

# SAGARSOFT (INDIA) LIMITED

## TRANSCRIPT OF 27<sup>th</sup> ANNUAL GENERAL MEETING HELD ON 5<sup>th</sup> JULY, 2023 AT 4.00 P.M. THROUGH VIDEO CONFERENCE (“VC”)/OTHER AUDIO VISUAL MEANS (“OAVM”)

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**Moderator:** Sir, you can start, Sir.

**Mr. Raja Reddy (Company Secretary):** Yeah, Dear Shareholders, Good Evening. I welcome you all to this 27<sup>th</sup> Annual General Meeting of Sagarsoft (India) Limited which is being held virtually. I thank all of you for participating in this Meeting in spite of your other pre-occupations.

As our Chairman, Mr. S. Sreekanth Reddy is not available due to his pre occupation. I would now request our Managing Director Mr M. Jagadeesh to preside over this Meeting in accordance with the Article 65 of the Articles of Association of the Company and after introducing other members of the Board, conduct its proceedings. Thank you.

**Mr. M Jagadeesh (Managing Director and Chairman for this AGM):** Good evening, Dear Shareholders. I have great pleasure in welcoming you to this 27<sup>th</sup> Annual General Meeting of the Company convened electronically through Video Conferencing mode. I hope you and your family members are safe and in good health.

The Ministry of Corporate Affairs and SEBI has permitted companies to hold their Annual General Meeting through Video Conferencing or Other Audio Visual Means and has also allowed companies to send Annual Reports and the Notice convening the AGM electronically.

Considering the health and safety of all our Stakeholders and in particular, the Shareholders, this 27<sup>th</sup> Annual General Meeting of the Company is being conducted through Video Conferencing to avoid the physical presence of members at a common venue. The soft copy of the Annual Report for year 2022-23 has already been sent to all the members holding shares in the dematerialized mode and whose e-mail addresses are available with the Depository Participant(s) as well as to all the members holding shares in physical mode whose e-mail addresses are registered with the Company or RTA for the communication purposes.

As the requisite Quorum is present, I now call the Meeting to order.

The Register Of Directors and Key Managerial Personnel and their shareholding, the Register of Contracts or Arrangements in which the Directors are deemed to be interested and the other documents mentioned in the Notice convening this meeting will be available for inspection by the Members. Members seeking to inspect such documents can contact the Company Secretary.

Since the Meeting is being held electronically, the proxy related procedures have been dispensed with which is in line with the regulatory requirements as mentioned in the Notice convening the Meeting.

Now let me introduce the Directors, Senior Executives and Auditors of the Company attending the meeting through Video Conference from their respective locations.

We have Mr. N. Hari Mohan, the Independent Director sitting along with me.

Mr. K V Ramananda Rao, Independent Director, Mr. V. Venkat Ramana, Independent Director, Mr. K. Satish Chander Reddy, Non-Executive Director, Mr. K. Roopesh, Non-Executive Director, Mr. K. Pradeep Kumar Reddy, Executive Director and CEO, I think we are waiting for Neelima. She's she will be joining us shortly. Keerthi, I think she is online. Ok and we have Mr. J. Raja Reddy, our Company Secretary and Mr. Srikanth from BSS & Associates. Mr. Sanjay Jain is there?

Okay now Mr. Sanjay Jain from Grant Thornton our auditors representing our statutory auditors. Walker Chandlok and Company LLP has also joined this Meeting from his location.

Mr. S. Srikanth of M/s BSS & Associates, Secretarial Auditors as well as the Scrutiniser for the e-voting process has joined this meeting.

Your Company, by virtue of it being a listed Company, is required to provide e-voting facility to its Shareholders. Voting by show of hands is no longer permitted. The Company has engaged the services of KFin Technologies Limited to provide the facility of remote e-voting to all its members to cast their votes on all businesses contained in the Notice. Voting will be in proportion to the shares held by the members as on a cut-off date being 27<sup>th</sup> June, 2023.

In line with the regulatory requirements, remote e-voting facility on KFin's e-voting platform had been provided to the members of the Company for four days starting from 1<sup>st</sup> July, 2023 till 4<sup>th</sup> July, 2023. This module was disabled for voting by KFin thereafter.

As mentioned in the Notice convening the meeting, for such of those members who did not or could not avail the remote e-voting facility, the Company is pleased to provide them the facility to cast their votes electronically during the AGM on all the proposed resolutions through the KFin's Instapoll mechanism. This Instapoll facility will be activated at the end of this meeting. Members can avail this facility and cast their votes on the resolutions proposed in the Notice. Let me reiterate that this facility is available only to those members who have not cast their votes through the remote e-voting facility provided earlier by the Company. In case any member has already voted in the remote e-voting, he or she will not be able to cast his or her vote again through instapoll.

The Board has appointed Shri. S. Srikanth, Partner, representing M/s BSS & Associates, Practicing Company Secretaries for scrutinizing the e-voting process in a fair and transparent manner. Once all of you have cast your votes, the votes will be counted by the Scrutinizer. They will then unlock the results of the remote e-voting which will then be consolidated with the results of the voting done today through instapoll facility.

The voting results along with the Scrutinizers report will be communicated to the Stock Exchange within two working days of conclusion of the e-AGM and the same will be placed on the website of the Company and on e-voting platform of KFin.

To sum up, following is the schedule for today's meeting:

After I conclude my speech, those of you who have registered as a Speaker at the Meeting will be invited by the Moderator. Considering the time of all those attending the meeting, we would request the Speakers to be brief and restrict their address to matters relevant to the business contained in the AGM Notice. After this, the questions or queries raised by the Speakers or by Shareholders who have been already registered in the link provided by KFin for this purpose would be tabulated and answered. After the queries have been answered,

the Meeting will conclude, and those of you who have not yet cast their votes would be given the opportunity to exercise the same.

