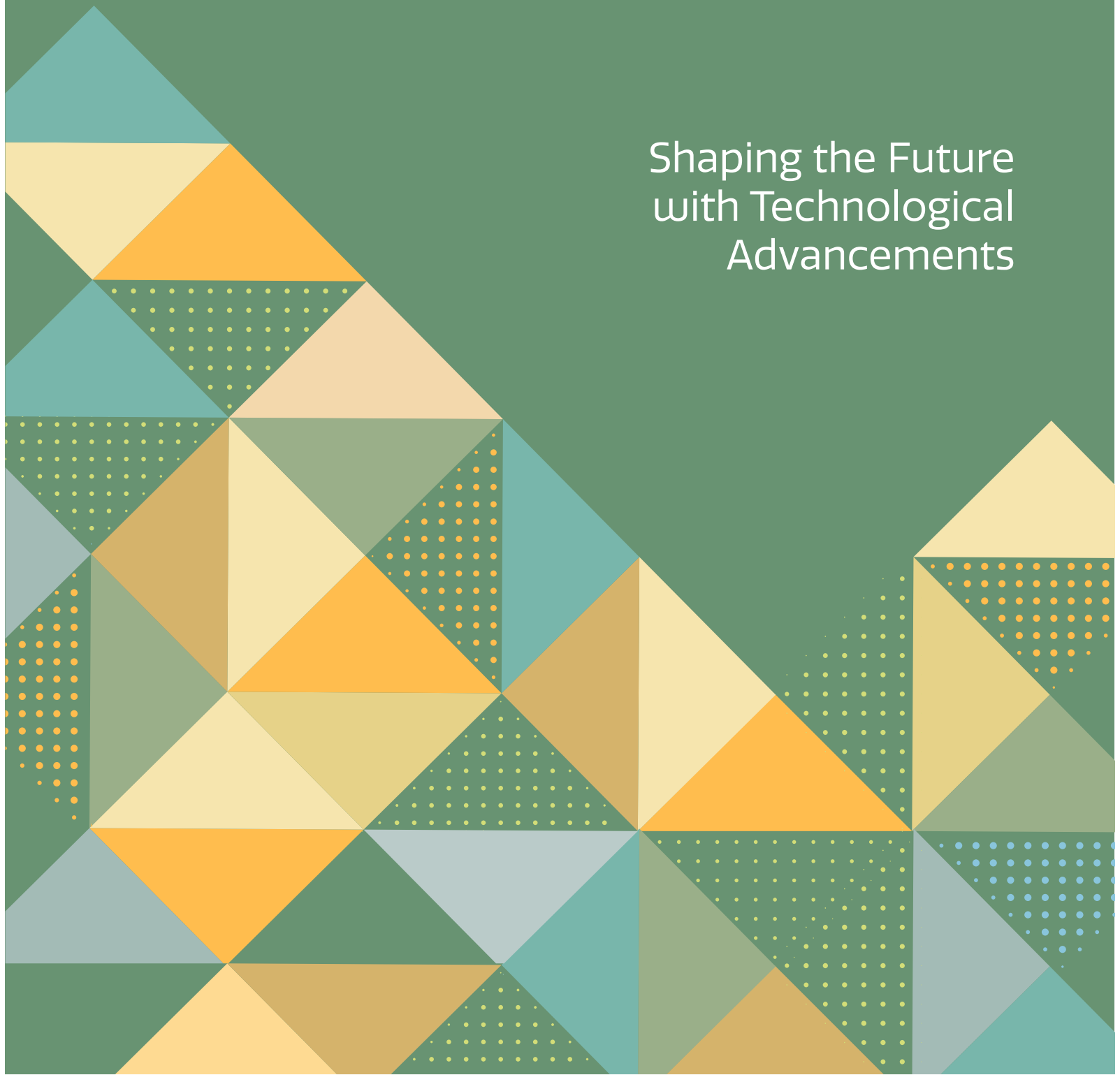


28th  
ANNUAL REPORT 2024



Shaping the Future  
with Technological  
Advancements





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# BOARD OF DIRECTORS



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



**Manupati Jagadeesh**  
Managing Director



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



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



**Nalamati Harimohan**  
Independent Director



**Kondrella Roopesh**  
Non-Executive Director



**Keerthi Anantha**  
Independent Director



**Neelima Kaushik**  
Independent Director



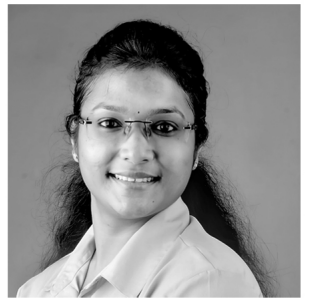
**V. Venkat Ramana**  
Independent Director



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



**G. Janardhan Reddy**  
Independent Director



**T. Sri Sai Manasa**  
Company Secretary & Compliance Officer

Audit Committee .....

Nomination and Remuneration Committee .....

Stakeholders' Relationship Committee .....

CSR Committee .....

Chairperson

Member

## Board of Directors

<b>Shri S. Sreekanth Reddy</b>	Chairman - Non-Executive Director
<b>Shri M. Jagadeesh</b>	Managing Director
<b>Shri K. Pradeep Kumar Reddy</b>	Executive Director & CFO
<b>Shri K. Satish Chander Reddy</b>	Non-Executive Director
<b>Shri N. Hari Mohan</b>	Independent Director
<b>Smt. Neelima Kaushik</b>	Independent Director
<b>Shri Kondrella Roopesh</b>	Non-Executive Director
<b>Smt. Keerthi Anantha</b>	Independent Director
<b>Shri V. Venkat Ramana</b>	Independent Director
<b>Shri K. V. Ramananda Rao</b>	Independent Director
<b>Shri G. Janardhan Reddy</b>	Independent Director (w.e.f 23.05.2024)

**Company Secretary** Ms. T. Sri Sai Manasa (w.e.f 01.11.2023)

**Auditors** **M/s Walker Chandiok & Co LLP**  
Unit No.1, 10th floor, My Home Twitza,  
Hyderabad Knowledge city, Raidurg,  
Hyderabad- 500 081.

**Bankers** **Axis Bank Ltd.,**  
Banjara Hills Branch, Hyderabad  
**HDFC Bank Ltd.,**  
Lakdikapool Branch, Hyderabad

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

**Corporate Identity Number** **L72200TG1996PLC023823**

**Registrars and  
Share transfer agents** **M/s. KFin Technologies Limited**  
Plot No. 31-32, Selenium Building  
Tower - B, Gachibowli, Financial District  
Nanakramguda, Serilingampally Mandal  
Hyderabad - 500 032. Telangana

# SAGARSOFT (INDIA) LIMITED

CIN: L72200TG1996PLC023823

Registered Office Address: Plot No.111, Road No.10,  
Jubilee Hills, Hyderabad-500033 Telangana, India

e-mail id: info@sagarsoft.in, website: www.sagarsoft.in

## NOTICE

Notice is hereby given that the 28<sup>th</sup> Annual General Meeting (“AGM”) of the Members of Sagarsoft (India) Limited will be held on Monday, the 24<sup>th</sup> day of June, 2024 at 03:30 p.m. through Video Conference (“VC”) / Other Audio Visual Means (“OAVM”), to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider, approve and adopt:
  - a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2024, together with the Reports of the Directors’ and the Auditors’ thereon and
  - b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2024, together with the Report of the Auditors’ thereon.

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

**“Resolved that** the Audited Standalone Financial Statements of the Company for the year ended March 31, 2024 together with the Reports of the Directors’ and the Auditors’ thereon and the Audited Consolidated Financial Statements of the Company for the year ended March 31, 2024 together with the Report of the Auditors’ thereon be and are hereby received, considered, approved and adopted.”

2. To declare dividend of Rs. 2.00 per share (20%) on the equity shares of the company for the financial year ended March 31, 2024 and, in this regard, to pass the following resolution as an ordinary resolution:

**“Resolved that** a dividend of Rs. 2.00 per share (20%) on the 63,92,238 equity shares of Rs.10/- each of the company be and is hereby declared for the financial year ended March 31, 2024.”

3. To re-appoint the retiring Director Shri Kondrella Roopesh (DIN: 06967708), 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. Kondrella Roopesh (DIN: 06967708), who retires by rotation in accordance with section 152 of the Companies Act, 2013 be and is hereby re-appointed as a director liable to retire by rotation.”

4. To re-appoint the retiring Director Shri K.Satish Chander Reddy (DIN: 02412539), who retires by rotation and being eligible, offers himself for re-appointment and in this regard to pass the following resolution as an ordinary resolution:

**“Resolved that** Shri K.Satish Chander Reddy (DIN: 02412539) who retires by rotation in accordance with section 152 of the Companies Act, 2013 be and is hereby re-appointed as a director liable to retire by rotation.”

### SPECIAL BUSINESS

5. Appointment of Shri. Janardhan Reddy Goli (DIN: 10626421) as an Independent Director.

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

**“Resolved that** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (hereinafter referred as “the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulations 16(1)(b), 25(2A) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company and based on the recommendation made by the Nomination and Remuneration Committee and the Board of Directors, Shri. Janardhan Reddy Goli (DIN: 10626421) who was appointed as an Additional Director (Category – Independent) of the Company on 23<sup>rd</sup> May, 2024, and submitted a declaration that he meets the criteria of Independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of SEBI (LODR) Regulations, 2015 and is eligible for the appointment, be and is hereby appointed as an Independent Director, not liable to retire by rotation and to hold the said office for a term of five consecutive years with effect from 23<sup>rd</sup> May, 2024.”

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

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

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

**“Resolved that** in accordance with Sec.196, 197, 203 and other applicable provisions of the Companies Act, 2013, the rules made there under as amended or re-enacted from time to time, read with its Schedule V and subject to approvals, if any, as may be required from the Central Government, Financial Institutions and other authorities concerned and based on the recommendation of the Nomination and Remuneration Committee and approval of board of board of directors, approval of the members be and is hereby accorded to the re-appointment of Shri M.Jagadeesh (DIN: 01590689) as Managing Director of the Company, for a period of three (03) years with effect from 01<sup>st</sup> August, 2024 on the following terms:

Tenure	Three years with effect from 01 <sup>st</sup> August, 2024
Salary	Rs.8,25,000/- p.m.
Other Terms	
Nature of Duties	The Managing Director (MD) shall devote his time and attention to the business of the company and, subject to the superintendence, control and directions of the Board of Directors (Board), perform in the best interest of the company, such duties and exercise such powers as may be entrusted/assigned to him by the Board and or by any of its committee from time to time.
Commission	@ 2% on the Net profit of the Company as calculated under applicable sections of the Companies Act, 2013, for each financial year or a part thereof.
Termination of the appointment	The appointment may be terminated by either party giving to other party six months' notice of such termination.

**Resolved Further** that in the event of loss or inadequacy of profits in any financial year during the tenure of Shri M.Jagadeesh (DIN: 01590689) as Managing Director, the above said remuneration be paid to him as the minimum remuneration under Section II (A) of Part II of Schedule V to the Companies Act 2013.

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

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

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

**“Resolved that** in accordance with Sec.196, 197, 203 and other applicable provisions of the Companies Act, 2013, the rules made there under as amended or re-enacted from time to time, read with its Schedule V and subject to approvals, if any, as may be required from the Central Government, Financial Institutions and other authorities concerned and based on the recommendation of the Nomination and Remuneration Committee and approval of board of board of directors, approval of the members be and is hereby accorded to the re-appointment of Shri K.Pradeep Kumar Reddy (DIN: 02598624) as Whole-time Director of the Company, for a period of three (03) years with effect from 01<sup>st</sup> August, 2024 on the following terms:

Tenure	Three years with effect from 01 <sup>st</sup> August, 2024
Salary	Rs.8,25,000/- p.m.
Other Terms	
Nature of Duties	The Whole Time Director (WTD) shall devote his time and attention to the business of the company and perform such duties and exercise such powers as may be entrusted/assigned to him by the MD and or by the Board of Directors (Board) in the best interest of the company from time to time, subject to the superintendence, control and directions of the Board and or by any of its committee from time to time.
Commission	@ 2% on the Net profit of the Company as calculated under applicable sections of the Companies Act, 2013, for each financial year or a part thereof
Termination of the appointment	The appointment may be terminated by either party giving to other party six months' notice of such termination.

**Resolved Further** that in the event of loss or inadequacy of profits in any financial year during the tenure of Shri K.Pradeep Kumar Reddy (DIN: 02598624) as Whole Time Director, the above said remuneration be paid to him as the minimum remuneration under Section II (A) of Part II of Schedule V to the Companies Act 2013.

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

By Order of the Board of Directors

**T Sri Sai Manasa**  
Company Secretary  
M.No.A61433

Place: Hyderabad  
Date: May 23, 2024

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



## NOTES:

1. This Annual General Meeting is convened through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") pursuant to General Circular number 14/2020 dt. 08.04.2020, 17/2020 dt. 13.04.2020, 20/2020 dt. 05.05.2020, 28/2020 dt. 17.8.2020, 02/2021 dt. 13.01.2021, 19/2021 dt. 08.12.2021, 21/2021 dt. 14.12.2021, 02/2022 dt. 05.05.2022, 10/2022 dated 28.12.2022 and 09/2023 dated 25.09.2023 issued by the Ministry of Corporate Affairs (MCA) and SEBI Circular no(s). SEBI/HO/CFD/CMD2/CIR/P/2022/62 dt. 13.05.2022, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dt. 05.01.2023 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dt. 07.10.2023 which allows the companies to hold the Annual General Meeting of companies through Video Conferencing or Other Audio Visual Means ("VC/OAVM"), without the physical presence of the Members at a common venue. In compliance with applicable provisions of the Companies Act, 2013 ("Act") read with the MCA Circulars and SEBI Circulars, the 28<sup>th</sup> Annual General Meeting of the Company is being conducted through Video Conferencing or Other Audio Visual Means ("VC / OAVM") (hereinafter referred to as "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 15<sup>th</sup> 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 AGM.
2. The Company has appointed M/s KFin Technologies Limited ("KFIN"), Registrar and Transfer Agent of the Company, as the authorized agency to provide the VC/ OAVM facility for conducting AGM electronically and for voting through remote e-voting or through e-voting at the AGM.
3. Pursuant to the provisions of the Act, normally, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf who may or may not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Further as per the MCA and SEBI Circulars, the facility for appointment of proxies by the Members will not be available for the AGM. However, in pursuance of Sections 112 and 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State, or body corporate can attend the AGM through VC / OAVM and cast their votes through e-Voting.
4. 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 AGM on its behalf and to vote either through remote e-voting or during the AGM. The said Resolution/Authorization should be sent electronically through their registered email address to the Scrutinizer at **cs@bssandassociates.com** with a copy marked to **evoting@kfintech.com** and company's email id at **info@sagarsoft.in**.
5. The Board of Directors of the Company at its meeting held on 23<sup>rd</sup> May, 2024 considered all the businesses mentioned in the notice of the AGM as being unavoidable, and needed to be transacted at the 28<sup>th</sup> AGM of the Company.
6. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the special business under Item No(s). 5, 6 and 7 of the accompanying Notice, is given in the Annexure-1. The Board of Directors of the Company at its meeting held on 23<sup>rd</sup> March, 2024 considered all the businesses mentioned in the notice of the AGM as being unavoidable, and needed to be transacted at the 28<sup>th</sup> AGM of the Company.
7. The relevant details required to be given under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of directors seeking appointment / re-appointment at this AGM are given in the Annexure-2.
8. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) is KFin Technologies Limited, having office at Selenium Building, Tower B, Plot number 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad, Telangana - 500032.
9. **Attendance at the AGM:** Member will be provided with a facility to attend the AGM through video conferencing platform provided by KFin Technologies Limited. Members may access the same at <https://evoting.kfintech.com> by clicking "e-AGM - Video Conference & Streaming" and access the shareholders'/ members' login by using the remote e-voting credentials which shall be provided as per Note No.20 below. Kindly refer to Note No.19 below for detailed instructions for participating in the AGM through Video Conferencing.
10. The Members can join the AGM 15 minutes before the meeting or within 15 minutes after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice.
11. As per the MCA Circular, facility of joining the AGM through VC / OAVM shall be available for 1000 members on a first-come-first-served basis. However, this restriction shall not apply to large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the

Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors' etc.

