>VII. Profit after tax</b>		<b>5,35,01,909</b>	<b>2,33,53,539</b>
<b>VIII. Other comprehensive income</b>			
A. (i) items that will not be classified to profit and loss		-	-
(a) remeasurement of the defined benefit plans		15,32,925	(7,69,223)
(b) equity instruments through other comprehensive Income			
Tax		<b>(3,85,807)</b>	<b>1,93,598</b>
		<b>11,47,118</b>	<b>(5,75,625)</b>
<b>IX. Total comprehensive income for the year</b>		<b>5,46,49,028</b>	<b>2,27,77,914</b>
<b>X. Earnings per share (of Rs.10) each in Rs.</b>			
Basic		9.83	4.10
Diluted		9.83	4.10
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.012482S)

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

Place : Hyderabad  
Date : May 14, 2021

For and on Behalf of the Board

**M JAGADEESH**  
Managing Director  
DIN: 01590689

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

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

## Statement of changes in equity for the year ended March 31, 2021

A. Equity Share Capital	
Particulars	Amount
Balance as at April 1, 2019	5,56,00,000
Changes in equity share capital during the year	-
Balance as at March 31, 2020	5,56,00,000
Changes in equity share capital during the year	-
Balance as at March 31, 2021	5,56,00,000

B. Other Equity					
Particulars	Reserves and Surplus		Items of other comprehensive income		Total other Equity
	Securities premium account	Retained Earnings	Equity instruments through other comprehensive income	Other items of Other comprehensive income	
Balance as at April 01, 2019	4,56,00,000	10,96,68,186	-	(1,42,889)	15,51,25,297
Profit for the year	-	2,33,53,539	-	-	2,33,53,539
Other comprehensive income for the year	-	-	-	(5,75,625)	(5,75,625)
Less: Dividend (Including of Dividend Tax)		(1,00,54,312)			(1,00,54,312)
Balance as at March 31, 2020	4,56,00,000	12,29,67,413	-	(7,18,514)	16,78,48,899
Profit for the year	-	5,35,01,909	-	-	5,35,01,909
Other comprehensive income for the year	-	-	-	11,47,418	11,47,418
Less: Dividend (Including of Dividend Tax)	-	(83,40,000)			(83,40,000)
<b>Balance as at March 31, 2021</b>	<b>4,56,00,000</b>	<b>16,81,29,322</b>	<b>-</b>	<b>4,28,604</b>	<b>21,41,57,925</b>

See accompanying notes to the financial statements

As per our report of even date

For **T MOHAN & ASSOCIATES**  
Chartered Accountants (FRNo.012482S)

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

Place : Hyderabad  
Date : May 14, 2021

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

## Cash Flow Statement for the year ended March 31, 2021

All amounts in Rs.

Cash flow statement for the year ended	31.03.2021	31.03.2020
<b>Cash flow from operating activities</b>		
Net profit before tax and extraordinary items	7,26,39,064	3,05,67,473
Adjustment for:		
Provision for Tax	(1,91,37,155)	(72,13,934)
<b>Non Operating Expenses/Items</b>	-	-
Depreciation for PPE	82,85,408	1,07,46,303
Depreciation for Leased assets	1,32,26,551	73,24,979
Adjustment for OCI	11,47,118	(5,75,625)
Financial Charges under lease agreement	37,09,263	24,06,273
<b>Operating profit before working capital changes</b>	<b>7,98,70,250</b>	<b>4,32,55,468</b>
<b>Adjustment for:</b>		
Sundry debtors	(62,23,212)	1,75,87,040
Other Financial Assets	(1,49,23,873)	2,10,48,570
Trade Payables	(5,48,771)	(16,85,156)
Other Financial Liabilities	34,19,847	(1,70,38,097)
<b>Cash generated from operation</b>	<b>6,15,94,241</b>	<b>6,31,67,826</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets and Adjustments	(39,02,082)	(27,03,385)
Deposits and Advances made	(3,15,61,888)	(5,00,00,000)
<b>Net cash flow from investing activities</b>	<b>(3,54,63,970)</b>	<b>(5,27,03,385)</b>
<b>Cash flow from financing activities</b>		
Repayment of Vehicle Loan	-	(10,15,710)
Payment of Dividend	(83,40,000)	(1,00,54,312)
Adjustment towards Lease liabilities	(33,22,522)	(74,24,712)
<b>Net cash from in financing activities</b>	<b>(1,16,62,522)</b>	<b>(1,84,94,734)</b>
Net increase in cash and cash equivalents	1,44,67,750	(80,30,293)
Cash and equivalents as at 01-04-2020	5,64,32,714	6,44,63,006
<b>Cash and equivalents as at 31-03-2021</b>	<b>7,09,00,462</b>	<b>5,64,32,714</b>