Now we will proceed with the meeting.

Yeah. We also have Mrs. Neelima Kaushik, who has joined us, Independent Director.

**Mr. M Jagadeesh (Managing Director and Chairman for this AGM):** Dear Shareholders, I am pleased to extend a warm welcome to all the Shareholders of the Company and their representatives, who are attending this 27<sup>th</sup> Annual General Meeting of your Company. It is always a pleasure to connect with you all, through virtual.

On behalf of the Board of Directors of Sagarsoft, I want to thank you for making the time to join us. Your trust and support over the past 27 years have given us the confidence to push ourselves past challenges and complexities, to deliver consistent returns and value for you.

Annual Report of the Company for the year 2022-23, containing the audited standalone and consolidated financial statements of your Company for the year ended 31<sup>st</sup> March, 2023 together with the report of your Directors and other mandatory reports for the said year have been with you for quite some time. Instead of repeating what has already been covered under this report, I would rather like to share my views more on current scenario that is relevant to you and your Company.

During the year, your Company earned revenue of 164 Crores, 164.153 Crores as against 117.78 Crores in the previous year, registering an increase of around 39.37%. Earnings before interest, tax, depreciation and amortization was 13.194 Crores against 13.09 Crores in the previous year. Profit after tax for the year was 7.62 Crores as against 7.95 Crores in the previous year on a consolidated basis.

Further details on your Company's performance in the year 2022-23 have been provided in the Annual Report for the said year.

The year 2023 has started with hopes of moderation expecting worldwide growth. Even as the global economic climate will continue to remain uncertain, volatility and business resilience will co-exist. Globally, enterprises are likely to see headwinds demand contraction in some markets, and this uncertainty may result in delayed decision making. While digital transformation remains core strategic priority for 2023, cost takeout and optimization requirements are also in demand given the macro environment. Cyber security, cloud, cloud, AI and analytics continue to be the main focus. Hyper automation and virtual experiences are new themes, driving optimization and new business growth.

As such, for technology providers, 2023 is expected to be a year of rationalization, as they consolidate and strengthen current expertise, while making early moves into new business opportunities. The growth areas of technology segments will continue to focus on digital CX, digitalization, cloudification, cyber security and platformization. An underlying theme that will emerge stronger is 'Focus on Quality Talent' strengthening capabilities in niche and pure tech areas like Cloud, AI, ML, NLP through reskilling, upskilling, improved and increased thrust on employee engagement, culture, health and Wellness.

Now there are certain resolutions to be passed in this AGM.

Dear Shareholders, the Notice dated 24<sup>th</sup> May, 2023 convening this Meeting has already been circulated as part of the Annual Report for the financial year ended 31<sup>st</sup> March, 2023 and with your permission, this has since been taken as read. As the Auditors report do not have any adverse qualifications or observations or comments on the financial transactions or

matters as having any adverse effect on the functioning of the Company and the observations made in the Secretarial Audit Report are self-explanatory, these reports are not required to be read out at the meeting. The Notice of the Meeting contains 4 resolutions seeking approval of the Shareholders, gist of which are given below as ordinary businesses.

1. Adoption of audited standalone and consolidated financial statements. Reports of the directors and auditors thereon for the financial year ended 31<sup>st</sup> March, 2023.
2. Declaration of dividend of Rs. 2/- i.e., 20% per equity share of Rs. 10/- each for the financial year 2022-23.
3. Re-appointment of Mr. M. Jagadeesh as a Director liable to retire by rotation.
4. Reappointment of Shri. K Pradeep Kumar Reddy as a Director liable to retire by rotation.

The resolutions and the explanatory statement wherever applicable in the respect of the above proposals have been provided in the Notice of the meeting.

I would now request the moderator to facilitate the shareholders, who have registered themselves as a speaker to speak, raise clarifications regarding the accounts and operations of the Company during the year 2022-23 in the sequence of the registration. During the Question and Answer session, Speaker names will be announced along with their queue number in a sequential manner. Accordingly, the moderator will unmute the Speaker and allow the speaker to speak, raise his queries. In the interest of time and with the view to give adequate opportunity to all, I would request members to be judicious in time and restrict the same to 3 minutes per speaker. If there is any connectivity issue at Speaker's end due to which speaker could not express his queries, views completely, then he or she will be allowed to speak again after all the other speakers complete their turn, if the connectivity of the said speaker resumes in the meantime. We will first hear all the queries, after which I would be pleased to give my response to your queries in consolidation or have them answered by my colleagues.

I think, moderator you can.

**Moderator:** Yeah. Thank you, Sir. This is your moderator for the day. So totally 17 members registered as speakers for this particular event Sir. So the first speaker is Mr. Suresh Chand Jain. May I request Mr. Suresh Chand Jain to unmute yourself, Sir

**Mr. Suresh Chand Jain:** आवाज आरहे आ रहा है सर sir

**Moderator:** आरहे sir आप बात कर सकते हैं जी

**Mr. Suresh Chand Jain:** आदरणीय Chairman सर सभी directors, shareholders साथियो सर आप ने जो Chairman speech के andhar जो कंपनी को जो रूफ रेखा हमारे सामने रखे बहुत अच्छा है. मैं बहुत सुन्दर सपनों के साथ मैं कंपनी को बारे मैं जो जानकारी जी इसके लिए मैं आपको और आप का टीम को बहुत बहुत धन्यवाद देता हु sir और sir आपने जो dividend हमारे सामने जो दो रुपिये के बारे मैं आपने जो जानकारी मुझे बहुत कृषि भी sir मेरे साथ मैं Kamal Kishore भी है उनका Phone काम नहीं कर रा. उन को उन्होंने भी कुछ दो तीन चीज कहना चाहरे.