12. A member's log-in to the Video Conferencing platform using the remote e-voting credentials shall be considered for record of attendance of such member for the 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 (the Act).
13. **Remote e-Voting:** Pursuant to the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of Listing Regulations, and the MCA Circulars, the Company is providing facility of remote e-voting to its Members through Company's Registrar and Transfer Agent, KFin Technologies Limited. Kindly refer Note No.20 below for detailed instruction for remote-voting.
14. **Voting during the AGM:** Members who are present at the AGM through VC and have not cast their vote on resolutions through remote e-voting, may cast their vote during the AGM through the e-voting system provided by KFin Technologies Limited in the Video Conferencing platform during the AGM. Kindly refer Note No.21 below for instruction for e-voting during the AGM.
15. The Company has fixed 15<sup>th</sup> June, 2024 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 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 AGM.
16. The Register of Members and Transfer Book of the Company will be closed from 16<sup>th</sup> June, 2024 to 24<sup>th</sup> June, 2024 (both days inclusive).
17. In compliance with the aforesaid MCA Circulars and SEBI Circulars, notice of the AGM along with the Annual Report for the financial year ended on March 31, 2024 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 <https://www.bseindia.com>. The same is also available on the website of KFin Technologies Limited at their website address <https://evoting.kfintech.com>.
18. **Procedure for registering the email addresses and obtaining the Annual Report, AGM notice and e-voting instructions by the shareholders whose email addresses are not registered with the Depositories (in case of shareholders holding**

**shares in Demat form) or with RTA (in case the shareholders holding shares in physical form)**

- i. Those members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:
    - a. Members holding shares in demat form can get their e-mail ID registered by contacting their respective Depository Participant.
    - b. Members holding shares in physical form may register their email address and mobile number with Company's Registrar and Share Transfer Agent, KFin Technologies Limited by sending an e-mail request at the email ID **einward.ris@kfintech.com** along with scanned copy of the duly signed request letter by first holder providing the email address, mobile number, self-attested PAN copy and copy of share certificate for registering their email address and receiving the Annual report, AGM Notice and the e-voting instructions.
  - ii. Those members who have registered their e-mail address, mobile no., postal address and bank account details are requested to validate/update their registered details by contacting the Depository Participant in case of shares held in electronic form or by contacting KFin Technologies Limited, the Registrar and Share Transfer Agent of the Company, in case of shares held in physical form.
19. **Instructions to the Members for attending the AGM through Video Conference.**
- i. **For attending the AGM:** Member will be provided with a facility to attend the AGM through video conferencing platform provided by KFin Technologies Limited. Members may login into its website link <https://emeetings.kfintech.com/loginv2.aspx> 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, Smartphones, Tablets and iPads with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22 for better experience.
  - iv. Further, Members will be required to allow access to the Camera, if any, and are requested to use Internet with good speed to avoid any disturbance during the meeting.
  - v. Please note that participants using Mobile Devices or Tablets or Laptops or accessing the internet via

“Mobile Hotspot” may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

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

**vii. Submission of Questions / Queries prior to AGM:**

a. Members desiring any additional information with regard to Accounts / Annual Report 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 and Client ID/ Folio number atleast 2 days before the date of the 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 <https://emeetings.kfintech.com/loginv2.aspx>, 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 AGM.

**viii. Speaker Registration before 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/loginv2.aspx> and click on 'Speaker Registration' during this period. Shareholders shall be provided with a 'queue number' before the 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 AGM, the Company may have to dispense with or curtail the Speaker Session, hence shareholders are encouraged to send their questions etc. in advance as provided in Note No.19 (vii) above.

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

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

In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Listing Regulations the Members are provided with the facility to cast their vote remotely on all resolutions set-forth in this notice through remote e-voting platform provided by KFin Technologies Limited ('remote e-voting'). Members attending the 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, Thursday, 20<sup>th</sup> June, 2024 (9.00 A.M. IST) and ends on, Sunday, 23<sup>rd</sup> June, 2024 (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, Sunday, 23<sup>rd</sup> June, 2024 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 15<sup>th</sup> June, 2024. 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 24<sup>th</sup> May, 2024 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 24<sup>th</sup> May, 2024 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. 15<sup>th</sup> June, 2024 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. / DP ID and Client ID, the Member may send SMS: MYEPWD <space> 'e-voting Event Number + Folio number or DP ID and 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. / DP ID and Client ID, then on the home page of <https://evoting.kfintech.com>, the Member may click "Forgot Password" and enter Folio No. or DP ID and 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 Limited upon expiry of aforesaid period.

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

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

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

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

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

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

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

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

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

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

**x. The procedure and instructions for remote e-voting facility for shareholders other than individual shareholders holding securities in demat mode and shareholders holding shares in physical mode are provided as follows:**

- a. Open your web browser during the remote e-voting period and navigate to <https://evoting.kfintech.com>
- b. Enter the login credentials (i.e. User ID and password mentioned in the email). Your Folio No. or DP ID and Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your vote.
- c. After entering these details appropriately, click on "LOGIN".

You will now reach password change menu wherein you are required to mandatorily change your login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (like \*, #, @, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc., on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

- d. You need to login again with the new credentials.
- e. On successful login, the system will prompt you to select the e-voting Event Number for **Sagarsoft (India) Limited**.
- f. If you are holding shares in Demat form and had logged on to <https://evoting.kfintech.com> and casted your vote earlier for any other Company, then your existing login id and password are to be used.
- g. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date i.e., 15<sup>th</sup> June, 2024 under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR / AGAINST" taken together should not exceed your total shareholding as on the cut-off date.
- h. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
- i. Members holding multiple folios/ demat accounts shall choose the voting process separately for each of the folios/demat accounts.

j. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.

k. You may then cast your vote by selecting an appropriate option and click on "Submit". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote.

l. During the voting period, Members can login any number of times till they cast their vote on the Resolution(s).

m. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRIs, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer e-mail ID: **cs@bssandassociates.com** with a copy to **evoting@kfintech.com** and **info@sagarsoft.in**. They may also upload the same in the e-voting module in their login. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name\_ EVENT NO."

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual for Members available at the download Section of <https://evoting.kfintech.com> or contact Mr. K. Raj Kumar, Assistant Vice President of KFin Technologies Limited at 1800-3094-001 (toll free).

n. The Scrutinizer's decision on the validity of the vote shall be final.

o. Once the vote on a resolution stated in this notice is cast by Member through remote e-voting, the Member shall not be allowed to change it subsequently and such e-vote shall be treated as final. The Members who have cast their vote by remote e-voting may also attend the AGM, however such Member shall not be allowed to vote again during the AGM.

p. The Scrutinizer shall, immediately after the conclusion of e-Voting at the AGM, first download the votes cast at the AGM, and thereafter unlock the votes cast through remote e-Voting, and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such report shall, then, be sent to the Chairman or a person authorized by him, within two working days from the conclusion of the AGM, who shall then countersign and declare the result of the voting forthwith.

- q. The Results declared along with the consolidated Scrutinizer's Report shall be hosted on the website of the Company i.e. [www.sagarsoft.in](http://www.sagarsoft.in) and on the website of KFin Technologies Limited i.e. <https://evoting.kfintech.com>. The results shall simultaneously be communicated to BSE Limited at <https://www.bseindia.com>, where the shares of the Company are listed. The result shall also be displayed on the Notice Board at the Registered Office of the Company.
- r. The Resolutions shall be deemed to be passed at the registered office of the Company on the date of the AGM, subject to receipt of the requisite number of votes in favour of the Resolutions.

## 21. Instructions for members for Voting during the AGM session

- i. The e-voting window shall be activated upon instructions of the Chairman of the meeting during the 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 AGM.
- iii. Members / shareholders, attending the e-AGM through Video Conference, who have not cast their vote on resolutions through Remote e-voting alone shall be eligible to cast their vote through e-voting system available during the e-AGM.
- iv. Members who have voted through Remote e-voting will be eligible to attend the AGM. However, they shall not be allowed to cast their vote again during the AGM.

## GENERAL INSTRUCTIONS AND INFORMATION FOR SHAREHOLDERS

- 22. As per the Central Board of Direct Taxes (CBDT), it is mandatory to link PAN with Aadhaar number by June 30, 2023. Shareholders holding shares in physical mode are requested to ensure that their PAN is linked to Aadhar by June 30, 2023 or any other date as may be specified by the CBDT.

The folios in which PAN is / are not valid as on the notified cut-off date of October 1, 2023 or any other date as may be specified by the CBDT, shall also be frozen by the RTA and shareholders will not be eligible to lodge grievance or avail service request from the RTA and not eligible for receipt of dividend after April 1, 2024.

- 23. Members may kindly note that in accordance with SEBI Circular reference SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/131 dated July 31, 2023, the Company has registered on the newly launched SMART ODR Portal (Securities Market Approach for Resolution through

Online Disputes Resolution Portal). This platform aims to enhance investor grievance resolution by providing access to Online Dispute Resolution Institutions for addressing complaints. Members can access the SMART ODR Portal via the following link: <https://smartodr.in/login>. Members may feel free to utilize this online conciliation and/or arbitration facility, as outlined in the circular, to resolve any outstanding disputes between Members and the Company (including RTA).

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

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

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to [info@sagarsoft.in](mailto:info@sagarsoft.in) by 5.00.p.m IST on 15<sup>th</sup> June, 2024. 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 15<sup>th</sup> June, 2024.

The requisite Tax Exemption forms can be downloaded from the website of the our Registrar and Share Transfer Agent i.e., KFin Technologies Limited at <https://kprism.kfintech.com/>.

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

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

Year	Nature of Dividend	Rate of Dividend on share of par value of Rs.10/- each
2017-18	Final	25% (Rs.2.50 per share)
2018-19	Interim	10% (Rs.1.00 per share)
2018-19	Final	15% (Rs.1.50 per share)
2019-20	Final	15% (Rs.1.50 per share)
2020-21	Final	25% (Rs.2.50 per share)
2021-22	Final	30% (Rs.3.00 per share)
2022-23	Final	20% (Rs.2.00 per share)

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

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

28. The Company has fixed 15<sup>th</sup> June, 2024 as the 'Record Date' for determining entitlement of members to the dividend of Rs. 2.00/- per share for the financial year ended 31<sup>st</sup> March, 2024, if approved at the ensuing AGM.
29. The dividend(s), if any, approved by the Members or declared by the Board of Directors of the Company from time to time, will be paid to the eligible members as per the mandate registered with the Company or with their respective Depository Participants.
30. In the event the Company is unable to pay the dividend to any Member directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant/ Bankers' cheque/ demand draft as the case may be to such Member.
31. If the dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend will be made within 30 days from the date of AGM, subject to deduction of tax at source, as under:

- i. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of the close of business hours on 15<sup>th</sup> June, 2024

- 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 15<sup>th</sup> June, 2024.

32. **Updation of Members' details:** Pursuant to the SEBI Circular No(s). SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 03, 2021, SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated December 14, 2021, SEBI/HO/MIRSD/MIRSD-POD-1/P/CIR/2023/37 dated March 16, 2023, SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 and SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023, Company / Registrars and Share Transfer Agents to record additional details of Members, including their PAN details, KYC details, Nomination details, bank mandate details for payment of dividend etc. Members holding shares in physical form are requested to furnish the above details to the Company or KFinTech, its Registrars and Share Transfer Agents. Members holding shares in electronic form are requested to furnish the details to their respective DP.

SEBI vide its circular dated November 03, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023, May 17, 2023 and November 17, 2023) and the FAQ released by SEBI, the Shareholders holding shares in physical form and who have not updated their KYC details (viz., PAN (Aadhar seeded); Choice of Nomination; Contact Details; Mobile Number; Bank Account Details and signature) against their folio(s) with KFin Technologies Limited, Registrar and Transfer Agent of the Company ("RTA"), their dividend shall be withheld by the Company from April 01, 2024 and the same shall be immediately released electronically, upon updation of KYC.

SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participants with whom they are maintaining their demat accounts. Members



holding shares in physical form can submit their PAN details to KFin Technologies Limited.

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

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

Members can execute the Form No. SH-13, Form ISR-3 & Form No. SH-14 in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 and SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 03, 2021, SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 and SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023 for registration of nomination, declaration Form for opting-out of Nomination and cancellation or variation of nomination respectively and send to the Company's Registrar and Share Transfer Agents indicating their Folio number therein at the address mentioned in Note No. 8.

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

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

33. The members / investors may send their complaints / queries, if any to the Company's Registrar and Share Transfer Agents' e-mail id: **einward.ris@kfintech.com** or to the Company's official E-mail id: **info@sagarsoft.in**.
34. The information/documents referred to in the Notice 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 15<sup>th</sup> June, 2024 through email to **info@sagarsoft.in** for seeking information, If any, and the same will be replied by the Company suitably.