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **T MOHAN & ASSOCIATES**  
Chartered Accountants (FRNo.012482S)

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

Place : Hyderabad  
Date : May 14, 2021

For and on Behalf of the Board

**M JAGADEESH**  
Managing Director  
DIN: 01590689

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

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



## Notes forming part of the Financial Statements for the year ended 31.03.2021

### 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 AS.

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

#### (C) Use of estimates

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

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

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial

year, are in respect of impairment of 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 Ind AS 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) Cash flow statements**

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

### **(K) Financial Instruments**

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

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

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

- a. Financial Assets carried at amortized cost: a financial asset is subsequently measured at 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.

The above measurements are applied wherever applicable

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

**a. Financial assets:**

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

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

**b. Financial liabilities:**

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

Note: the above principles are applied wherever applicable

**Provisions**

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

**(L) 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).

**(M) 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.

**(N) 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 assets 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	1. Shri S.Sreekanth Reddy 2. Shri M Jagadeesh 3. Shri K.Pradeep Kumar Reddy
2.	Enterprises where key managerial personnel along with their relatives exercise significant influence	1. Sagar Priya Housing and Industrial Enterprises Limited 2. Savyasachi Constructions Private Limited 3. Sapplica Info Technologies Private Limited 4. Sagar Cements Limited 5. Sagar Cements (R) Limited 6. R V Consulting Services Private Limited 7. Sagar Power Limited 8. Sagarsoft Inc 9. Dr. S Anand Reddy 10. Smt. S Vanajatha

Transaction with related parties during the year ended 31<sup>st</sup> March, 2021

Rs. in Lakhs

Nature of Transaction	Key Management Personal	Enterprises where key managerial personnel along with their relatives exercise significant influence	Balance as on 31.03.2021
<b>Remuneration Paid</b>			
1. Shri M Jagadeesh	48.00		—
2. Shri K Pradeep Kumar Reddy	48.00		—
<b>Loan &amp; Advances</b>			
1. R V Consulting Services Pvt. Ltd.		298.26	800.00
<b>Rent Paid</b>			
1. Dr. S Anand Reddy		64.60	—
2. Smt. S Vanajatha		64.60	—
3. Shri S Sreekanth Reddy		64.60	—
<b>Trade Receivables</b>			
Sagarsoft Inc.		3,507.02	630.21
<b>Consultancy Services</b>			
1. Sagar Cements Limited		35.40	—
2. Sagar Cements (R) Limited		24.78	—
<b>Charges paid</b>			
1. Savyasachi Constructions Pvt Ltd		41.83	—
2. Sagar Cements Limited		7.86	0.47
<b>Interest received on loans</b>			
1. R V Consulting Services Pvt. Ltd		53.68	—

## 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:

Amounts in Rs.

Description	Year ended - Gratuity	
	March 31, 2021	March 31, 2020
Defined benefit obligation at the beginning of the year	<b>1,63,92,992</b>	1,22,70,261
Current service cost	<b>31,30,970</b>	29,33,214
Interest cost	<b>11,16,363</b>	9,21,911
Actuarial (gain) / loss	<b>(8,30,248)</b>	(9,00,369)
Benefits paid	-	(4,38,274)
Defined benefit obligation at the year end	<b>1,95,75,253</b>	<b>1,63,92,992</b>

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

Amounts in Rs.

Description	Year ended - Gratuity	
	March 31, 2021	March 31, 2020
Fair value of plan assets at the beginning of the Year	<b>1,74,69,250</b>	1,31,33,176
Expected return on plan assets	<b>11,89,656</b>	11,30,510
Actuarial gain / (loss)	<b>33,192</b>	(83,905)
Employer contribution	-	37,27,743
Benefits paid	-	(4,38,274)
Fair value of plan asset at the year end	<b>1,86,92,097</b>	<b>1,74,69,250</b>

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

Amounts in Rs.