**Kamal Kishore Jhavar:** मैं already Chairman sir Meeting attend होगया सर आप कुछ ..... हुवा है थो मेरा नंबर चटवा है थो इसे मैं बात कर राहु sir I am the old shareholder इस कंपनी का. हमारे Chairman sir, Managing Director sir, all directors को मेरा नमस्कार. वो हमारे Secretarial

department, राजारेड्डी जी को सबको नमस्कार. सब sector department मैं very nice man sir. Every year हमारा को public issues problem होता है चम् चम् हमारा को इनका मैसेज मिल जाता है. वो सब आप अभी software Company में Hyderabad based कंपनी मैं continue हमारा को dividend मिला अपनी के साथ कृषि के साथ lastly हमारा को तीन रूपीस मिला, आज दो रूपीस मिला वो पूरा हमारा खुशी की बात है. इसी तरह हमारे को dividend दीजे सर. अगर ये साल 2023-24 अच्छा प्रॉफिट है इसके अपन अपना इन्क्रीमेंट दीजे थे और आपने अच्छा प्रॉफिट हुवा थो Interim Dividend दीजिये. और अभी अपना शेयर प्राइस भी अपना 151, 145 के रेंज मैं चल रहा है. All companies software का पूरा मार्किट up and down जाता है. इसकी IT सबका अच्छा हो जायेंगा. हमारा को शेयर एक दिन 500 रूपीस देखने को मिलेंगा already पैर ये कंपनी जब पयपाल करेको 300 के ऊपर गया था sir. Every year ऐसी Video Conference रखिये sir. Thank you sir

**Moderator:** Thank you, Mr. Suresh Chand Jain and Mr. Kamal Kishore Jhawar. Now we will move on to the next speaker of the day, Mr. Badri Vishal Bajaj. May I request Mr. Badri Vishal Bajaj to unmute yourself, switch on your camera and speak, please.

**Mr. Badri Vishal Bajaj:** Yeah. Good afternoon, Mr. Jagadeesh sir and giving me the opportunity to speak and join in the AGM and thanks to the Annual Report, it is well brought with all the details on all aspects in detail. So thanks it goes to Secretary of Department and keep it up Sir. Sir, I have only two point bring to the Notice of all the Shareholders. Also the point of concern with this Company is RoE. Return on equity which is gone down from 13.25% last year to 2.63 or if you take margin it has gone down from 10.65% to 2.77%. It is a matter of concern but I did not hear any description or action taken or why it is going down and how we are recouping this current year in a better performance. Now in your director's report also there is a word cloudification it is a new coin word by Sagarsoft because I think the software engineer I never heard about cloudification and how you are taking care of the attrition of your talent whereas the US are as you said in your speech, the global market of IT is declined on a declined path. So how you sustain with your orders which you have in US also as your subsidiary that is first question Sir. Second is something with the promoter group. You have a promoter by name RV consulting and you have provided a loan of five Crores till 22. As per the audit report again you have added 8 Crore so totaling 13 Crores. So what is the rationale behind this Sir, I'm not able to understand though in RPC you have declared and funny thing is they are being the promoter and they have bought the share promoter group member and they have bought about 1,00,000 shares at a very high price. So can you explain what is the sanctity of this rational about this, why the Company is being given loan and in what way it is giving the positive effect in our contribution of revenue? These are the two questions sir and please respond if it is better right now because otherwise it will be in a big discussion. Thank you, Sir. Good day.

**Moderator:** Ok. Thank you, Mr. Badri Vishal Bajaj ji, we will move on to the third speaker of the day, Mr. Praful Chavda from Hyderabad. Mr. Praful Chvwd, please unmute yourself Switch on your camera and speak please, Mr. Praful Chavda.

**Moderator:** As there is no response from Mr. Praful Chavda, we will move on to the next speaker, Mr. Abhishek J from Chennai, Abhishek J from Chennai. There is no response from Mr. Abhishek as well. So we will go to the fifth speaker of the day, Mr. Keshav Garg. Mr. Keshav Garg Please unmute yourself, switch on your camera and speak please

**Mr. Keshav Garg:** Sir. Thank you very much for this opportunity. I hope my voice is audible.

**Moderator:** Yeah, your voice is audible, Sir, you can speak

**Mr. Keshav Garg:** Sir. So Sir, my questions are as follows. Sir, since the past five years, since FY18 on a standalone basis, the Company was doing around 8 to 9 Crore of EBITDA,