35. As per Regulation 40 of SEBI (LODR) Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, 1<sup>st</sup> April, 2019, except in case of request received for transmission or transposition and re-lodged transfers of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 02, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgment of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode.
36. To enhance ease of dealing in securities markets by investors, SEBI has decided that listed companies shall henceforth issue the securities in dematerialized form only (vide Gazette Notification no. SEBI/LADNRO /GN/2022/66 dated January 24, 2022 and its Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023) while processing the service request mentioned in the above notification (viz., Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, Transmission and Transposition etc). In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. The Members who are desirous to convert their physical holdings into dematerialized form, may contact the Depository Participant of their choice for dematerializing the same. Members may also contact the Company or its Registrars and Transfer Agents, KFin Technologies Limited (KFIN) for assistance in this regard.
37. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making the requisite changes.
38. Members may note that the Annual Report for the year 2023-24 is also available on the Company's website [www.sagarsoft.in](http://www.sagarsoft.in) for their download.
39. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of Listing Regulations read with MCA Circulars and SEBI Circular, the Company is providing remote e-voting facility to its Members in respect of the business to be transacted at the 28<sup>th</sup> AGM and facility for those Members to participate in the AGM to cast vote through e-voting system during the AGM.

40. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date shall be entitled to avail the facility of remote e-voting or casting vote through e-Voting system during the meeting.
41. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
42. During the 28<sup>th</sup> AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the 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.
43. The transcript of this meeting, shall be made available on the website of the company.
44. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at [www.sagarsoft.in](http://www.sagarsoft.in) and on the website of KFin Technologies Limited at <https://evoting.kfintech.com> immediately after the declaration of Results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to the BSE Limited, Mumbai, where the shares of the company are listed.
45. Since the AGM will be held through VC / OAVM, the Route Map, proxy form and attendance slip are not annexed to this Notice

By Order of the Board of Directors

**T Sri Sai Manasa**  
Company Secretary  
M.No.A61433

Place: Hyderabad  
Date: May 23, 2024

**Registered Office:**

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

# Annexure to the Notice of the 28<sup>th</sup> Annual General Meeting

## Annexure 1

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

As required by Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos.5 to 7 of the accompanying Notice dated May 23,2024

#### On Item No.5

In terms of Section 149, 150, 152 read with Schedule IV of the Companies Act, 2013 ('the Act') and other applicable provisions of the said Act and under applicable Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") or any amendment thereto or modification thereof, based on the recommendations made by the Nomination and Remuneration Committee and subject to the approval of the shareholders, the Board of Directors has appointed Shri. Janardhan Reddy Goli (DIN: 10626421) as an Independent Director for a term of 5 consecutive years with effect from May 23, 2024.

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

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

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

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

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

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

#### On Item No.6

Mr. M. Jagadeesh has been re-appointed as Managing Director of the company in the year 2021 and his tenure will be coming to a close on July 31, 2024. With a view to continue availing his services, the Board at its meeting held on May 10, 2024, on the recommendation of its Nomination and Remuneration Committee, subject to approval of shareholders, has re-appointed him as Managing Director for a period of three years with effect from August 01, 2024 on a revised remuneration as recommended by the said committee as detailed in the resolution. Shri M.Jagadeesh has been associated with the company since inception and his business acumen and qualities of leadership have contributed in an immense measure to the growth and stability of the company. The Board is of the firm view that it would be in the interest of the company that he be re-appointed as Managing Director and accordingly it commends the special resolution for approval of the Members.

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

I General Information				
(1)	Nature of Industry	Staffing and Information Technology related services		
(2)	Date of commencement of commercial production	18.04.1996		
(3)	In case of new companies, expected date of commencement activities as per project approved by financial institutions appearing in the prospectus	Not applicable		
(4)	Financial performance based on given indicators	Description	<b>Rs. in Lakhs</b>	
			<b>2023-24</b>	<b>2022-23</b>
		Income	5798.79	5184.34
		Profit before Interest, Depreciation & Tax	764.72	509.04
		Profit after Tax	<b>371.77</b>	<b>136.94</b>
(5)	Export performance and net foreign exchange earnings	Foreign Exchange earned for the year 2023-24 is Rs. 4758.63 Lakhs		
(6)	Foreign investments or collaborators, if any	Foreign Investments held in the company as on 31.03.2024 are as under:		
		Particulars	No. of Equity Shares of Rs.10/- each	
		Foreign Portfolio Investors	Nil	
		NRIs	7,18,490 Shares	
		Total (% of the paid-up capital)	11.24%	
		There are no foreign collaborators.		
II Information about the appointee				
(1)	Background details	Shri M. Jagadeesh has been associated with the Company since inception. He has contributed to the Company in the area of general administration, marketing and HR. Currently as Managing Director, he is looking after the overall day to day affairs of the Company and its susidiary, subject to superintendence and control of Board of Directors.		
(2)	Past remuneration	Rs.81,44,195/- was paid during the financial year 2023-24 including commission.		
(3)	Recognition or awards	-		
(4)	Job profile and suitability	The Managing Director devotes his whole time and attention to the business of the company and carries out such duties as may be entrusted to him by the Board of Directors from time to time and exercises such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interest of the company. Currently, as a Managing Director, he is looking after the overall day to day affairs of the company and its subsidiary along with other whole-time director of the company.		
		<p><b>Suitability:</b> Shri M.Jagadeesh has been associated with the company since inception. He has helped the company to come out of the difficult situations and has been a part of the organization throughout its business cycles so far. He has been instrumental in the revival of the business of the company and its subsequent growth. Under his able leadership, the company, despite the cyclical ups and downs, has had a track record of good performance.</p>		

	(5)	Remuneration proposed	As detailed in the resolution
	(6)	Comparative remuneration profile with respect to Industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The remuneration being proposed to be paid to Shri M. Jagadeesh is more or less on par with the remuneration prevailing in the companies of similar size in the similar industry and in the event of loss or inadequacy of profit in any financial year during his tenure, the same would be paid as the minimum remuneration.
	(7)	Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any	Apart from being the Managing Director of the company and holding 11,400 equity shares in it in his personal capacity, he does not have any other pecuniary relationship with the company.
<b>III Other Information</b>			
	(1)	Reasons for loss or inadequate profits	The company did not incur any loss in the year 2023-24 and barring unforeseen circumstances, there is no likelihood of the company incurring any loss during his proposed tenure as the Managing Director.  However as a measure of caution, in the unlikely event of there being loss or inadequacy of profit in any of the financial year during his term as Managing Director, it is proposed to pay the remuneration mentioned in Sl.No.6 as the minimum remuneration.
	(2)	Steps taken or proposed to be taken for improvement	The company has undertaken steps for continued business development and collaborative activities for the improvement.
	(3)	Expected increase in productivity and profits in measurable terms	The industry is expected to get further boost in the coming years with the continuous thrust to these sectors. These will hopefully further increase the demand for IT sector and put the performance of the company on a stronger position.
<b>IV</b>		Additional information as required under Secretarial Standard-2 notified under Section 118 (10) of the Companies Act, 2013	This has been provided in the Annexure -2 to the Notice of the AGM

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

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

Your Board is of the firm view that it would be in the interest of the company that Shri M.Jagadeesh, be re-appointed as Managing Director and accordingly it commends the resolution for approval of the shareholders.

#### **On Item No.7**

Mr. K. Pradeep Kumar Reddy has been appointed as Executive Director of the company in the year 2021 and his tenure will be coming to a close on July 31, 2024. With a view to continue availing his services, the Board in its meeting held on May 10, 2024, on the recommendation of its Nomination and Remuneration Committee, subject to approval of shareholders, has re-appointed him as Whole Time Director designated as Executive Director for a period of three years with effect from August 01, 2024 on a revised remuneration as recommended by the said committee as detailed in the resolution. Shri K.Pradeep Kumar Reddy has been associated with the company since 1999. The company has immensely benefited from his Technical Knowledge and Leadership qualities. The Board is of the firm view that it would be in the interest of the company that he be re-appointed as Whole Time Director designated as Executive Director and accordingly it commends the special resolution for approval of the Members.

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

I General Information				
(1)	Nature of Industry	Staffing and Information Technology related services		
(2)	Date of commencement of commercial production	18.04.1996		
(3)	In case of new companies, expected date of commencement activities as per project approved by financial institutions appearing in the prospectus	Not applicable		
(4)	Financial performance based on given indicators	Description	<b>Rs. in Lakhs</b>	
			<b>2023-24</b>	<b>2022-23</b>
		Income	5798.79	5184.34
		Profit before Interest, Depreciation & Tax	764.72	509.04
		Profit after Tax	<b>371.77</b>	<b>136.94</b>
(5)	Export performance and net foreign exchange earnings	Foreign Exchange earned for the year 2023-24 is Rs. 4758.63 Lakhs		
(6)	Foreign investments or collaborators, if any	Foreign Investments held in the company as on 31.03.2024 are as under:		
		Particulars	No. of Equity Shares of Rs.10/- each	
		Foreign Portfolio Investors	Nil	
		NRIs	7,18,490 Shares	
		Total (% of the paid-up capital)	11.24%	
		There are no foreign collaborators.		
II Information about the appointee				
(1)	Background details	Shri K. Pradeep Kumar Reddy has been with the company since 1999. He holds Bachelor of Technology and Masters in Business Management (Finance & Marketing) degrees. He has contributed in the areas of Project Delivery, Finance, HR, identifying new lines of business, and IT Infrastructure Management. Currently he is the Executive Director (ED) of the Company.		
(2)	Past remuneration	Rs.81,44,195/- was paid during the financial year 2023-24 including commission.		
(3)	Recognition or awards	-		
(4)	Job profile and suitability	The Executive Director devotes his whole time and attention to the business of the company and carries out such duties as may be entrusted to him by the Board of Directors from time to time and exercises such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interest of the company. Currently, as an Executive Director and CFO, he is looking after the overall day to day affairs of the company and its subsidiary along with other whole-time director of the company.		
		<p><b>Suitability:</b> Shri K.Pradeep Kumar Reddy has been associated with the company for the past 25 Years. He has established several practice areas including RPO, Support &amp; Maintenance and was instrumental in expanding company services into new generation services including Social media and Mobile development. He took lead in formulating and implementing operational strategies to institute effective cost controls, Financial Management and revenue improvements.</p>		

	(5)	Remuneration proposed	As detailed in the resolution
	(6)	Comparative remuneration profile with respect to Industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The remuneration being proposed to be paid to Shri K.Pradeep Kumar Reddy is more or less on par with the remuneration prevailing in the companies of similar size in the similar industry and in the event of loss or inadequacy of profit in any financial year during his tenure, the same would be paid in accordance with Schedule V of the Companies Act, 2013 as the minimum remuneration
	(7)	Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any	Apart from being the Executive Director & CFO of the company and holding 365 equity shares in it in his personal capacity, he does not have any other pecuniary relationship with the company.
<b>III Other Information</b>			
	(1)	Reasons for loss or inadequate profits	The company did not incur any loss in the year 2023-24 and barring unforeseen circumstances, there is no likelihood of the company incurring any loss during his proposed tenure as the Executive Director & CFO. However as a measure of caution, in the unlikely event of there being loss or inadequacy of profit in any of the financial year during his term as WholeTime Director, it is proposed to pay the remuneration mentioned in Sl. No. 7 as the minimum remuneration.
	(2)	Steps taken or proposed to be taken for improvement	The company has undertaken steps for continued business development and collaborative activates for the improvement
	(3)	Expected increase in productivity and profits in measurable terms	The industry is expected to get further boost in the coming years with the continuous thrust to these sectors. These will hopefully further increase the demand for IT sector and put the performance of the company on a stronger position.
<b>IV</b>	<b>Additional information as required under Secretarial Standard-2 notified under Section 118 (10) of the Companies Act, 2013</b>		<b>This has been provided in the Annexure -2 to the Notice of the AGM</b>

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

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

Your Board is of the firm view that it would be in the interest of the company that Shri K.Pradeep Kumar Reddy, be re-appointed as Whole Time Director designated as Executive Director and accordingly it commends the resolution for approval of the shareholders

By Order of the Board of Directors

**T Sri Sai Manasa**  
Company Secretary  
M.No.A61433

Place: Hyderabad  
Date: May 23, 2024

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

S.No.	Particulars	Name of the Director	
		Shri Kondrella Roopesh	Shri K. Satish Chander Reddy
1	DIN	06967708	02412539
2	Date of birth	16.06.1973	05.12.1963
3	Age	51 Years	61 Years
4	Qualification	Graduate and IT Professional.	B E., M.S.
5	Experience in specific functional areas	IT Professional	Technocrat and Entrepreneur.
6	Brief Resume	Is a graduate and IT Professional with 22+ years of experience in business development, management, analysis, design, development, of software solutions.	Is an Engineering Graduate and has vast experience in Information Technology.
7	Nature of Appointment	Retires by rotation and offers himself for re-appointment	Retires by rotation and offers himself for re-appointment.
8	Terms and Conditions of Appointment/Re-appointment	Appointment as a director subject to retire by rotation under Section 152 of the Companies Act, 2013	Appointment as a director subject to retire by rotation under Section 152 of the Companies Act, 2013
9	Date of first appointment on the Board	10.11.2021	26.06.2001
10	Directorships in other Companies (Other than Listed Companies)	Genesys Biologics Private Limited	Helios Management Services Private Limited
11	Directorships in other Listed Companies	Nil	Nil
12	Names of Listed Companies from which he has resigned in the past three years	Nil	Nil
13	Membership/ Chairmanship of Committees of other Boards	Nil	Nil
14	No. of shares held including shareholding as a beneficial owner in Sagarsoft (India) Limited	Nil	6,32,238



S.No.	Particulars	Name of the Director	
		Shri Kondrella Roopesh	Shri K. Satish Chander Reddy
15	Number of Board Meetings attended	4	3
16	Details of Remuneration last drawn	No remuneration was paid in the company however, an aggregate sitting fee of Rs.2,00,000/- was paid for attending the Meetings of the Board and Committees.	No remuneration was paid in the company however, an aggregate sitting fee of Rs.75,000 /- was paid for attending the Meetings of the Board and Committees.
17	Details of remuneration sought to be paid	No remuneration is proposed over and above the sitting fee	No remuneration is proposed over and above the sitting fee
18	Inter-se relationship with other directors, Managers Other Key managerial Personnel of the company	Nil	Nil
19	Information as required pursuant to BSE Circular no. LIST/COMP/14/2018-19 and Circular of National Stock exchange of India Limited having Ref No. NSE/CML/2018/24 dated June 20, 2018.	We affirm that Shri K. Roopesh is not debarred from holding the office of director by virtue of any order of SEBI or any other such authority. Nomination and Remuneration Committee and the Board of directors of the Company has also verified that Shri K. Roopesh is not debarred from holding the office of director pursuant to any SEBI Order.	We affirm that Shri K. Satish Chander Reddy is not debarred from holding the office of director by virtue of any order of SEBI or any other such authority. Nomination and Remuneration Committee and the Board of directors of the Company has also verified that Shri K. Satish Chander Reddy is not debarred from holding the office of director pursuant to any SEBI Order.
20	In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Not Applicable	Not Applicable