Description	Year ended - Gratuity	
	March 31, 2021	March 31, 2020
Fair value of plan assets	<b>1,86,92,097</b>	1,74,69,250
Present value of obligations	<b>1,95,75,253</b>	1,63,92,992
Amount to be recognized in the Balance sheet	<b>8,83,156</b>	<b>(10,76,257)</b>

### d) Expenses recognized during the year:

Amounts in Rs.

Description	Year ended - Gratuity	
	March 31, 2021	March 31, 2020
Current service cost	<b>31,30,970</b>	29,33,214
Interest cost	<b>11,16,363</b>	9,21,911
Expected return on plan assets	<b>(11,89,656)</b>	(11,30,510)
Actuarial (gain) / loss	<b>(10,98,263)</b>	7,89,785
Net cost	<b>19,59,414</b>	<b>35,14,400</b>

e) **Reconciliation of Leave Encashment:**

Amounts in Rs.

Description	Year ended - Leave Encashment	
	March 31, 2021	March 31, 2020
Present Value of Obligation as at the end of the year	<b>34,21,680</b>	25,09,529
Value of fund as at the end of the year Funded Status	<b>(34,21,680)</b>	(25,09,529)
Unrecognized Actuarial (gains)/Losses Net Asset/(Liability) Recognized in Balance Sheet	<b>(34,21,680)</b>	<b>(25,09,529)</b>

f) Investment details:  
100% invested in LIC Group gratuity (cash accumulation policy)

g) Actuarial assumptions  
Mortality table (LIC) 2012-14 (ultimate)  
Discounting rate – 6.81%  
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	2020-21	2019-20
01	Exports	4,031.67	3,619.14
02	Domestic	70.91	54.07
	<b>Total</b>	<b>4,102.58</b>	<b>3,673.21</b>

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

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

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

As per our report of even date

For **T MOHAN & ASSOCIATES**  
Chartered Accountants (FRNo.012482S)

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

Place : Hyderabad  
Date : May 14, 2021

For and on Behalf of the Board

**M JAGADEESH**  
Managing Director  
DIN: 01590689

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

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



3. Property, Plant and Equipment

All figures in Rs.

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Computers	39,03,425	31,06,973
Office Equipment	41,10,913	43,43,923
Furnitures & Fixtures	1,85,66,781	2,26,89,541
Vehicles	28,90,328	36,91,963
<b>TOTAL</b>	<b>2,94,71,447</b>	<b>3,38,32,400</b>

For the Year 2020-21

PARTICULAR	Gross Block			Depreciation			Net block			
	Opening balance 01.04.2020	Additions	Disposals	Balance as at 31st March, 2021	As on 01.04.2020	For the year	Eliminated on disposal of assets	Balance as at 31st March, 2021	As at 31st March, 2021	As at 31st March, 2020
Computers	7,43,25,897	26,83,705	4,00,000	7,66,09,602	7,12,18,924	18,67,253	3,80,000	7,27,06,177	39,03,425	31,06,973
Office Equipment	2,54,54,147	11,73,750	-	2,66,27,897	2,11,10,224	14,06,760	-	2,25,16,984	41,10,913	43,43,923
Furnitures & Fixtures	4,66,48,462	87,000	-	4,67,35,462	2,39,58,921	42,09,760	-	2,81,68,681	1,85,66,781	2,26,89,541
Vehicles	84,05,060	-	-	84,05,060	47,13,097	8,01,635	-	55,14,732	28,90,328	36,91,963
<b>TOTAL</b>	<b>15,48,33,566</b>	<b>39,44,455</b>	<b>4,00,000</b>	<b>15,83,78,021</b>	<b>12,10,01,166</b>	<b>82,85,408</b>	<b>3,80,000</b>	<b>12,89,06,574</b>	<b>2,94,71,447</b>	<b>3,38,32,400</b>
Carrying value as on 31.03.2020	<b>15,21,30,181</b>	<b>27,03,385</b>	<b>4,00,000</b>	<b>15,48,33,566</b>	<b>11,02,54,863</b>	<b>1,07,46,303</b>	<b>3,80,000</b>	<b>12,10,01,188</b>	<b>3,38,32,400</b>	<b>4,18,75,318</b>

3.1 Right of Use of assets

All figures in Rs.

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Initial recognition of ROU asset (Buildings) Lease deed commences from 1st April, 2019	4,55,81,222	2,92,99,917
Less: Depreciation	1,32,26,551	73,24,979
Balance as on 31.03.2021	3,23,54,671	2,19,74,938
Financial Charges	37,09,263	24,06,273
Total cash outflows for leases	1,64,25,000	74,24,712
Expenses relating to short term lease of less than 12 months	-	91,60,288



All figures in Rs.