which last year FY23 fell to 3 Crores. So that is the first question that I want to understand that Sir, what happened that our 8-9 Crore EBITDA that we were doing consistently has fallen to 3 Crore last year, Sir. Secondly, I want to understand that Sir, in the fourth quarter of last year, that is this March 2023 quarter, Sir, our consolidated revenue fell from 46 Crore to 35 Crore. So this is quarter on quarter as compared to the December quarter. The March quarter revenues fell from 46 to 35 Crore, our operating margins half from 9 Crore to 4.6 Crore from 9% to 4.6% and our EBITDA also fell from over 4 Crore to 1.6 Crore Sir. So I am trying to understand Sir that is there was the fourth quarter of last year, was it a one off or Sir, should we expect that performance only to continue ahead? So if you could tell us Sir that information will be very helpful. Sir. Also wanted to touch upon the client concentration, Sir, I understand that we used to have a major hedge fund or some party which used to contribute 60% of our revenue which after the acquisition that we did last year, it went down to 40%. So. So if you could tell us that now what is the? Client consideration of the largest customer in our total revenue, Sir, also wanted to understand so that what kind of wage hike have we provided our employees this financial year, FY-24, what is the quantum increase that we have taken or we are planning to take? Also Sir, how many employees are we planning to add during this financial year? So I'm asking this because if we see the right to use assets, so there is a huge jump from 1.9 Crore to 8.35 Crore. So may be we have taken a new place on lease. So, so now the following question that arises is that I mean how many more employees are we planning to hire and Sir, also you if you could Sir, last AGM we were told to expect somewhere between 17% and 20% steady state operating profit margin or EBITDA margins. So but last year if we see then the margins have actually declined to single digit levels of around 8% on consolidated basis and on standalone basis the margins have fallen from 17% to 6%. So if you could give us some clarity that what kind of operating margins should we expect going forward, Sir, also wanted to touch upon that Sir, we had one Sagarsoft incorporated in US Sir to which we used to make the sales and maybe they had the client interface. So but now that we already have a wholly owned subsidiary in United States, then Sir what is the requirement for us booking sales through this entity Sagar Soft Inc. Sir, also wanted to understand so that when in your judgment can we will we be able to surpass 200 Crore top line Sir in this financial year FY 24, do you expect us to exceed 200 Crore top line and Sir, if not then Sir, what should we expect for this financial year? If you could just give us some idea about the top line as well as the margin on consolidated basis, so that would be very helpful. And also Sir, if you could just give us some indication that from the feedback that you are getting from your clients. Sir, what kind of revenue growth should we expect over the next five years? Sir, and lastly, Sir, the previous speaker also touched upon this issue that we have a total cash surplus of around 38 Crore out of which some 12-13 Crore we have lent to some related party also, although we are getting interest from that party, Sir. But don't you think, Sir, it is better that now that our market capitalization is around 95 Crores, Sir, so we have 38 Crore cash as against 95 Crore market cap, so, so if we could use some of this cash to do a share buyback, so then the earning per share will also increase for all times to come. Sir so kindly consider that suggestion and Sir thank you very much and best of luck.

**Moderator:** Thank you very much Mr. Keshav Garg. We will move on to the 7<sup>th</sup> speaker of the day Mr. Srikanth Jhawar, may I request Mr. Srikanth Jhawar to unmute yourself switch on your camera and speak please. Mr. Srikanth Jhawar

**Mr. Srikanth Jawar:** sir आपका आवाज आरहे सर

**Moderator:** सर आपका आवाज आरहे सर. बात कर शख्ते सर.

**Mr. Srikanth Jawar:** Respected Chairman All our Board of Directors को धन्यवाद मुखादिया गया और सज्जन. सर मेरा दो question है सर. First की अपना कंपनी को any acquisition कर रहा कर रहा जैसा अभी hyderabad मै city ालाल मै दो तीन कंपनी acquisition करिये जो Euro work मै देसीडे हो

थो Company or any planning to acquisition or do another second acquisition or साथ मै. मै thank you जो अपना dividend maintain है जो हमेशा सर्ग हो सर third the last time we may question पूछाथा की अपना BSE listed है. NSE listing करने का proposal रखिये. थो अनखोभी हम का liquidity बढ़ेगा. और new points आगे की chances मिलेगा सर. Thank you, Sir.

**Moderator:** Thank you, Sir. We will move on to the next speaker, Mr. Bharat H Shah. Bharat H Shah from Hyderabad.

**Mr. Bharat H Shah:** Yeah, yeah, yeah. Am I audible, Sir?

**Moderator:** Yeah, you are audible, Mr. Bharat, you can speak.

**Mr. Bharat H Shah:** Sir. Yeah. Mr. Chairman, Mr. Managing director Jagadeesh Sir. Sir, I have gone through your Chairman speech. Last year our top line was good but bottom line was flat. And again for current year you are going current year financial year cautious. We hope that in coming years our Company will make big turnout and will create wealth. That is my good wishes. Thank you, Sir.

**Moderator:** Thank you, Sir. We will move on to the next speaker, Mr. Rajesh Kevalram Shainani. Mr. Rajesh Kevalram Shainani request you to unmute yourself.

**Mr. Rajesh Kevalram Shainani:** Hello. Yeah, I'm audible sir?

**Moderator:** Sir. You are audible Sir. You can speak.

**Mr. Rajesh Kevalram Shainani:** Respected Chairman, Respected Board of Directors, my fellow Shareholders. I'm Rajesh Inani speaking from Valepala, Mumbai. So first of all, I thank the Secretarial department. I received the e-mail Notice well on time, Sir. So I've gone through the balance sheet, Sir, and heard a lot of previous speakers. They have covered up the lot of points sir and Sir, our Company has to go up, Sir, under your leadership, Sir. We have to move much higher, Sir. And as it is, our Telangana companies are doing very good, Sir. And our great allu Arjun said Sir जुड़ेगा नहीं. So अपना कंपनी को किसके जुकेगानी सर. Yes Sir. We have to rock, Sir. So I have to say something, Sir. मांन्सर डुंडला हो सकता है मांन्सर डुंडला हो सकता है मंज़िल नहीं डोर बड़ा हो सकता हैसले नहीं. So I have felt a new chairman sir entire Board, Sir, that you will take the Company to the greater right Sir. And so today we are closure 145. I hope the next year we will be at the double price Sir in the share market Sir. Thank you very much Sir.