S.No.	Particulars	Name of the Director		
		Shri. Janardhan Reddy Goli	Shri M Jagadeesh	Shri K. Pradeep Kumar Reddy
1	DIN	10626421	01590689	02598624
2	Date of birth	20.06.1973	26.07.1971	03.05.1973
3	Age	51 years	53 Years	51 Years
4	Qualification	Bachelor of Engineering - electronics and communication from Bapuji Institute of Engineering and Technology and Master of Business Administration (MBA) from University of Texas at Austin, The McCombs School of Business	-	Bachelor's Degree in Technology and Masters in Business Management.
5	Experience in specific functional areas	Financial Planning and Analysis (FP&A)	Has been on the Board since 13.06.2002 and appointed as Managing Director w.e.f. 31.10.2008. He has wide experience in Information Technology and Business Administration.	Appointed as Whole-time Director ( w.e.f. 06.11.2015). He has wide experience in Information Technology and Business Administration.
6	Brief Resume	Shri. Janardhan G Reddy has a proven track record in Financial Planning and Analysis (FP&A). He has held pivotal roles across various industries, including technology and real estate. His expertise extends beyond traditional finance, encompassing strategic planning, risk management, and investment analysis.	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.
7	Nature of Appointment	Appointment as an Independent director	Re-appointment as Managing Director	Re-appointment as WholeTime Director designated as Executive Director
8	Terms and Conditions of Appointment/ re-appointment	Appointment as an Independent director under Section 149 of the Companies Act, 2013 on the terms and conditions as detailed in Resolution No.5	Re-appointment as Managing Director of the company on the terms and conditions as detailed in Resolution No.6.	Re-appointment as WholeTime Director designated as Executive Director of the company on the terms and conditions as detailed in Resolution No.7
9	Date of first appointment on the Board	23.05.2024	13.06.2002	06.11.2015

S.No.	Particulars	Name of the Director		
		Shri. Janardhan Reddy Goli	Shri M Jagadeesh	Shri K. Pradeep Kumar Reddy
10	Directorships in other Companies (other than listed companies)	Nil	1. Savyasachi Constructions Private Limited 2. Sapplica Info Technologies Private limited	1. Savyasachi Constructions Private Limited 2. Sapplica Info Technologies Private limited
11	Directorships in other Listed Companies	Nil	Nil	Nil
12	Names of Listed Companies from which he has resigned in the past three years	Nil	Nil	Nil
13	Membership/ Chairmanship of Committees of other Boards	Nil	Nil	Nil
14	No. of shares held including shareholding as a beneficial owner in Sagarsoft (India) Limited	Nil	11,400	365
15	Number of Board Meetings attended	-	4	4
16	Details of Remuneration last drawn	Not Applicable	An amount of Rs.81,44,195/- was paid towards remuneration including commission as Managing Director for the financial year 2023-24	An amount of Rs.81,44,195/- was paid towards remuneration including commission as Executive Director and CFO for the financial year 2023-24
17	Details of remuneration sought to be paid	Nil	As mentioned in resolution seeking his re-appointment	As mentioned in resolution seeking his re-appointment
18	Inter-se relationship with other directors, Managers Other Key managerial Personnel of the company	Nil	Nil	Nil

S.No.	Particulars	Name of the Director		
		Shri. Janardhan Reddy Goli	Shri M Jagadeesh	Shri K. Pradeep Kumar Reddy
19	Information as required pursuant to BSE Circular no. LIST/COMP/14/2018-19 and Circular of National Stock exchange of India Limited having Ref No. NSE/CML/2018/24 dated June 20, 2018.	We affirm that Shri Janardhan Reddy Goli is not debarred from holding the office of director by virtue of any order of SEBI or any other such authority. Nomination and Remuneration Committee and the Board of directors of the Company has also verified that Shri Janardhan Reddy Goli is not debarred from holding the office of director pursuant to any SEBI Order.	We affirm that Shri M Jagadeesh is not debarred from holding the office of director by virtue of any order of SEBI or any other such authority. Nomination and Remuneration Committee and the Board of directors of the Company has also verified that Shri M Jagadeesh is not debarred from holding the office of director pursuant to any SEBI Order.	We affirm that Shri K. Pradeep Kumar Reddy is not debarred from holding the office of director by virtue of any order of SEBI or any other such authority. Nomination and Remuneration Committee and the Board of directors of the Company has also verified that Shri K. Pradeep Kumar Reddy is not debarred from holding the office of director pursuant to any SEBI Order.
20	In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Janardhan Reddy Goli is having ample experience in the field of Financial Planning and Analysis including in technology. The Company believes that his skills, knowledge and experience on the Board will complement the effective functioning of the Company.	Not Applicable	Not Applicable

Place: Hyderabad  
Date: May 23, 2024

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

By Order of the Board of Directors

**T Sri Sai Manasa**  
Company Secretary  
M.No.A61433

# DIRECTORS' REPORT AND MANAGEMENT DISCUSSION ANALYSIS REPORT

## DEAR MEMBERS

Your Directors' are pleased to present their 28<sup>th</sup> Annual Report together with the Audited Stand-alone and Consolidated Financial Statements of the Company for the year ended March 31, 2024.

## STATE OF COMPANY AFFAIRS AND FINANCIAL RESULTS

The discussion on the financial condition and results of operations of your Company for the year ended 31<sup>st</sup> March, 2024, which are summarized below, should be read in conjunction with its audited Standalone and the Consolidated Financial Statements containing financials and notes thereto of Sagarsoft (India) Limited and its subsidiary IT CATS LLC, USA which are summarized below:

(Rs.in Lakhs)

Particulars	Standalone		Consolidated	
	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
Income from operations	<b>5513.78</b>	4948.75	<b>15219.18</b>	16415.30
Other Income	<b>285.01</b>	235.59	<b>206.69</b>	243.68
<b>Total Income</b>	<b>5798.79</b>	5184.34	<b>15425.87</b>	16658.98
Total Expenses	<b>5034.07</b>	4675.30	<b>13965.65</b>	15252.47
Profit before depreciation, interest and tax	<b>764.72</b>	509.04	<b>1460.22</b>	1406.56
Finance Cost	<b>78.30</b>	84.24	<b>80.42</b>	87.16
Depreciation	<b>199.10</b>	220.30	<b>241.62</b>	259.99
Profit before tax	<b>487.34</b>	204.50	<b>1138.18</b>	1059.41
Provision for Tax	<b>138.91</b>	110.10	<b>327.76</b>	342.64
Prior period taxes	-	1.43	-	1.43
Deferred Tax Asset / (Liability) for the year	<b>(23.36)</b>	(43.97)	<b>(23.36)</b>	(47.37)
<b>Net Profit</b>	<b>371.77</b>	136.94	<b>833.78</b>	762.71

## 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 read with the dividend distribution policy adopted by your company, which is available on your company's website and can be accessed at: [https://www.sagarsoft.in/wp-content/uploads/2024/01/SSIL\\_Dividend-Distribution-Policy.pdf](https://www.sagarsoft.in/wp-content/uploads/2024/01/SSIL_Dividend-Distribution-Policy.pdf)

Your Board of Directors is pleased to recommend a dividend of Rs.2.00 (20%) per equity share on the 63,92,238 equity shares of Rs.10/- each for the year 2023-24. Which would result in a total outflow of Rs.127.84 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.

The amounts of unclaimed /unpaid dividends lying in the unpaid dividend accounts upto the year, are available on our website at [www.sagarsoft.in](http://www.sagarsoft.in).

### 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

### AUTHORISED SHARE CAPITAL

The Authorised Share Capital of the Company is Rs.10,00,00,000/- comprising of 1,00,00,000 Equity Shares of Rs. 10/- each.

### PAID-UP SHARE CAPITAL

As on 31<sup>st</sup> March, 2024, the paid up capital of the company is Rs.6,39,22,380/- consisting of 63,92,238 equity shares of Rs.10/- each and there was no change in the share capital of your company during the year under report.

### UTILISATION OF FUNDS COLLECTED THROUGH PREFERENTIAL ISSUE

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

Further details as required under Regulation 32(7A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended from time to time (hereinafter to be referred as “Listing Regulations”) regarding the collection and utilization of the funds referred to, have been given in Point No. 10(vii) of the Report on Corporate Governance, which forms part of the Annual Report.

### VARIATIONS IN NET WORTH

The Net worth of the Company as at the Financial Year ended March 31, 2024 is Rs.5348.41Lakhs as compared to Rs.5176.93 Lakhs as at the end of previous financial year ended on March 31, 2023.

## 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 STRUCTURE AND DEVELOPMENT

The growth trajectory for the technology services industry has changed considerably in 2023, and along with the focus has shifted to efficiency with substantial margin improvement.

The software industry experienced a dynamic and transformative period during the financial year 2023-24, characterized by rapid technological advancements, shifting market dynamics. Key trends and developments shaped the industry landscape, driving innovation, competitiveness, and growth. Software-as-a-service continued to dominate the software market, offering scalable, subscription-based solutions that catered to the evolving needs of businesses and consumers. The shift towards cloud-based software deployment models accelerated, driven by the benefits of scalability, accessibility, and cost-efficiency.

Artificial Intelligence (AI) and automation technologies continued to disrupt traditional business models, driving efficiency gains and unlocking new opportunities. From predictive analytics to robotic process automation (RPA), organizations leveraged AI to streamline operations, personalize customer experiences, and drive innovation. AI continued to permeate software development, driving the proliferation of AI-powered applications and tools across various domains.

User experience (UX) emerged as a key differentiator in the competitive software landscape, with organizations investing in intuitive interfaces, responsive designs, and user-centric features to enhance usability and satisfaction. Design thinking principles and UX research methodologies were increasingly integrated into the software development lifecycle to ensure that products met the evolving needs and preferences of end-users.

## SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

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

IT CATS LLC, USA is the material unlisted subsidiary. Company has formulated a policy for determining material subsidiaries. The policy is available on the website of the Company, <https://www.sagarsoft.in/wp-content/uploads/2022/05/Policy-on-Material-Subsidiary.pdf>

During the year IT CATS LLC, USA, has acquired 60% stake in Sapplica Inc, USA by virtue of which Sapplica Inc has become subsidiary of IT CATS LLC by virtue of which it has become a step down subsidiary of your company.

In accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act"), read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), the Financial Statements of Subsidiaries as at March 31, 2024, have been consolidated with the Financial Statements of the Company. The Consolidated Financial Statements of the Company for the year ended March 31, 2024, forms part of this Annual Report.

Pursuant to Section 129(3) of the Companies Act, 2013, a Statement containing the salient features of the financials of the above mentioned subsidiaries have been given in Form AOC-1 as **Annexure 1** to this report.

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

### NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR;

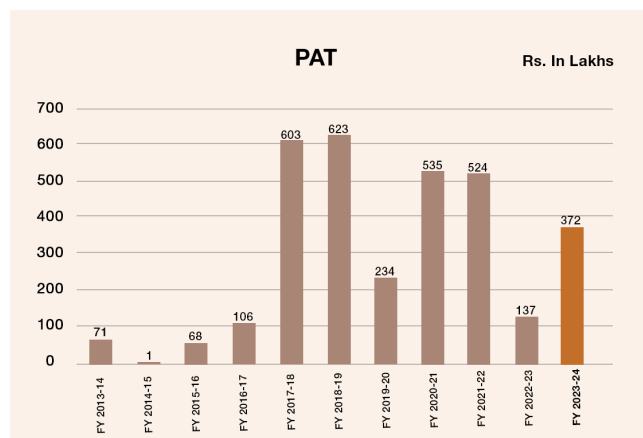
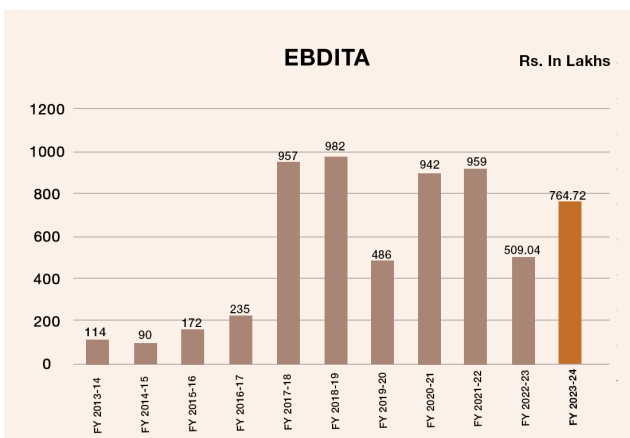
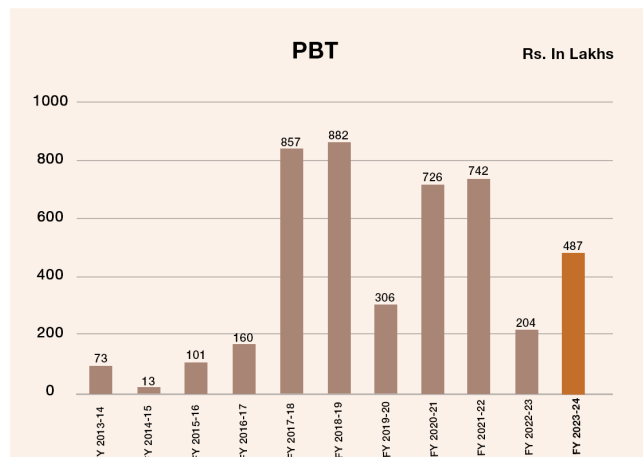
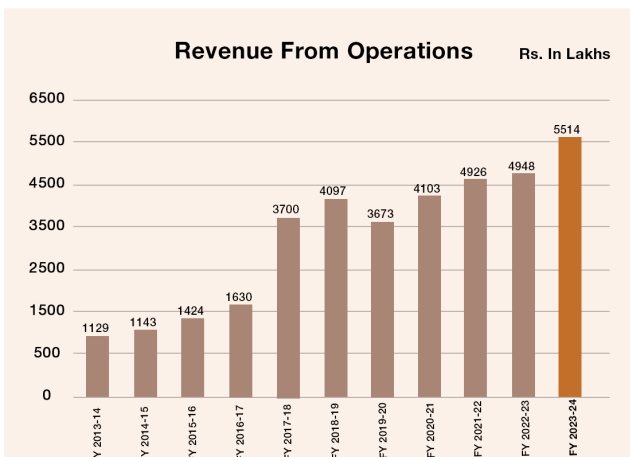
During the year under review, IT CATS LLC, USA, subsidiary of your company, has acquired 60% stake in Sapplica INC.

There were no Companies which are ceased to be its subsidiaries, joint ventures or associate companies during the year.

### COMPANY'S PERFORMANCE

During the year, your Company earned a revenue of Rs.5513.78 Lakhs as against Rs. 4948.75 Lakhs in the previous year, registering an increase of around 11.42%. Earnings before interest, tax, depreciation and amortization (EBITDA) was Rs.764.72 Lakhs against Rs.509.04 Lakhs in the previous year. Profit after tax (PAT) for the year was Rs.371.77 Lakhs as against Rs.136.94 Lakhs in the previous year.