PARTICULARS	As at	
	March 31, 2021	March 31, 2020
<b>4. Financial Assets</b>		
Loans and Advances		
Non current		
Loans and Advances	<b>8,78,88,195</b>	5,63,26,308
<b>Total</b>	<b>8,78,88,195</b>	<b>5,63,26,308</b>
<b>5. Trade Receivables</b>		
Unsecured considered good	<b>8,40,86,735</b>	7,76,20,872
Less: Expected Credit Loss	<b>13,72,766</b>	11,30,115
<b>Total</b>	<b>8,27,13,969</b>	<b>7,64,90,757</b>
<b>6. Cash and Cash equivalents</b>		
(a) Cash in hand	<b>637</b>	9,870
(b) Deposits with banks		
- Maturity less than 12 months	<b>3,54,91,200</b>	3,50,00,000
(c) Balance with banks - in current accounts	<b>32,4,55,281</b>	1,91,07,264
(d) Balance with banks		
- in unpaid dividend account	<b>29,53,344</b>	23,15,580
<b>Total</b>	<b>7,09,00,462</b>	<b>5,64,32,714</b>
<b>7. Other Financial Assets</b>		
Deposits	<b>3,26,832</b>	3,26,832
Prepaid Rent	<b>3,00,029</b>	4,03,200
<b>Total</b>	<b>6,26,861</b>	<b>7,30,032</b>
<b>8. Other Current Assets</b>		
(a) Interest Receivable	<b>2,55,308</b>	7,42,259
(b) GST input	<b>86,64,719</b>	70,77,256
(c) Balance with Tax authorities	<b>25,07,393</b>	22,07,971
(d) Contribution to Gratuity Plan	<b>28,08,064</b>	-
(e) Advance Income Tax	<b>1,90,00,000</b>	76,00,000
(f) Others	<b>19,06,567</b>	24,87,521
<b>Total</b>	<b>3,51,42,051</b>	<b>2,01,15,007</b>

**9. Equity Share Capital**

PARTICULARS	As at		As at	
	March 31, 2021		March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
AUTHORISED :				
70,00,000 Equity Shares of Rs.10/- each	70,00,000	7,00,00,000	70,00,000	7,00,00,000
<b>Total</b>	<b>70,00,000</b>	<b>7,00,00,000</b>	<b>70,00,000</b>	<b>7,00,00,000</b>
(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period				
Opening Balance	55,60,000	5,56,00,000	55,60,000	5,56,00,000
Shares issued during the year	-	-	-	-
Closing Balance	55,60,000	5,56,00,000	55,60,000	5,56,00,000

(b) Terms/rights attached to equity shares

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

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

PARTICULARS	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Sreekanth Reddy Sammidi	11,67,950	21.01	11,67,950	21.01
Rachana Sammidi	6,46,559	11.63	6,45,559	11.61
The Madhavpura Mercantile Co-op Bank	3,99,836	7.19	3,99,836	7.19

10. Other Equity

All figures in Rs.

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Share premium account	4,56,00,000	4,56,00,000
Retained earnings	16,85,57,925	12,22,48,899
<b>Total</b>	<b>21,41,57,925</b>	<b>16,78,48,899</b>
<b>Movement in other equity is as follows:</b>		
<b>Securities Premium Account</b>	<b>4,56,00,000</b>	<b>4,56,00,000</b>
<b>Retained earnings</b>		
Opening balance	12,22,48,899	10,95,25,297
Profit for the year	5,35,01,909	2,33,53,539
Other comprehensive income	11,47,118	(5,75,625)
	<b>17,68,97,925</b>	<b>13,23,03,211</b>
Less: Dividend for the year 2019-20	83,40,000	83,40,000
Tax on above Dividends	-	17,14,312
<b>Closing balance</b>	<b>16,85,57,925</b>	<b>12,22,48,899</b>
<b>11. Other Non Current Liabilities</b>		
Lease Liability	3,74,29,841	2,42,81,478
<b>Total</b>	<b>3,74,29,841</b>	<b>2,42,81,478</b>
<b>12. Long Term Provisions</b>		
Non Current		
Provision for Gratuity	4,14,662	-
Provision for Leave Encashment	28,87,145	21,03,139
<b>Total</b>	<b>33,01,807</b>	<b>21,03,139</b>
<b>13. Trade Payables</b>		
Trade Payables	7,04,390	12,53,161
<b>Total</b>	<b>7,04,390</b>	<b>12,53,161</b>

All figures in Rs.