**Moderator:** Thank you, Sir. We will move on to the next speaker, Mr. Sai Kumar Reddy Alpuri from Hyderabad. Mr. Sai Kumar, Reddy Alpuri. As there is no response from Mr. Sai Kumar, we will move on to the next speaker Shujath Ali Khan from Hyderabad, Mr. Shujath Ali Khan As there is no response from Mr. Shujath Ali Khan, we will move on to the next speaker, 12th speaker of the day, Shabahath Ali Khan. Mr. Shabahath Ali Khan. As there is no response from Mr. Shabahath Ali Khan, we will move on to the next speaker of the day, Mr. K Bharat Raj, K Bharat Raj. Please unmute yourself. Speak please.

**Mr. K Bharat Raj:** Yeah, very good evening, Chairman, entire Board of Directors. First of all, my congratulations to our MD, Mr. Jagadeesh, for wonderful performance, Sir. My revenue has increased. I thank the Board for wonderful dividend Sir. I thank my Company secretary Mr. Raja Reddy in time he send me the Annual Report for arranging a wonderful VC, Sir. I'm congratulate the management for the takeover the American Company Infoway Software Sir. it is very happy Sir. In future any pipeline of takeovering apart from America, Europe countries or Australia Sir, any future plans you have Sir. Sir in Page No. 37, 1.8 lakhs has been penalty for not submission of the financial year Sir. So who will be take this

responsibility Mr. Pradeep Kumar Reddy may I know CFO of our Company may I know why it is happened. I hope next time it is not be repeated. Once again enter Board of Director my best wishes. I thank my Chairman, Mr. Sreekanth, under the leadership my Company is growing once again sir, my best wishes to you all. Take care. God bless you. Thank you very much for giving this opportunity.

**Moderator:** Thank you, Mr. Bharat Raj. We will move on to the next speaker 14th speaker of the day Mr. Afzal Urrahmansufi Mohd. Mr. Afzal.

**Mr. Afzal Urrahmansufi Mohd:** Yeah. Good afternoon.

**Moderator:** Yeah. Mr. Afzal जी आप बात कर सकते.

**Mr. Afzal Urrahmansufi Mohd:** Yeah. Good afternoon. Yeah. Thank you for giving this opportunity to speak. Sir, COVID-19 is gone since 2 years, but the physical Meeting is not going on. Once in a year we can meet this also it is stopped and another thing I want to thank you, Karvy. This is giving the opportunity. Please provide the physical Meeting Sir. Because in physical Meeting we can meet and in physical Meeting you can put online also those who are not to coming you there also you see in physical also no Sir in Hyderabad, we had the time to see with you. Thank you Sir.

**Moderator:** Thank you Mr. Afzal. Next speaker of the day, 15th speaker of the day Mr. Reddappa Gundluru. May I request Mr. Reddappa Garu to unmute yourself, switch on your camera and speak. Please add new

**Mr. Reddappa Gundluru:** Thank you Sir for finally giving the opportunity opening camera also thank you, chairman of the Meeting and Sreekanth Reddy Garu, Pradeep Kumar Reddy Garu and Satish Chander Reddy Garu, Hari Mohan Garu, Neelima Kaushik Garu, Roopesh Garu and Keerti Mam, Venkataramana Garu and also Ramananda Garu and my Company Secretary Raja Reddy Garu and all the nonexecutive directors and scrutinizers and auditors and my fellow Shareholders of VC. Namaste. Good evening Sir. Myself Reddappa Gundluru from Hyderabad, I'm a financial advisor Sir. As a shareholder, I'm very happy and proud about the Company performance financial year 23 sir. Nice information by Chairman Sir. Nice Annual Report Sir. We received well in time. I requested a physical copy. I received and felt very happy. The quality of print and information, very wonderful Sir. Colorful and quality with all the information Sir. Wonderful Sir. I felt very happy. It's qualities are amazing, especially when Sagar group always maintains the quality. So I'm very happy, very happy Sir. Sir in the 1st page, handsome pictures of my Company, wonderful leaders. Also with the smile. Sreekanth Reddy's smile is positive creating the very positive vibes Sir. And especially I felt very happy. And then the first page Sir, so as a result of my Company governance is very wonderful governance, thank you and also strong operational performance with consistent growth Sir and consistent dividend also Sir in this critical years also given the Something for the Shareholders, good dividend sir. Thank you. Wonderful, Sir. Congratulations for I mean growth momentum. You have a very good growth mindset, Sir. Thank you sir. My question is Sir what is the features అంటే ఇప్పుడు a lot of developments to IIT students మొత్తం మొత్తం Computer Sciences తీసుకుంటున్నారు. So especially Artificial Intelligence AI is please comment on this AI also. any AI projects we have any please comment Sir what type of projects present we are doing? Can you please give me some impression this chairman Jagadeesh sir, Another question is sir Q4 performances little bit not satisfactory. So what is the reason this this small numbers is sir? And also Sir steeply increases the other expenses also. So what is the reason versus last financial year it was little bit increased Sir, so why what type of this other expense increases? Can you please brief me Sir and also Sir other assets also is there? Return off is that 36.8 tax? What is the reason Sir? And also some other questions are now working. I'm



going to all balance sheet that I can. I'll let you know if any further queries financially I'll throw. My Company Secretary is always reachable Sir. Wonderful person. That's the reason. No, nothing more to ask more person. I supported all the resolution. I thank Mr Raja Reddy garu, our wonderful services his team. Thanks, Sir. Thank you once again for giving this opportunity to speak in the SagarSoft group page.