### PERFORMANCE HIGHLIGHTS



## KEY RATIOS

S.No.	Financial Ratios	2023-24	2022-23	Change %
1	Current ratio = current assets / current liabilities	6.61	8.77	(24.63)
2	Debtors Turnover Ratio = Sales / Average Trade Receivables	3.18	3.62	(12.15)
3	Debt equity ratio = (Long-term borrowings + short term borrowings + lease liabilities) / Equity	0.15	0.19	(21.05)
4	Debt service coverage ratio = (Profit after tax + finance cost + depreciation + other adjustments like loss / (gain) on sale of PPE etc) / (finance cost + total debt)	0.70	0.51	37.25
5	Inventory turnover ratio = cost of goods sold divided by average inventory	Not applicable	Not applicable	Not applicable
6	Net profit ratio = Net profit after tax divided by sales	6.74%	2.77%	143.32
7	Operating Profit Margin = Operating profit / Total Revenue	8.84%	4.13%	114.04
8	Return on Networth = Net profit After Tax / Average Equity	7.06%	2.63%	168.44

The increase in ratios is due to increase in profit during the year.

### DISCLOSURE OF ACCOUNTING TREATMENT

The applicable Accounting Standards as notified from time to time under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2016 issued by the Ministry of Corporate Affairs, have been followed in preparation of the financial statements of the company.

### TRANSACTIONS WITH RELATED PARTIES

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 wherever required and obtained shareholders' approval as and when required.

During the year 2023-24 your Company had not entered into transactions with any person or entity belonging to its promoter / promoter group, which holds 10% or more shareholding in the Company

### POLICY ON TRANSACTION WITH RELATED PARTIES:

Policy on dealing with related party transactions is available on the website of the company <https://www.sagarsoft.in/wp-content/uploads/2022/05/Policy-on-Materiality-of-Related-Party-Transactions.pdf>.

### OPPORTUNITIES AND THREATS

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



## OUR STRATEGY

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

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

## OUTLOOK, RISKS AND CONCERNS

The pace of digital transformation across industries is likely to continue accelerating. Companies will increasingly adopt cloud computing, Artificial Intelligence (AI), Internet of Things (IoT), and other emerging technologies to improve efficiency, agility, and customer experiences.

Agile, customer-centric organizations that prioritize innovation, collaboration, and adaptability will continue to thrive in this dynamic and competitive landscape.

Technology industry remained resilient in a year of macroeconomic uncertainties as enterprise software and IT services demand sustained large-scale cost optimization and automation deals. Global tech spending grew slower in CY2023, at 4.4% y-o-y, primarily due to degrowth in hardware and devices. Spending increase was primarily driven by enterprise software and IT services spend that grew nearly 1.1X of the total tech spending. The demand and supply gap for digital tech talent is expected to increase by 3.5 times by 2026.

## RISK MANAGEMENT

Sagarsoft (India) Limited has identified a suitable approach and framework for risk management which meets its business, legal and regulatory requirements. The management has decided to adopt the same framework for entire organization. It has a Security Management Group with representatives from all functional team and a representative of the senior management team leads the group. 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. 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.

## MATERIAL DEVELOPMENTS IN HUMAN RESOURCE / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED.

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

Your Company is organizing training programmes wherever required for the employees concerned to improve their skill. There are total 200 employees in the company as on 31.03.2024. 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. Your Company has complied with the provisions relating to the constitution of Internal Complaints Committee (ICC). ICC is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy.

## 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

As the term of office of Shri M. Jagadeesh as Managing Director and Shri K.Pradeep Kumar Reddy as Executive Director of the company is expiring on 01<sup>st</sup> August, 2024, the resolutions for seeking the approval of the members for their re-appointment, for a further period of 3 years with effective from 01<sup>st</sup> August, 2024, have been incorporated in the notice of the Annual General Meeting of the Company.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Shri Kondrella Roopesh and Shri K.Satish Chander Reddy will be retiring by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Necessary resolutions seeking the approval of the members for the said re-appointment have been incorporated in the notice of the Annual General Meeting of the Company.

On the recommendations of its Nomination and Remuneration Committee, the Board, at its meeting held on May 23, 2024, appointed Shri G.Janardhan Reddy as an Additional Director (Category - Independent) w.e.f. May 23, 2024, for a period of 5 years. Necessary resolution seeking the approval of the members for the said appointment have been incorporated in the notice of the Annual General Meeting of the Company.

During the financial year Shri J.Raja Reddy, Company secretary and Compliance officer of the company has demitted his office as Company secretary and Compliance officer with effect from September 06, 2023. and in his place, the Board of Directors appointed Ms. T Sri Sai Manasa as Company secretary and Compliance office with effect from November 01, 2023.

Except Shri S.Sreekanth Reddy, Promoter of the Company and also a Director in Sagar Cements Limited, whose transactions with the Company have been reported under the related parties disclosure under notes to the accounts and Shri.N.Hari Mohan and Shri K. Satish Chander Reddy, to the extent of shares held by them, details of which have been given elsewhere as annexure to the report, none of the other non-executive 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 Listing Regulations. There has been no change in the circumstances affecting their status as an Independent Director during the year.

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

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

## MEETING OF INDEPENDENT DIRECTORS

The Independent Directors met on February 08, 2024, without the attendance of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

## AUDITORS

M/s. Walker Chandiook & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013), were appointed as the statutory auditors of the Company by the shareholders at their 26<sup>th</sup> Annual General Meeting held on 20<sup>th</sup> June, 2022

to hold office from the conclusion of the said Annual General Meeting till the conclusion of the 31<sup>st</sup> Annual General Meeting to be held in the year 2027, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the said Auditors.

### AUDITORS' REPORT AND SECRETARIAL AUDITORS' REPORT

#### AUDITORS' REPORT

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

#### SECRETARIAL AUDITORS' REPORT

In accordance with Section 204 (1) of the Companies Act, 2013, the report furnished by the Secretarial Auditors, who carried out the secretarial audit of the Company under the said Section is given in the **Annexure-3**, which form part of this report. The Secretarial audit report does not contain any qualifications, reservations or any adverse remarks.

#### SECRETARIAL STANDARDS

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

#### PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

#### ANNUAL RETURN

Annual Return in the prescribed Form MGT-7 is available on the Company's website at [https://www.sagarsoft.in/wp-content/uploads/2024/05/Form\\_MGT\\_7.pdf](https://www.sagarsoft.in/wp-content/uploads/2024/05/Form_MGT_7.pdf)

#### NUMBER OF MEETINGS OF THE BOARD

Four Board meetings were held during the financial year 2023-24 and the gap between two consecutive meetings did not exceed one hundred and twenty days. Details of these meetings of the Board as well as its committees have been given in the Corporate Governance Report, which forms parts of the Annual Report.

#### SUB COMMITTEES OF THE BOARD

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

The composition and other details of these committees have been given in the report on the Corporate Governance which forms part of the Annual Report.

### 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/wp-content/uploads/2024/05/SSIL\\_CSR\\_Policy.pdf](https://www.sagarsoft.in/wp-content/uploads/2024/05/SSIL_CSR_Policy.pdf)

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

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

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

### ANNUAL EVALUATION OF THE PERFORMANCE OF THE BOARD, ITS COMMITTEES AND OF INDIVIDUAL DIRECTORS

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.

### DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof is not applicable.

## MATERIAL CHANGES AND COMMITMENTS

There were no material changes or commitments between the end of the financial year and the date of this report.

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

There are 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, 2014 are given below.

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

Particulars	Ratio to Median Remuneration
<b>Non-Executive Directors*</b>	-
<b>Executive Directors</b>	
Shri. M. Jagadeesh, Managing Director	5.37
Shri. K. Pradeep Kumar Reddy, Executive Director & CFO	5.37

\*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. K. Satish Chander Reddy	
Shri. N. Hari Mohan	
Smt. Neelima Kaushik	
Shri K. Roopesh	
Smt. Keerthi Anantha	
Shri. K. V. Ramananda Rao	
Shri. V. Venkat Ramana	
Shri. M. Jagadeesh, Managing Director	5.92
Shri. K. Pradeep Kumar Reddy, Executive Director & CFO.	5.92
Shri. J. Raja Reddy, Company Secretary	Resigned w.e.f Sep 06 <sup>th</sup> 2023
Ms. T Sri Sai Manasa, Company Secretary	Appointed w.e.f Nov 01 <sup>st</sup> 2023

- c. The percentage increase in the median remuneration of employees in the financial year: 19.85%
- d. The number of permanent employees on the rolls of Company: 200
- e. Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average annual increase was around 10% for personnel other than managerial personnel.

Increase in the managerial remuneration for the year was 5.92%.The managerial remuneration is as per the approval accorded by the Nomination and Remuneration Committee of the Board and Shareholders.

- 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 directors and 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 Regulation 22 of Listing Regulations and the said policy is available on the company's website at <https://www.sagarsoft.in/wp-content/uploads/2022/05/SSIL-Whistle-Blower-Policy.pdf>

#### DEPOSITS FROM PUBLIC

The Company has not accepted any deposits from public during the year.

#### INSURANCE

All the properties of the Company have been adequately insured.

#### INDUSTRIAL RELATIONS

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

#### REPORT ON CORPORATE GOVERNANCE

In accordance with Regulation 34 read with Schedule V(C) of Listing Regulations, the Report on Corporate Governance is given as part of this report.

#### COMPLIANCE CERTIFICATE

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

#### INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

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

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 read with the Rules made there under.

#### 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:

##### (A) 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

##### (B) Technology absorption, Adoption and Innovation : Nil

##### (C) Foreign Exchange Earnings and Outgo :

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

(Rs.in lakhs)

Foreign Exchange Earning and Outgo	2023-24	2022-23
Foreign Exchange inflow	4758.63	4630.25
Foreign Exchange outflow	8.30	3.48

## DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

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

- (i) Financial;
- (ii) Legal and regulatory;
- (iii) Operating and
- (iv) Commercial risks.

## OTHER DISCLOSURES

Your Directors state that no disclosure or reporting is required in respect of the following items, during the period under review:

- a. There was no issue of equity shares with differential voting rights as to dividend, voting or otherwise etc.
- b. There was no issue of shares (including sweat equity shares) to the employees of the Company under any Scheme.
- c. No application has been admitted against the Company under the Insolvency and Bankruptcy Code, 2016.
- d. There was no instance of one time settlement with any bank or financial institution.
- e. Neither the Managing Director nor the Whole-time Director of the Company received any remuneration or commission from any of the subsidiary companies.

## CAUTIONARY STATEMENT

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

## ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation of the valuable co-operation extended to the Company by all the Investors, Clients / Customers, Vendors, Bankers, Regulatory and Government Authorities and Business associates for their continues support and cooperation extended to the Company. Your Board also takes this opportunity to place on record its appreciation of the contributions made by its employees at all levels and last but not least, of the continued confidence reposed by you in the Management.

For and on behalf of the Board

**S.Sreekanth Reddy**

Chairman

(DIN: 00123889)

Place: Hyderabad

Date: May 23, 2024

## Form No. AOC - 1

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

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

#### Part "A": Subsidiaries

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

Sl. No	Particulars	Details	
1.	Name of the subsidiary	IT CATS LLC	Sapplica INC*
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable	Not Applicable
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Dollars Exchange rate 1US \$=83.34 INR	Dollars Exchange rate 1US \$=83.34 INR
4.	Share Capital	50.56	21.92
5.	Reserves & surplus	2070.60	(14.55)
6.	Total assets	6129.98	3.81
7.	Total Liabilities	6129.98	3.81
8.	Investments	21.67	-
9.	Turnover	12854.34	-
10.	Profit before taxation	767.30	(14.55)
11.	Provision for taxation	203.63	0
12.	Profit after taxation	563.67	(14.55)
13.	Proposed Dividend	-	-
14.	% of shareholding	100	60**

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

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

\* Step down subsidiary of the company.

\*\* Percentage of share holding by ITCATS LLC.

## **Part “B”: Associates and Joint Ventures**

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

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

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

For and on behalf of the Board

**Sagarsoft (India) Limited**

Place: Hyderabad  
Date: May 23, 2024

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

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

**T. Sri Sai Manasa**  
Company Secretary  
(M.No.A61433)



## 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 2023-24.

**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 2023-24.

**On behalf of the Board of Directors**

Place: Hyderabad  
Date: May 23, 2024

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

## Form No. MR – 3

### Secretarial Audit Report For the Financial Year ended March 31, 2024

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

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

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

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company, during the audit period covering the financial year ended on March 31, 2024, complied with the statutory provisions listed hereunder and also the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) 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.
- (v) 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 and Sweat Equity) Regulations, 2021; (Not applicable to the Company during the audit period)
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable to the Company during the audit period)
- (f) The 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) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during the audit period) and
- (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations 2018; (Not applicable to the Company during the audit period)

- (vi) 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) The 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 except to the extent as mentioned below:

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 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 is not within the scope of our audit.

We further report that the Board of Directors of the Company has been duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

As per the minutes of the meetings duly recorded and signed by the Chairman, all the decisions of the Board were without any dissent.

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

We further report that during the audit period there was no events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

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

**S. Srikanth**  
**Partner**

**ACS No.: 22119 || C.P. No.: 7999**  
**UDIN: A022119F000336906**  
**Peer Review No: 726/2020**

Date: May 10, 2024  
Place: Hyderabad

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

## Annexure – A

To,

The Members,  
**M/s. Sagarsoft (India) Limited,**  
Plot No.111, Road No.10,  
Jubilee Hills,  
Hyderabad - 500033.

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

1. Maintenance of Secretarial record 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 verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, that we followed 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 management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is not an assurance as to the future viability of the Company or 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: A022119F000336906**  
**Peer Review No: 726/2020**

Date: May 10, 2024  
Place: Hyderabad

# Annual Secretarial Compliance Report of Sagarsoft (India) Limited for the year ended March 31, 2024

To,

**Sagarsoft (India) Limited,**

Plot No.111, Road No.10  
Jubilee Hills, Hyderabad  
Telangana - 500033.