	<b>PARTICULARS</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>14.</b>	<b>Other Current Liabilities</b>		
	Accrued salaries and benefits	7,52,187	4,12,791
	Other Advances	1,13,144	-
	Unclaimed Dividend	29,53,344	23,15,580
	<b>Total</b>	<b>38,18,675</b>	<b>27,28,371</b>
<b>15.</b>	<b>Provisions</b>		
	Provision for expenses	29,75,823	26,84,624
	Short term Provision for Leave Encashment	5,34,535	4,06,390
	Short term provision for Gratuity	4,68,494	-
	TDS Payable	39,88,742	37,45,705
	Provision for income tax	1,90,41,187	84,63,990
	<b>Total</b>	<b>2,70,08,781</b>	<b>1,53,00,709</b>

All figures in Rs.

	<b>PARTICULARS</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
<b>16.</b>	<b>Revenue from Operations</b>		
	Revenue from Software development	41,02,58,131	36,73,21,562
	<b>Total</b>	<b>41,02,58,131</b>	<b>36,73,21,562</b>
<b>17.</b>	<b>Other Income</b>		
	Interest income	78,87,787	43,96,290
	interest income on financial assets carried at amortized cost	5,30,880	6,27,305
	Profit on Sale of Assets	22,373	-
	Profit on Foreign Exchange fluctuation	-	30,77,571
	<b>Total</b>	<b>84,41,040</b>	<b>81,01,166</b>
<b>18.</b>	<b>Employee benefit expenses</b>		
	Salaries, Wages and other benefits	27,27,36,548	26,58,79,312
	Welfare Expenses	29,95,707	66,07,652
	Gratuity	30,57,677	27,24,615
	<b>Total</b>	<b>27,87,89,932</b>	<b>27,52,11,579</b>

All figures in Rs.

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>19. Other Expenses</b>		
Postage and Telephone charges	<b>4,82,305</b>	6,85,333
Internet Charges	<b>22,23,990</b>	8,52,073
Overseas Travel expenses	<b>8,73,277</b>	1,09,12,505
Travelling and Conveyance	<b>3,30,937</b>	8,55,322
Vehicle Hire Charges	<b>2,39,660</b>	35,78,424
Electricity Charges	<b>7,86,019</b>	16,31,946
Vehicle Maintenance	<b>5,37,178</b>	5,54,107
Printing and Stationery	<b>2,30,768</b>	3,93,878
Office Maintenance	<b>72,53,056</b>	55,46,957
Auditors Remuneration	<b>2,00,000</b>	1,75,000
Rent	<b>23,60,987</b>	97,85,788
Rates and Taxes	<b>1,03,625</b>	6,36,159
Interest and Bank Charges	<b>77,232</b>	2,57,122
Professional and Consultancy charges	<b>2,01,33,484</b>	1,13,26,506
Advertisement charges	<b>1,27,770</b>	1,05,616
Donations and Contributions	<b>15,83,933</b>	11,60,547
Insurance	<b>1,11,162</b>	1,35,056
General Expenses	<b>16,500</b>	2,15,257
Bad Debts written off	<b>35,12,310</b>	-
Expected Credit Loss	<b>2,42,651</b>	3,58,526
Financial Charges (Leased asset)	<b>37,09,263</b>	24,06,273
Loss on Foreign Exchange fluctuation	<b>6,22,109</b>	-
<b>Total</b>	<b>4,57,58,216</b>	<b>5,15,72,394</b>
<b>20. Tax Expense</b>		
a) Income tax recognised in the statement of profit and loss in respect of current year	<b>1,90,41,187</b>	84,63,990
b) Deferred Tax in respect of current year	<b>95,968</b>	(12,50,056)
<b>Total</b>	<b>1,91,37,155</b>	<b>72,13,934</b>

See accompanying notes to the financial statements

As per our report of even date

For **T MOHAN & ASSOCIATES**  
Chartered Accountants (FRNo.012482S)

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

Place : Hyderabad  
Date : May 14, 2021

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





**Sagarsoft®**

**Sagarsoft (India) Limited**

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