**Moderator:** Thank you Mr. Reddappa Gundluru garu.

Mr. Reddappa Gundluru: Yeah, one minute sir. I am concluding, Sir. Don't conclude నేను conclude చేయనీయండి sir last time కూడా అట్లాగే చేసారు సర్. Thank you so much. and different services, Sir, under leadership of Sreekanth Reddy Garu మనం చాలా అవార్డ్స్ గెలుచుకుంటాం ఏవైతే మనం ఈ సిమెంట్ గ్రూప్ లో ఏవైతే అవార్డ్స్ గెలుచుకున్నామో అదే విధంగా మనం ఈ software రంగంలో కూడా ఒక ఊపు ఊపుతాం సర్ భారతదేశంలో ఎందుకు అంటే మనం ఒక systematic గా, క్వాలిటీగా మనం management తో ముందు కి పోతాఉన్నాము. కాబట్టి యంగ్ అండ్ డైనమిక్ కీర్తి madam కూడా మన బోర్డు లో ఉన్నారు కాబట్టి definitely we will achieve many more awards sir అందుకనే సర్ అందరికీ i wish good health, happiness to you all. Thank you so much for giving this opportunity namasthe. Jai hind.

**Moderator:** Thank you Mr. Reddappa Gundluru garu, Mr. We will move on to the 16th speaker of the day, Mr. Ramesh Shanker Golla from Hyderabad. May I request Mr. Ramesh Shanker Golla to unmute yourself, switch on your camera and speak please.

**Mr. Ramesh Shanker Golla:** I am audible sir. Hello.

**Moderator:** Yeah. Mr. Ramesh, you are audible, you can speak. You are audible, Sir, you can speak. Hello Sir you can switch off your camera. Sir your connectivity is little low.

**Mr. Ramesh Shanker Golla:** Camera.Switch Off

**Moderator:** You can switch off your camera and you can speak Mr. Ramesh Your connectivity is little low Sir so you will not be in a position to speak in case if the video is on Sir.

**Mr. Ramesh Shanker Golla:** Abhi ok

**Moderator:** Ramesh Garu మీరు వీడియో ఆఫ్ చేసి మాట్లాడండి మీ కనెక్టివిటీ చాలా low గా ఉంది.

**Mr. Ramesh Shanker Golla:** వీడియో ఆఫ్ చేసి మాట్లాడాలా

**Moderator:** అవునండి మీ కనెక్టివిటీ సరిగా లేదు కట్ అవుతుంది మీ వాయిస్

**Mr. Ramesh Shanker Golla:** OK, OK OK right. May I continue Sir.

**Moderator:** మీరు మాట్లాడొచ్చు అండి.

**Mr. Ramesh Shanker Golla:** Hello Hello

**Moderator:** మాట్లాడండి సర్, వినబడుతుంది మీ మాటలు

**Mr. Ramesh Shanker Golla:** Ok ok MD గారు Jagadeesh గారికి, Chairman Srikanth Reddy గారికి, Good evening and తోటి Directors అందరికీ good evening అండీ. నా తోటి

Shareholders కి కూడా సాయంత్రపు శుభాకాంక్షలు. సార్ ఇప్పుడు మనం, మనకి క్లయింట్ నా questions అండి, క్లయింట్ ఎంతమంది క్లెంట్స్ ఇప్పుడు కొత్తగా మనకి add అయ్యారు. అది ఒకటి తెలియచేయండి. But coming 2 years ఏ విధంగా ఉండబోతుంది దాని గురించి కూడా తెలియ చేయండి. But ఇప్పుడు present మన కంపెనీ మన Sagarsoft గురించి చెప్పాలంటే ఆలోచించాల్సిన పని ఏంటేదు its very good but even management group కానివ్వండి, తర్వాత next CS Raja Reddy గారు కానివ్వండి, very helpful to the Company. సార్ but ఆయన కూడా చాలా receiving చాలా బాగుంటుంది very good అండి. ఎప్పుడైనా ఒక కంపెనీ కి respect అనేది ఎక్కడ దొరుకుతుంది అంటే even కంపెనీ CS నుంచి develop ఉంటుంది సర్. అది మన కంపెనీ కి చాలా బాగుంది. Even ఉన్న Sagar Cements కానివ్వండి, but Sagarsoft కానివ్వండి చాలా బాగుంది. దానికి మెచ్చుకోవాలి, but ఇంత మంచి management ఉన్నందుకు, that too sir future లో ఏ విధంగా ఉంటుందో తెలియచేయండి. But అందరికీ శుభాకాంక్షలు సర్. Yesterday అదే day after tommorow మనం తొలి ఏకాదశి చేసుకుందాము. Belated wishes అందరికీ. Thank you very much for giving the opportunity. Thank you so much and staff కి కూడా Congratulations చెప్పాలి సర్. చాలా helpful గా ఉంటారు చూడగానే చాలా happiness ఉంటుంది సర్. Thank you so much. Have a good day.

**Moderator:** Thank you. Mr. Ramesh Shanker Golla. We will move on to the 17th last speaker of the day, Mr. Suresh Chand Jain. Mr. Suresh Chand Jain as there is no response from Mr. Suresh Chand Jain.