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

- (a) all the documents and records made available to us and explanation provided by Sagarsoft (India) Limited ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certificate,

for the year ended March 31, 2024 ("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 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 during the Review Period;
  - (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - Not applicable during the Review Period;
  - (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - Not applicable during the Review Period;
  - (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- and circulars/ guidelines issued thereunder;

i. We hereby report that, during the review period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations / Remarks by PCS
1.	<b>Secretarial Standards:</b> The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013, and mandatorily applicable.	Yes	Nil
2.	<b>Adoption and timely updation of the Policies:</b> <ul style="list-style-type: none"> <li>All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities</li> <li>All the policies are in conformity with SEBI Regulations and have been reviewed &amp; updated on time, as per the regulations/circulars/guidelines issued by SEBI</li> </ul>	Yes	Nil
3.	<b>Maintenance and disclosures on Website:</b> <ul style="list-style-type: none"> <li>The Listed entity is maintaining a functional website</li> <li>Timely dissemination of the documents/ information under a separate section on the website</li> <li>Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website</li> </ul>	Yes	Nil
4.	<b>Disqualification of Director:</b> None of the Director(s) of the Company is / are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.	Yes	Nil
5.	<b>Details related to Subsidiaries of listed entities have been examined w.r.t:</b> (a) Identification of material subsidiary companies (b) Disclosure requirement of material as well as other subsidiaries	Yes	Nil
6.	<b>Preservation of Documents:</b> The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015	Yes	Nil
7.	<b>Performance Evaluation:</b> The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/ during the financial year as prescribed in SEBI Regulations.	Yes	Nil
8.	<b>Related Party Transactions:</b> (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions; or (b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee, in case no prior approval has been obtained.	Yes	Nil
9.	<b>Disclosure of events or information:</b> The listed entity has provided all the required disclosure(s) under Regulation 30 alongwith Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	Nil
10.	<b>Prohibition of Insider Trading:</b> The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	Nil
11.	<b>Actions taken by SEBI or Stock Exchange(s), if any:</b> No action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder except as provided under separate paragraph herein.	Yes	Nil
12.	<b>Additional Non-compliances, if any:</b> No additional non-compliance observed for any SEBI regulation/circular/ guidance note etc.	Yes	Nil

II. Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations / Remarks by PCS
1.	<u>Compliances with the following conditions while appointing/re-appointing an auditor</u>		
	a. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or	NA	Not Applicable during the period under review
	b. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or	NA	
	c. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.	NA	
2.	Other conditions relating to resignation of statutory auditor		
	i. Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee:	NA	Not Applicable during the period under review
	a. In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information / non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.	NA	Not Applicable during the period under review
	b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information/ explanation sought and not provided by the management, as applicable.	NA	
	c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.	NA	
	ii. Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.	NA	Not Applicable during the period under review
3.	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure-A in SEBI Circular CIR/ CFD/CMD1/114/2019 dated 18 <sup>th</sup> October, 2019.	NA	Not Applicable during the period under review

\*No resignation of Statutory Auditor during the Review Period.

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

S. No.	Compliance Requirement (Regulations / circulars / guidelines including specific clause)	Regulation / Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
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Not Applicable

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

S. No.	Compliance Requirement (Regulations / circulars / guidelines including specific clause)	Regulation / Circular No.	Deviations	Action taken by	Type of Action	Details of Violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
1	The listed entity shall submit quarterly financial results to the stock exchange within forty-five days of end of each quarter.	Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	The Company has submitted standalone & consolidated financial results for the quarter ended 30.06.2022, on 21.09.2022 - Delay of 37 days.	BSE Limited	Levied penalty	The Company has submitted standalone & consolidated financial results for the quarter ended 30.06.2022, on 21.09.2022 - Delay of 37 days.	Rs.1,80,000/-	No further comments, as the Company has paid the levied penalty to BSE Limited.	The Company has taken note of the same and assured to strict compliance in future.	-
2	The audit committee of listed entity shall meet at least 4 times in a year and not more than 120 days shall elapse between two meetings	Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	The gap between two audit committee meetings was more than 120 days - Delay of 7 days	-	-	The gap between two audit committee meetings (i.e.16.05.2022 & 21.09.2022) was more than 120 days - Delay of 7 days	-	The Company convened its audit committee meeting after 120 days from its earlier meeting and informed that lapse was due to unexpected delay in obtaining data from its foreign subsidiary to consider the finalized consolidated financials.	The Company has taken note of the same and assured to strict compliance in future.	-

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

**S. Srikanth**  
Partner

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

UDIN: A022119F000337104

Peer Review No: 726/2020

Date: May 10, 2024

Place: Hyderabad



## 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/wp-content/uploads/2024/05/SSIL\\_CSR\\_Policy.pdf](https://www.sagarsoft.in/wp-content/uploads/2024/05/SSIL_CSR_Policy.pdf)

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

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

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

- ii. It believes that growth and environment should go in hand and hand.
- iii. It looks formal collaboration with different stakeholders including Governments, NGOs, IGOs, Suppliers, Farmers and Distributors to tackle the challenges faced by the society.

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

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

### 2. Composition of CSR Committee:

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

During the year, meeting of the Committee was held on 08.02.2024

### 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:

Composition of CSR Committee:  
<https://www.sagarsoft.in/investors/>

CSR Policy:

[https://www.sagarsoft.in/wp-content/uploads/2024/05/SSIL\\_CSR\\_Policy.pdf](https://www.sagarsoft.in/wp-content/uploads/2024/05/SSIL_CSR_Policy.pdf)

### 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) : Not Applicable

5. (a) Average net profit of the Company as per section 135(5): Rs.5,58,75,650/-
- (b) Two percent of average net profit of the company as per section 135(5) : Rs.11,17,513/-
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - Nil
- (d) Amount required to be set off for the financial year, if any – Rs.36,714.39/-
- (e) Total CSR obligation for the financial year (5b+5c-5d). - Rs.10,80,798.61/-

6. (a) (i) Details of CSR amount spent against ongoing projects for the financial year: Nil

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

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project.		(6) Amount spent for the project (in Rs.)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation - through implementing agency	
				State	District			Name	CSR Registration Number
1	Eradicating hunger, poverty and malnutrition	Eradicating hunger	Yes	Telangana	Hyderabad	2,80,000	Yes	-	-
2	Eradicating hunger, poverty and malnutrition	Eradicating hunger	No	Tamil Nadu	Chennai	1,01,000	Yes	-	-
3	promoting education, employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	promoting education, employment enhancing vocation skills	Yes	Telangana	Hyderabad	4,00,000	Yes	-	-
4	promoting gender equality, empowering women	promoting gender equality, empowering women	Yes	Telangana	Hyderabad	3,00,000	Yes	-	-
<b>TOTAL</b>						<b>10,81,000</b>			

b) Amount spent in Administrative Overheads: Nil

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

d) Total amount spent for the Financial Year (6a+6b+6c): Rs. 10,81,000/-

e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (Rs. In Lakhs)	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
10.81	Nil	Nil	Nil	Nil	Nil

(f) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)		11,17,513
(ii)	(a) Total amount spent for the Financial Year	10,81,000	
	(b) Excess amount spent for the previous financial year	36,715	11,17,715
(iii)	Excess amount spent for the financial year [(ii)-(i)]		202
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any		-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]		202

7. (a) Details of Unspent CSR amount for the preceding three financial years:

S. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under Section 135 (6) (in Rs.)	Balance amount in unspent CSR account under Sub-section (6) of Section 135 (in Rs.)	Amount spent in the reporting Financial Year (Rs.)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any			Amount remaining to be spent in succeeding financial years. (in Rs.)	Deficiency, if any
					Name of the Fund	Amount (in Rs.)	Date of transfer.		
-Nil-									

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

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: NA

9. 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.

For and on behalf of the Board

**Sagarsoft (India) Limited**

Place : Hyderabad,  
Date: May 23, 2024

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

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

# SAGARSOFT (INDIA) LIMITED

## Corporate Governance Report for the year 2023-24

Pursuant to Schedule V read with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI 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 31<sup>st</sup> March, 2024, 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 SEBI 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 31<sup>st</sup> March, 2024, the Company had ten 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 31<sup>st</sup> March, 2024 are given hereunder. Other directorships do not include their directorships if any in private limited companies, foreign companies and companies under Section 8 of the Act. Chairmanships / Memberships of Audit Committee and Stakeholders' Relationship Committee are alone considered for the purpose.

Name of the Director	Category	Number of board meetings during the year 2023-24		Whether attended last AGM held on 05.07.2023	Number of Directorships in other Unlisted Public Companies		Number of Committee positions held in other Unlisted Public Companies	
		Held	Attended		Chairman	Member	Chairman	Member
Shri S. Sreekanth Reddy	Non-Executive Director Chairman (Promoter)	4	4	No	-	4	-	-
Shri M. Jagadeesh	Managing Director	4	4	Yes	-	-	-	-
Shri K. Pradeep Kumar Reddy	Executive Director and CFO	4	4	Yes	-	-	-	-
Shri K. Satish Chander Reddy	Non-Executive Director	4	3	Yes	-	-	-	-
Shri N. Hari Mohan	Independent Director	4	4	Yes	-	1	-	1
Smt. Keerthi Anantha	Independent Director	4	4	Yes	-	-	-	-
Shri K.Roopesh	Non-Executive Director	4	4	Yes	-	-	-	-
Smt. Neelima Kaushik	Independent Director	4	4	Yes	-	-	-	-
Shri K.V.Ramananda Rao	Independent Director	4	4	Yes	-	-	-	-
Shri V. Venkat Ramana	Independent Director	4	4	Yes	-	-	-	-

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

S. No.	Name of the Director	Category of Directorship in the Company	Names of the other Listed Entities where the person is a director and the category of such directorship		Chairmanship / Membership in other Listed Entities	
			Company	Category	Chairmanship	Membership
1	Shri S.Sreekanth Reddy	Executive Director (Promoter)	Sagar Cements Limited	Joint Managing Director	-	-
		Non-Executive Director	Andhra Cements Limited	Non-Executive Director	-	1

- (iv) As on 31<sup>st</sup> March, 2024, none of the Directors on the Board held directorships in more than seven listed companies and independent directorships in more than seven listed companies and none of them was a member of more than ten committees (Including public limited companies) or chairman of more than five committees across all the listed companies in which he/she was a Director. Necessary disclosures regarding Committee positions in other public companies as on 31<sup>st</sup> March, 2024 have been made by the Directors.
- (v) All the Independent Directors are non-executive directors in accordance with Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act. The Independent Directors whose first term has been completed 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.
- (vi) 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:  
24.05.2023, 28.07.2023, 01.11.2023 and 08.02.2024.
- (vii) None of the Directors have any inter-se relationship among themselves
- (viii) During the year under report, all the information as applicable and falling under Part A of the Schedule II of SEBI Listing Regulations, were placed before the Board for its consideration.
- (ix) The terms and conditions of appointment of the Independent Directors are available on the website of the Company.
- (x) During the year, the Independent Directors separately held a meeting on 08.02.2024
- (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 <https://www.sagarsoft.in/wp-content/uploads/2022/05/Familiarization-Programme.pdf>.
- (xiii) In the opinion of the Board, the independent directors fulfill the conditions specified in the SEBI 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 Information Technology for discharging their responsibilities.

**Board Skill Matrix:**

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

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

S.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 and Governance & Compliance
3	Shri K. Pradeep Kumar Reddy	Business & Industry, Financial Expertise and Governance & Compliance
4	Shri K. Satish Chander Reddy	Business & Industry
5	Shri K. V. Ramananda Rao	Financial Expertise, Governance & Compliance
6	Shri N. Hari Mohan	Business & Industry, Governance & Compliance
7	Shri K. Roopesh	Business & Industry, Governance & Compliance
8	Smt. Keerthi Anantha	Business & Industry, Governance & Compliance
9	Smt. Neelima Kaushik	Business & Industry, Governance & Compliance
10	Shri. V. Venkat Ramana	Business & Industry, Governance & Compliance and Financial Expertise

(xv) Details of equity shares of the Company held by the Non-Executive Directors as on 31<sup>st</sup> March, 2024 are given below:

Name	Category	Number of equity shares
Shri S. Sreekanth Reddy	Non-Executive Director, Promoter	11,67,950
Shri N. Hari Mohan	Independent Director	52,110
Shri K. Satish Chander Reddy	Non-Executive Director	6,32,238

None of the Directors hold any convertible instruments.

(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: Not Applicable

### Compliance officer

Shri J. Raja Reddy, Company Secretary and Compliance Officer has demitted his office as Company Secretary and Compliance Officer w.e.f. September 06<sup>th</sup>, 2023 and his place the Board of Directors appointed Ms. T Sri Sai Manasa as Company Secretary and Compliance Officer w.e.f. November 01, 2023.

### 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;
- effectiveness of audit process;

- 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, with the management, the quarterly financial statements before submission to the board for approval
- 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 and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
- To review the functioning of the whistle blower mechanism
- Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- Reviewing the utilization of loans and/ or advances from/investment by the company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing.
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the company and its shareholders.
- 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.** Ms. T Sri Sai Manasa, 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 of the Company was held on July 05, 2023 and the Chairman of the audit committee was present at the said meeting.
- vi.** The composition of the Audit Committee as on 31<sup>st</sup> March, 2024 and the details of attendance at its meetings held during the year 2023-24 are given below:

Name of the Member	Category of Directors	Number of meetings held during the financial year 2023-24	
		Entitled to attend	Attended
Shri K.V. Ramananda Rao, Chairman	Independent Director	4	4
Shri M. Jagadeesh, Member	Managing Director	4	4
Shri V. Venkat Ramana, Member	Independent Director	4	4

vii. The Audit committee met 4 times during the year 2023-24 and the dates of such meeting are:

24.05.2023, 28.07.2023, 01.11.2023 and 08.02.2024.

#### 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 <https://www.sagarsoft.in/wp-content/uploads/2022/05/Nomination-and-Remuneration-Policy.pdf> 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 website, <https://www.sagarsoft.in/wp-content/uploads/2022/05/Nomination-and-Remuneration-Policy.pdf>.

- The details of the composition of the Nomination and Remuneration Committee as on 31<sup>st</sup> March, 2024, the attendance at its meetings during the year 2023-24, are given below:

Name of the Member	Category of Directors	Number of meetings held during the financial year 2023-24	
		Entitled to attend	Attended
Shri N. Hari Mohan, Chairman	Independent Director	1	1
Shri V. Venkat Ramana, Member	Independent Director	1	1
Smt. Keerthi Anantha, Member	Independent Director	1	1

The NRC met once during the year 2023-24, and the date of such meeting is: 24.05.2023.

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

The company has adopted a Policy for evaluating the performance of its Independent Directors, and the same is available on the company's website as part of its Nomination and Remuneration Policy.

#### 5. Remuneration of Directors

##### Remuneration to Non-Executive Directors:

Non-Executive Directors are not paid any remuneration other than the sitting fee of Rs.25,000/-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 2023-24 are given below:



S.No.	Name of the Director	Sitting Fee (In Rupees)
1	Shri S. Sreekanth Reddy, Chairman	1,00,000
2	Shri K. Satish Chander Reddy	75,000
3	Shri K.V. Ramananda Rao	3,25,000
4	Shri N. Hari Mohan	2,00,000
5	Shri K. Roopesh	2,00,000
6	Smt. Keerthi Anantha	2,00,000
7	Smt. Neelima Kaushik	3,00,000
8	Shri V. Venkat Ramana	2,50,000
	<b>Total</b>	<b>16,50,000</b>

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

The criteria for making payments to the Non-Executive Directors is available on the company's web site and can be accessible at the weblink <https://www.sagarsoft.in/wp-content/uploads/2024/05/Criteria-for-making-payment-to-Non-Executive-Directors.pdf>

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

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

The Managing Director and Whole-Time Director were paid the following remuneration for the year 2023-24.

Description	Shri M. Jagadeesh (Managing Director)	Shri K. Pradeep Kumar Reddy (Executive Director & CFO)
Salary	72,00,000	72,00,000
Commission	9,44,195	9,44,195
<b>Total</b>	<b>81,44,195</b>	<b>81,44,195</b>

Services of the Managing Director and Whole-Time Director 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. This composition of the committee and the 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 2023-24	
		Entitled to attend	Attended
Shri N.Hari Mohan, Chairman	Independent Director	1	1
Smt. Neelima Kaushik, Member	Independent Director	1	1
Smt. Keerthi Anantha, Member	Independent Director	1	1

Ms. T Sri Sai Manasa, Company Secretary, is the compliance officer for the above purpose. Based on the information obtained from the Company's Registrars, the Company had received the following complaints from the investors during the year 2023-24.

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	16	16	0
3	Non-receipt of Annual Report	0	0	0	0
4	Non-receipt of Securities	0	0	0	
5	Non-receipt of duplicate / transmission / deletion of share certificates	0	0	0	0
6	SEBI/BSE/NSE/CSE complaints	0	0	0	0
	<b>Total</b>	<b>0</b>	<b>16</b>	<b>16</b>	<b>0</b>

During the year, one meeting of the Stakeholders' Relationship Committee was held on 08.02.2024.

- iv. Name, designation and address of Compliance Officer:

**Ms. T Sri Sai Manasa**

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

## **Corporate Social Responsibility Committee**

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

The company is committed to operate and grow its business in a socially responsible way, by, inter-alia, reducing the environmental impact of its operations and increasing its positive social impact. It aims to achieve growth in a responsible way by encouraging people to take small every day actions that will make a big difference. This CSR Policy of the company is guided by the following principles:

1. To conduct its operations with integrity and responsibility keeping in view the interest of all its stakeholders.
2. Growth and environment should go hand in hand.
3. Availing of opportunities for collaborating with different stakeholders including Governments, NGOs, Suppliers and Distributors to tackle the challenges faced by the society.

During the year, one meeting of the Committee was held on 08.02.2024.

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

Name of the Member	Category of the Directors	Number of meetings held during the financial year 2023-24	
		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

## Senior Management:

Particulars of senior management including the changes therein since the close of the previous financial year:

### (a) The details of Senior Management as on March 31, 2024 pursuant to SEBI Listing Regulations:

S.No.	Name	Designation
1	K. Pradeep Kumar Reddy	Chief Financial Officer
2	T Sri Sai Manasa	Company Secretary
3	Saravanan Kumar	Senior Vice President - Technology
4	Thota Sai Raghu	Vice President - Global Operations Rail Road
5	Surendra Mylavarapu	Vice President - Sales

### (b) Changes in Senior Management since the close of the previous financial year:

During the financial year, Shri J.Raja Reddy, Company Secretary and Compliance Officer demitted his office with effect from September 06, 2023 and in his place, the Board of Directors appointed Ms. T Sri Sai Manasa as Company Secretary and Compliance Officer with effect from November 01, 2023.

## 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
27 <sup>th</sup> AGM	05 <sup>th</sup> July, 2023	4.00 p.m.	Video Conference ("VC") / Other Audio Visual Means ("OAVM")
26 <sup>th</sup> AGM	20 <sup>th</sup> June, 2022	4.30 p.m.	
25 <sup>th</sup> AGM	07 <sup>th</sup> July, 2021	4:00 p.m.	

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

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

- Amendment to the Articles of Association consequent to the proposed increase in the Authorised Share Capital.
- 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
- Issue of Equity Shares on Preferential basis.
- Appointment of Smt.Neelima Kaushik as Independent Director of the company.

**At the 26<sup>th</sup> AGM, following special resolutions was passed:**

1. Re-appointment of Shri M. Jagadeesh (DIN: 01590689) as Managing Director of the Company
2. Re-appointment of Shri K. Pradeep Kumar Reddy (DIN: 02598624) as Whole-time Director of the Company
3. Appointment of Mrs. Keerthi Anantha (DIN: 09379678) as an Independent Director of the company
4. Appointment of Shri. K.V. Ramananda Rao (DIN: 09170522) as an Independent Director of the Company
5. Appointment of Shri. V. Venkat Ramana (DIN:09587429) as an Independent Director of the Company

**At the 27<sup>th</sup> AGM, no special resolution was passed.**

- ii. **No postal ballot was conducted during the financial year 2023-24.**
- iii. **There is no proposal to pass any special resolution exclusively through postal ballot.**
- iv. **Procedure for Postal Ballot – when conducted**

The postal ballot is conducted in accordance with the provisions contained in Section 110 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014. The

shareholders are provided the facility to vote either by physical ballot or through e-voting. The postal ballot notice is sent to shareholders in electronic form to the email addresses, where available, or in physical form through permitted mode where email addresses are not available. The Company also publishes a notice in the newspapers in accordance with the requirements under the Companies Act, 2013.

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

## 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 2023-24 were published are given below:

Quarter ended	Date of Publication	Name of the newspapers carrying the publication
June 30, 2023	July 29, 2023	Financial Express and Andhra Prabha news papers
September 30, 2023	November 03, 2023	
December 31, 2023	February 10, 2024	
March 31, 2024	May 12, 2024	

### Website where displayed:

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

### 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 2023-24. Copies of the press-release, as and when issued by the Company, mostly after submission of financial results to the Stock Exchanges, are simultaneously made available to the Stock Exchanges and the transcriptions of conference call held with the analysts / investors following the declaration of financial results are also put up on the company's website.

### Management Discussion and Analysis Report

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

### Subsidiary companies

The Company has one wholly owned subsidiary viz., IT CATS LLC, USA and one stepdown subsidiary i.e., Sapplica Inc. The audit committee reviews the consolidated financial statements of the Company containing the financials of the said subsidiaries.

## 9. General Shareholder information:

### a. Annual General Meeting:

Date & Time	24 <sup>th</sup> June, 2024 & 03:30 p.m
Venue	Through Video Conferencing / other Audio Visual Means as set out in the Notice convening the Annual General Meeting

### 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 2023	159.55	135.00	139.15
May 2023	163.00	131.05	144.30
June 2023	156.95	140.00	143.50
July 2023	151.95	122.80	139.60
August 2023	156.90	136.00	140.60
September 2023	153.80	133.45	139.75
October 2023	154.00	126.60	142.50

b. **Financial Year:** April 01, 2023 to March 31, 2024

### c. Book Closure Dates:

From 16<sup>th</sup> June, 2024 to 24<sup>th</sup> June, 2024 (both days inclusive)

### d. Dividend payment date:

The Board has recommended a dividend @20% i.e., Rs. 2.00 per equity share, subject to its declaration by the members at the Annual General Meeting and the same will be paid to the eligible shareholders within 30 days of the said declaration.

### e. Listing on Stock Exchanges:

The paid up share capital of the company as on 31<sup>st</sup> March, 2024 was Rs.6,39,22,380/- consisting of 63,92,238 equity shares of Rs.10/- each. All these shares have been listed on the BSE Ltd. Mumbai. There are no dues against listing fee payable to the stock exchange.

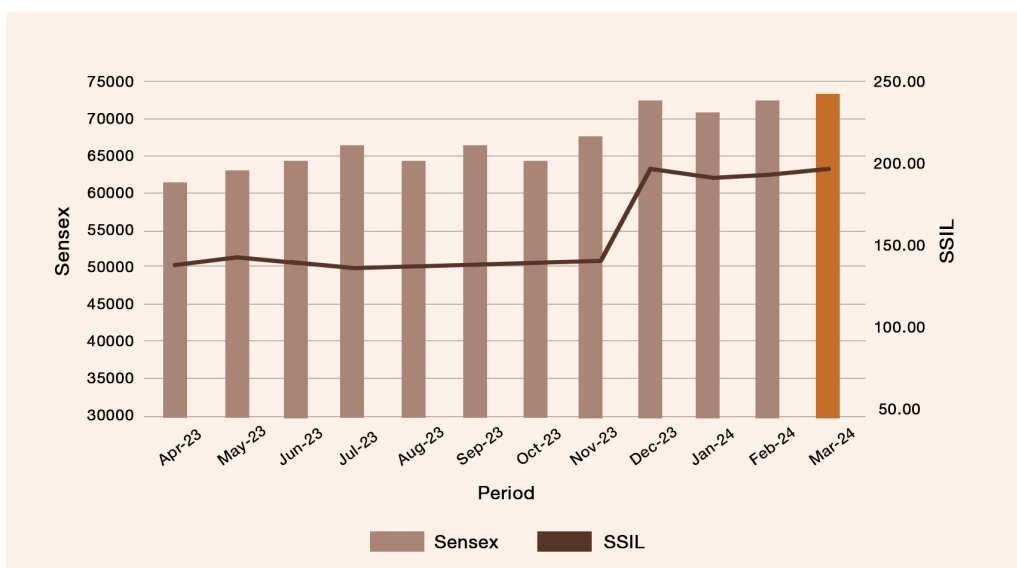
### f. Stock and ISIN Codes for the Company's shares:

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

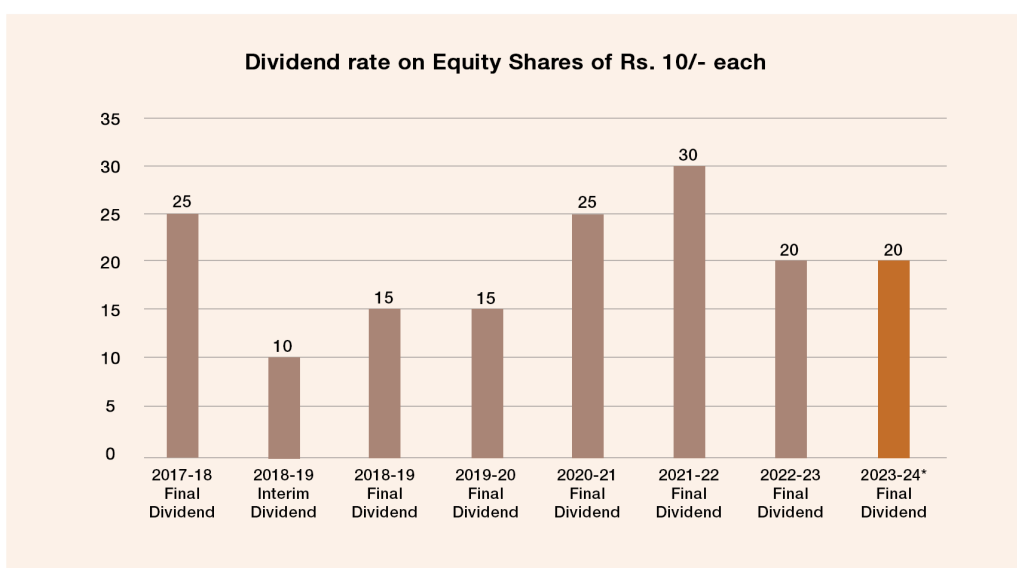
(All amounts in ₹ lakhs, except share data and where otherwise stated)

Month	BSE		
	High	Low	Close
November 2023	153.95	130.00	141.85
December 2023	254.70	138.00	198.45
January 2024	210.00	180.05	191.00
February 2024	214.70	184.00	195.90
March 2024	210.00	184.95	198.10

The Company Share Price movements during the year 2023-24 as compared with SENSEX, are depicted below:



#### (h) Dividend History



\* The Board has recommended a dividend at Rs.2.00 per equity share (20 %) for the year 2023-24, subject to the approval of the shareholders at the ensuing AGM.

**i. Disclosure with respect to unclaimed shares:**

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

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

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

There were no amounts which are required to be transferred to the Investors Education and Protection Fund by the Company. Details of the unclaimed dividends for the subsequent periods are available on the company's website, <https://www.sagarsoft.in/>.

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

**KFin Technologies Limited**

Selenium Building, Tower B, Plot 31-32,  
Financial District, Nanakramguda,  
Serilingampally Mandal,  
Hyderabad - 500 032.  
Phone:040-67161500  
e-mail: einward.ris@kfintech.com  
Toll Free No: 1800-3094-001  
Website: www.kfintech.com

**l. None of the securities of the Company were suspended from trading.**

**m. Share Transfer System:**

Around 96.73 % of the shares of the Company are held in electronic form. Transfer of these shares is affected through the depositories with no involvement of the Company.

The shareholders may kindly note that in accordance with SEBI Notification dt.08.06.2018, with effect from 01.04.2019, except in case of transmission or transposition of securities, fresh requests for effecting the transfer of securities (shares) are not processed by the Company/Registrar (RTA), if the shares concerned are held in physical form.

As regards to 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.

n. **Shareholdings particulars as on 31<sup>st</sup> March, 2024**

(i) **Distribution of shareholdings:**

Shareholding range	No. of Holders	% To Holders	No. of Shares	% To Equity
1 - 50	1429	40.67	22972	0.36
51 - 100	743	21.14	69507	1.09
101 - 200	365	10.39	64443	1.01
201 - 500	133	3.78	35980	0.56
501 - 1000	323	9.19	144057	2.25
1001 - 2000	264	7.51	202312	3.16
2001 - 5000	187	5.32	426396	6.67
5001 - 10000	30	0.85	203205	3.18
10001 - 20000	12	0.34	167275	2.62
20001 - 50000	6	0.17	215120	3.37
50001 - 100000	9	0.26	658577	10.30
100001 and above	13	0.37	4182394	65.43
<b>TOTAL</b>	<b>3514</b>	<b>100.00</b>	<b>6392238</b>	<b>100.00</b>

(ii) **Shareholding pattern:**

Description	No. of holders / Folios	Shares	% to Total Share Capital	in Demat Form	
				No. of Shares held in Demat Form	% to total shares held
Promoter Group	14	3282630	51.35	3282630	51.35
Domestic Companies/Body Corporates	45	266290	4.17	260290	4.07
Public - Individuals	3354	1618765	25.32	1481820	23.18
Non Resident Indians	58	86252	1.35	86252	1.35
Indian Financial Institutions/Banks	2	413136	6.46	413136	6.46
HUF	33	20152	0.32	20152	0.32
Directors and their relatives	8	705013	11.03	638903	9.99
<b>Total</b>	<b>3514</b>	<b>6392238</b>	<b>100.00</b>	<b>6183183</b>	<b>96.73</b>

o. **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 96.73% of the share capital were kept in dematerialized form as on 31<sup>st</sup> March, 2024 as detailed below:

In physical form		In Demat Form				Total	
		With NSDL		With CDSL			
Shares	%	Shares	%	Shares	%	Shares	%
2,09,055	3.27	30,46,408	47.66	31,36,775	49.07	63,92,238	100.00



**p. 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.

**q. Branch Location:**

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

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

Company Secretary  
**Sagarsoft (India) Limited**  
Registered Office: Plot No.111, Road No.10,  
Jubilee Hills, Hyderabad – 500 033.  
Phone: +91-40-67191000  
Fax: +91-40-23114607  
Email : investors@sagarsoft.in

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

## 10. Other disclosures

**i. Related Party Transactions:**

Full disclosures of related party transactions entered into during the year 2023-24 as per the Ind As 24 issued by the ICAI have been given under Note 33 of the Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2024. These transactions were entered into by the company in its ordinary course of business and at arm's length basis. There were no materially significant transactions with Directors, their relatives or the Senior Management or other related entities that may have potential conflict with the interests of the Company at large. The Register of Contracts containing transactions, in which Directors are deemed to be interested, is placed before each meeting of the Board. All related party transactions had prior approval of the Audit Committee, which later reviewed and ratified these transactions.