**Mr. Suresh Chand Jain:** Hello मेरा होगया सर. पहला नंबर है मेरा नंबर होगया सर. मेरा कमल का होगया सर.

**Moderator:** अच्छा अच्छा आप दो बार आप register किये सर

**Mr. Suresh Chand Jain:** Hello Hello

**Moderator:** अच्छा अच्छा जी Okay Okay. Thank you. Thank you. Thank you. Ok, We will just give one more chance to the people who have not attended the Meeting or not spoken earlier. Mr. Praful Chavda from Hyderabad. May I request Mr. Praful Chavda to unmute yourself. switch on your camera and speak please Mr. Praful Chavda

**Mr. Praful Chavda:** Hello मेरा आवाज आराहा हे.

**Moderator:** आपकी आवाज आरहे. आप बात कर सकते

**Mr. Praful Chavda:** मै Camera चालू करने की कोशिश करता हूँ.

**Moderator:** करधिये

**Mr. Praful Chavda:** ok ok Sir आवाज आरहे सर मेरी?

**Moderator:** आपकी आवाज आरहे सर. आप आप question बोल रहे सर

**Mr. Praful Chavda:** Chairman sir, Board of Directors, physical Meeting हो, a VC Meeting हो वो Sreekanth सर तो नहीं दिख रे सर. कंपनी का AGM तो 27 है. साथ साल पहले turnover बढ़गया. For first time 100 Crore का turnover किया. बाधमे 2016, 17, 18 से कंपनी continuous seven year's से dividend देती जा रही है. इसलिए कंपनी बहुत शुभकामनाएं देता हूँगी कंपनी के पास जो कुछ पैसे आता है तो कंपनी shareholder को देने के लिए टप्पर रहथि है और देती है वो एक कंपनी का जो policy है

बहुत अच्छी है जी हम investor को कुछ न कुछ बेनिफिट मिलता है या थो हमको अच्छा benefit मिलाये 25% मिला 10%, 15%, 15%, 25% फिर 30% मिला फिर 20% मिला. तो इस के लिए Board of Directors बहुत धन्यवाद देता हूँ सर. कंपनी में order position क्या है, कितना orders है. और अपने पास कंपनी male, female employee's कितने है. इसके बारे बताऊँगी. और कोई नया products कंपनी लेखे आरही है की यहाँ से business बड़े बोलके सर. कंपनी का share market में देखे थो floating stock बहुत कम है मेरे को observe किया और देखे के 5000 से लेखे 1,00,000 शेयरवाले लोग न 90% लोग के पास शेयर वही है 10% मैं बाखी लोग है मेने को 5000 से 10000 वाले shareholder है 31 है, 10,000 से 20,000 से 15 आधमी है. और 20,000 से 50,000 से 7 आधमी है. तो बहुत कम shareholder के पास शेयर ये. बाखी 90% तो बड़े लोगों का पास शेयर है. तो कंपनी ऐसा कुछ करना चाहिए सर एक बार देखि promoter group के पास 41, 47 % शेयर है तो वो बढ़ाना चाहिए. और कुछ buyback करके स Company personal promoter बढ़ा के 50% का ऊपर करना चाहिए. आज कल क्या होता है की promoter पास होल्डिंग कम हो जाता है. तो कोई न कोई group शेयर खरीद लेखे फिर promoter का जब proposed की भारी यति है जब propose नई करती है और propose fail कराते अभी अभी hyderabad में दो साल का अंदर Cyient कंपनी का Mohan Reddy सर का भी proposal का फ़ैल होगया अभी Signity में भी Chairman, Managing Director का proposal था दुसरो लोगों को वोटिंग करके फ़ैल कराये Future में ऐसा program न आये इसलिए aage कुछ promoter holding बढ़ाना चाहिए सर. कास्टर में Karvy वाला मैं बोलना चाहता हूँ. मेरा नंबर मैं बोलता हूँ तब तक कट करदेते है वो. थोड़े लोगों का नाम चार चार बार बुलाते है. थोड़े लोगों का दो बार Suresh Chand पहले बी बोलते last भी बोलते device मैं एकी आदमी बात करना चाहिए मेरा phone करब है. उसका phone करब है फिर वो बात करना शुरू कर देता है उसकी भारी छे नंबर भी थी उसके छे नंबर भी बुलाना था Karvy वाला को कुछ लगाओ क्या हमारे साथ दुश्मन होगये जो भी करता Karvy वाला गलत करता है ऐसा नयी करना चाहिए थोड़े लोगों को चार चार बार नाम लेते जी जी जी जी बोलके अफ़ज़लजी अफ़ज़लजी बोलके और तोड़े लोगों के मेरे को कट करदेरे ऐसा अभी तीन बार होगया एक पंद्रह दिन के देखलावू तीन बार ऐसा करदिया ये Karvy वाला जल्दी से कट करदेता मेरा नाम से तो Karvy वला को क्या प्रॉब्लम है वो Karvy वला कुछ फ़ोन करके बताये धन्यवाद सर

**Moderator:** Thank you Mr. Praful Chavda. We will move on to the next speaker Mr. Abhishek J Mr. Abhishek J. Earlier we have given a chance and second time we are giving a chance to Mr. Abhishek. So he has not joined, Sai Kumar Reddy. Mr. Sai Kumar Reddy, Mr. Shujath Ali Khan Mr. Shujath Ali Khan, no response. And the last speaker Mr. Shabahath Ali Khan from Hyderabad, Mr. Shabahath Ali Khan.

OK with this we have given enough chances to the speakers and 17 speakers. Now the dias is given back to the chairman. Sir. Thank you very much.

**Mr. M Jagadeesh (Managing Director and Chairman for this AGM):** Yeah. Thank you for asking questions and showing the interest in the Company. Thank you very much. Now to address the questions. So what cloudification means is migrating it from the existing things to the cloud, That is, what the cloudification is. That is what we meant by that. Now coming to the RV consulting issue, see we have always been transparent in this particular issue where we always said that we are claiming more than 2% about the banking rates and that's how has been the loan that has been given to RV Consulting. So we are actually earning more than what we are supposed to if we are supposed to have kept it in FD there. So there is no loss over there and that's been very transparently declared, ok. And I think we are actually having as indicated, yes, we are having surplus and we are also looking out for opportunities and amend days we are starting for companies, the right size of companies and the right kind of companies in the right space with the right kind of a clientele, I mean there are a lot of things that we are going through and as and when we come across any such opportunity, definitely we will declare it to you. But that's always a work in progress. It's not as if there's a stop and start there. We are always looking out for opportunities for the right kind of size and the space that they are in and we are also as we speak, we are still scouting and I think we are also in discussions with few of them, but we have not yet

concluded on any of these things and that's definitely a work in progress and ongoing process. Now as you are aware the last year when we have taken over the Company, not 22-23, it was 21-22. That's when we have taken over info way. So we just completed nine months of it and this last year was the first full financial year. Now after we have taken over, you are a bit aggressive in trying to capture some of the clientele and that's the reason why you see there was an uptick in terms of the top, top line there and definitely when we are going for acquiring the clients in the first phase, it definitely shows on the margins, which we suppose and we expect that to rationalize in the coming year or two. And we were successful in that in acquisition of the clients in the last year and that's how we were able to increase the revenues there. Now when it comes to the fourth quarter, we are not aloof to what's happening at the macro level. So all the companies in the IT sector, they are going through this issue where the clients are holding back their investments. Though for some of the clients it is Jan to December, for some of the clients it is July and for some of the clients it is up to June, their financial cycles. So based on that, they're actually rationalizing the budgets. So that actually has taken at all in the last financial, I mean the last quarter of the previous financial year that's actually reflecting in some of the numbers there. We do expect the low spent kind of a issue scenario with the clients for the next quarter as well. But after that I think in the later the last quarter, I mean the third quarter of ours, the last quarter of theirs and the fourth quarter we expect the optic in the business and that's when I think we should be able to make up as far as the EBITA and the top up, top lines are concerned. Now the other question of, yeah, we have been always Sagarsoft Inc. has been the front ending part for us and it will still remain so. Because we are also dealing with some of the major clients through them and it is not as if that since we have taken a Company that we can just ship that business to the other Company. It is it doesn't work that way. So it will this relationship will still continue whereas the all the new businesses whichever we are coming across, whichever suits the best business interests of our Company here, we will take that decision either it is doing or it is doing. Not for that pattern any other Company, but the whole scenario here is, is it giving us enough advantage that is the whole and sole Moto there. Ok, yes, we are also interested in increasing the revenue to more than 200 Crores. But as I said this first six months seem to be challenging for us. The next six months is what we are optimally looking at. Can we reach there? It's still a question mark. Ok. But this year I think it is more of a stable. We are more looking at a stability there more than anything else because of the churn that we are going through more from the client perspective though the clients, they are just slowed down, but they are still you know actively pursuing with us in trying to increase the business, but they are postponing their decisions for the coming quarters. That's the only thing. Because the business might not happen at this point in time, but it definitely will spill over into the coming quarters Now I think as far as the penalty is concerned, I think it was more as you are aware that you have changed the statutory auditors this year and since it was the first year for them, it took them lot of time and they have gone in detail about the entire thing and that's the reason why we had to know postpone the declaration of the first quarter results. I think you are aware that we have taken the first quarter results very late. So that's the reason why that penalty is there. It was more from the perspective of giving a more transparent. Workings for the new auditors as well. I think they were thoroughly inspecting all the things to their satisfaction and I think that resulted in the initial delay. But post that I think after that we have been spot on and from now on I don't think there will be an issue there. That's what is the issue with that penalty. The other question about AI, yes, the industry is more moving towards AI. The clients are moving towards AI. But still I think there are a lot of use cases in which there is a lot of opportunities. The industry is yet to reconcile about where and how to use these use cases, but still everybody is trying for it. And all the clients do understand that it is more of a investment intensive kind of an approach. But for the next 5 years, I think that's going to be the scenario where everybody would like to invest into AI's and start using it as in use cases in their respective businesses. I think we are not far off from that. We have also started investing into AI skill set here and that is also one of the reasons Why you see there is a dip in one of the EBITA's that we have incurred in this year because we are also starting to

invest into a lot of these things that actually I think should give us some results in the moving quarters from now. I think I have covered most of it just in case if I have missed something. I think you are always welcome to e-mail us or this Mr. Raja Reddy, we'll certainly be more than happy to reply back to you on that.

Thank you very much for your queries and interest in the Company,

Dear Shareholders, this concludes the business part of this meeting. I wish to place on record my appreciation of the valuable and continued co-operation extended by all the Shareholders, Clients, Customers, Vendors, Bankers, Regulatory and Government Authorities, Business Associates of the Company.

I also take this opportunity to place on the card my appreciation of the contributions made by employees of the Company at its all levels and last but not least, of the continued trust and confidence report by you in the Management.

I am sure many of you would have already exercised their voting through the remote e-voting process and I would request those who have not done so, to exercise their voting by making use of the facilities made available in this meeting.

Thank you all for your participation in this meeting and your patient hearing.

The Instapoll facility will be activated now to enable members who have not cast their votes earlier through remote e-voting. This facility is available on the left hand corner of the Video Conferencing screen in the form of a 'Thumb' sign. Members can click on the same to take them to the "Instapoll" page and vote. This facility will be available for a period of 15 minutes.

Shri. S. Srikanth, Partner, representing BSS and Associates, Scrutinizers will submit their report to the Company after consolidating the remote e-voting and voting at the AGM.

As there is no other business to be transacted, I declare the Meeting as closed. I thank all the shareholders for connecting with us today. I also thank the KFin team for facilitating the Video Conferencing which enabled connecting with our Shareholders and the other service providers for ensuring seamless conduct of the meeting. Thank you.

**Moderator:** Thank you, Sir. We will be activating the instapoll which will be enabled for 15 minutes now. Thank you.