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

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

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

The Company has adopted a 'Vigil Mechanism' and 'Whistle Blower Policy'. The said policy has been put up on the website of the Company. No

personnel has been /will be denied access to the audit committee.

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

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

The Corporate Governance Report of the Company for the year 2023-24 is in compliance with all applicable requirements of SEBI Listing Regulations.

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

- (a) The Company had implemented all the mandatory requirements applicable to it under SEBI Listing Regulations. The Company has also adopted the discretionary requirements as specified in Part E of Schedule II of the 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.
- (d) The Company appointed separate persons to the post of Chairman and the Managing Director.  
  
The Chairman is a Non-Executive Director and not related to the Managing Director as per the definition of the term "relative" defined under the Companies Act, 2013.
- (e) The quarterly and half yearly financial results were displayed on the website <https://www.sagarsoft.in/investors/> and published the same in widely circulated newspapers.

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

**vi. Commodity Price risks and hedging activities:**

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

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

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

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

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

**ix.** During the year 2023-24, the Board of Directors accepted all recommendations of the Committees of the Board of Directors, which are mandatorily required to be made.

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

A total fee of Rs.26.65 lakhs was paid to the Statutory Auditors towards all services rendered by them to the company for the year 2023-24

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

During the year 2023-24, 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. Disclosure of any Loans and advances given by the Company to firms/companies in which any of the directors of the Company are interested**–Not applicable.

**xiii.** Details of material subsidiary as on 31<sup>st</sup> March, 2024:

Name	IT CATS LLC
Date & place of incorporation	10.04.2004 State of Rhode Island and Providence Plantations
Registered office	388 Washington Rd, Suite A Sayreville NJ 08872
Statutory Auditors	Not Applicable

**xiv. 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.

**xv.** 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 <https://www.sagarsoft.in/wp-content/uploads/2024/01/SSIL-Policy-on-Determination-of-Materiality-of-Events-01.11.2023.pdf>.

**xvi. Code of Conduct**

The members of the board and senior management personnel have affirmed their compliance during the year ended 31<sup>st</sup> March, 2024 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 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.

**13.** The compliance certificate from the practising company secretary regarding compliance of conditions of corporate governance has been annexed to the Directors Report.

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

Pursuant to Regulation 39 of the Listing Regulations, reminder letters have been sent to shareholders whose shares remain unclaimed from the Company.

Based on their response, such shares have been transferred to “unclaimed suspense account” as per the provisions of Schedule VI of the Listing Regulations. The disclosure as required under Schedule V of the Listing Regulations is given below:

Disclosure with respect to unclaimed shares:

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

**Disclosure of certain types of agreements binding the Company** - Not applicable

# **CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members,  
**SAGARSOFT (INDIA) LIMITED,**  
Plot No.111, Road No.10, Jubilee Hills,  
Hyderabad, Telangana – 500033.

1. We have examined the compliance of the conditions of Corporate Governance by SAGARSOFT (INDIA) LIMITED (the 'Company') for the financial year ended on March 31, 2024, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub- regulation (2) of Regulation 46 and Paras C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations').

## **Management's responsibility**

2. The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. 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 the SEBI Listing Regulations.

## **Our responsibility**

3. Pursuant to the requirements of the SEBI Listing Regulations, our responsibility is limited to examining the procedures and implementations thereof, adopted by the Company and express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of Corporate Governance as stated in paragraph 1 above.

## **Opinion**

4. 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, clauses (b) to (i) and (t) of sub- regulation (2) of Regulation 46 and Paras C, D and E of Schedule V of the SEBI Listing Regulations, as applicable for the financial year ended on March 31, 2024.

## **Other matters and restriction on use**

5. This report 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
6. This report is addressed to and provided to the members of the Company solely for the purpose of enabling to comply with its obligations under the SEBI Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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

**S. Srikanth**  
**Partner**

**ACS No.: 22119 | C.P. No.: 7999**  
**UDIN: A022119F000337027**  
**Peer Review No: 726/2020**

Date: May 10, 2024  
Place: Hyderabad

## Certificate of Non-Disqualification of Directors

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

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authorities.

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	Satish Chander Reddy Kalva	02412539	26/06/2001
05	Pradeep Kumar Reddy Katikireddy	02598624	06/11/2015
06	Neelima Kaushik	06508030	12/11/2015
07	Kondrella Roopesh	06967708	10/11/2021
08	Ramananda Rao Venkata Kuchimanchi	09170522	02/05/2022
09	Keerthi Anantha	09379678	10/11/2021
10	Venkat Ramana Venepally	09587429	02/05/2022

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

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

**S.Srikanth**  
**Partner**

**ACS No.: 22119**

**C.P. No.: 7999**

**UDIN: A022119F000336941**

**Peer Review No: 726/2020**

Date: May 10, 2024

Place: Hyderabad

**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 March 31, 2024, 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 March 31, 2024.

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

Place: Hyderabad  
Date: May 23, 2024

# Independent Auditor's Report

## To the Members of Sagarsoft (India) Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

1. We have audited the accompanying standalone financial statements of Sagarsoft (India) Limited ('the Company'), which comprise the Standalone Balance Sheet as at 31 March 2024, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flow and the Standalone Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.
2. 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 ('Ind AS') specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.
5. We have determined the matter described below to be the key audit matter to be communicated in our report.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matter

4. 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 financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue from contract with customers</b></p> <ul style="list-style-type: none"> <li>• The Company derives revenue primarily from staffing and information technology related services. Revenue is recognised as the related services are performed in accordance with contractual terms. The Company's invoicing cycle is on contractual predetermined dates and recognised as receivables based on customer acceptances for delivery of work / attendance of resources.</li> <li>• There is a risk of revenue being overstated, resulting from pressure the management may feel to achieve the performance targets at the reporting end.</li> </ul>	<p><b>Our audit procedures relating to revenue recognition included, but were not limited to the following procedures:</b></p> <ul style="list-style-type: none"> <li>• Assessed the appropriateness of the revenue recognition accounting policies adopted by the company in accordance with Ind AS 115 – Revenue from contracts with customers ('Ind AS 115').</li> <li>• Evaluated the design, implementation and tested the operating effectiveness of key controls over revenue recognition.</li> <li>• Performed substantive testing by selecting samples of revenue transactions recorded during the year by verifying the underlying documents, which included service agreements, and approved time sheets.</li> </ul>

Key audit matter	How our audit addressed the key audit matter
<ul style="list-style-type: none"> <li>Due to materiality of the amounts involved and above said considerations, revenue recognized from staffing and information technology related services is determined to be a key audit matter for the current year audit.</li> <li>Refer Note 2.2(c) to the Standalone Financial Statements – Summary of the material accounting policies and Note 19 for the revenue recognized during the year.</li> </ul>	<ul style="list-style-type: none"> <li>Tested the completeness of revenue by mapping the cost incurred towards the billable resources to the invoices billed / recognized during the year.</li> <li>Performed other substantive audit procedures including obtaining trade receivables confirmations on a sample basis for balances outstanding as at the year end. Evaluated the appropriateness and adequacy of the disclosures made in the standalone financial statements with respect to revenue from sale of services in accordance with the requirements of applicable accounting standards.</li> </ul>

### Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

#### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under Section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of

adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the financial statements, the Board of Directors 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 the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the 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 Standards on Auditing 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 financial statements.
11. As part of an audit in accordance with Standards on Auditing, specified under Section 143(10) of the



Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control 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 with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of Board of Directors' 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 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; and
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. 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.
13. 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.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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

15. As required by Section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
17. Further to our comments in **Annexure A**, as required by Section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
  - 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, except for the matters stated in paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014;
  - c) The standalone financial statements dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act;
  - e) On the basis of the written representations

received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act;

- f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 17(b) above on reporting under Section 143(3)(b) of the Act and paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2024 and the operating effectiveness of such controls, refer to our separate Report in Annexure B wherein we have expressed an unmodified opinion; and
- 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigation which would impact its financial position as at 31 March 2024;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024;
- iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 30(i) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
- b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 30(ii) to the standalone financial statements, no funds have been received by

the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. As stated in note 26 to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2024 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. The final dividend paid by the Company during the year ended 31 March 2024 in respect of such dividend declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.
- vi. As stated in note 37 to the standalone financial statements and based on our examination which included test checks, the Company, in respect of financial year commencing on 1 April 2023, has used an accounting software (Tally Prime) for maintaining its books of account for which we are unable to comment on the audit trail (edit log) facility for the period 1 April 2023 to 31 May 2023. The Company has migrated to Tally Prime Edit Log, which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the period from 1 June 2023 to 31 March 2024 for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with where such feature was enabled.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Sanjay Kumar Jain**

Partner

Place: Hyderabad

Membership No.: 207660

Date: 10 May, 2024

UDIN: 24207660BKERHF4655

## Annexure A referred to in Paragraph 16 of the Independent Auditor's Report of even date to the members of Sagarsoft (India) Limited on the standalone financial statements for the year ended 31 March 2024

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, and relevant details of right-of-use assets.
- (B) The Company does not have any intangible assets and accordingly, reporting under clause 3(i) (a) (B) of the Order is not applicable to the Company.
- (b) The property, plant and equipment and relevant details of right-of-use assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification programme adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not own any immovable property (including investment properties) (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right-of-Use assets) during the year. Further, the Company does not hold any intangible assets.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The Company does not hold any inventory. Accordingly, reporting under clause 3(ii) (a) of the Order is not applicable to the Company.
- (b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii) (b) of the Order is not applicable to the Company.
- (iii) (a) The Company has provided loans or advances in the nature of loans to Others during the year, as per details given below:

(₹ in lakhs)

Particulars	Amount
Aggregate amount provided during the year: - Others	41.00
Balance outstanding as at balance sheet date in respect of above cases: - Others	1,306.58

- (b) In our opinion, and according to the information and explanations given to us, the terms and conditions of the grant of all loans and advances in the nature of loans are, prima facie, not prejudicial to the interest of the Company. The Company has not made any investment provided any guarantee or given any security during the year.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the principal amount is not due for repayment currently however, the receipts of interest are regular except for the following instances:

Name of the Entity	Amount due (₹ in Lakhs)	Extent of delay	Remarks (if any)
R V Consulting Services Private Limited	95.21	74-76 days	Entire overdue interest has been received before 31 March 2024

- (d) There is no overdue amount in respect of loans or advances in the nature of loans granted to such companies or other parties.
- (e) The Company has granted loan which had fallen due during the year and such loan was renewed during the year. The details of the same has been given below:

(₹ in lakhs)

Name of the party	Total loan amount granted during the year	Aggregate amount of overdues of existing loans renewed or extended	Nature of extension (i.e., renewed/ extended)	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
R V Consulting Services Private Limited	-	1,300	Renewed existing loan of ₹1,300	3,170.73%

- (f) The Company has not granted any loans or advances in the nature of loans, which are repayable on demand or without specifying any terms or period of repayment.

- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act in respect of loans and investments made and guarantees and security provided by it, as applicable. Further, the Company has not entered into any transaction covered under Section 185 of the Act.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- (vii) (a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, and other material statutory dues, as applicable with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and there has been no utilisation during the current year of the term loans obtained by the Company during any previous years.

- Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short term basis during the year. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.
- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiary.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the period covered by our audit.
- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under Section 133 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of Section 138 of the Act.
- (b) We have considered the reports issued by the internal Auditors of the company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a),(b) and (c) of the Order are not applicable to the Company.
- (b) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information in the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material

uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Sanjay Kumar Jain**  
Partner  
Membership No.: 207660  
UDIN: 24207660BKERHF4655

Place: Hyderabad  
Date: 10 May, 2024

## **Annexure B to the Independent Auditor's Report of even date to the members of Sagarsoft (India) Limited on the standalone financial statements for the year ended 31 March 2024**

### **Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the standalone financial statements of Sagarsoft (India) Limited ('the Company') as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

### **Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements 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. 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 the Company's business, including adherence to the 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 Act.

### **Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. 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 with reference to standalone financial statements were established and maintained and if such controls operated effectively in all material respects.

5. 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 with reference to standalone financial statements.

### **Meaning of Internal Financial Controls with Reference to Standalone Financial Statements**

6. A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

### **Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements**

7. Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements 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 **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Sanjay Kumar Jain**

Partner

Place: Hyderabad

Date: 10 May, 2024

Membership No.: 207660

UDIN: 24207660BKERHF4655



## Standalone Balance Sheet as at 31 March 2024

(All amounts in ₹ lakhs, except share data and where otherwise stated)

Particulars	Notes	As at	
		31 March 2024	31 March 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3	160.54	204.68
(b) Right-of-use assets	3	695.86	835.34
(c) Financial assets			
(i) Investments	4	1,618.38	1,618.38
(ii) Other financial assets	5	42.24	38.83
(d) Other non-current assets	10	15.55	19.43
(e) Deferred tax asset (net)	6	138.58	90.85
		<b>2,671.15</b>	<b>2,807.51</b>
<b>Current assets</b>			
(a) Financial assets			
(i) Trade receivables	7	2,057.55	1,410.52
(ii) Cash and cash equivalents	8	611.33	675.17
(iii) Bank balances other than (ii) above	8	52.58	45.67
(iv) Loans	9	1,306.58	1,301.72
(v) Other financial assets	5	24.11	98.41
(b) Current tax assets (net)		0.16	18.03
(c) Other current assets	10	198.18	124.10
		<b>4,250.49</b>	<b>3,673.62</b>
<b>Total assets</b>		<b>6,921.64</b>	<b>6,481.13</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	11	639.22	639.22
(b) Other equity	12	4,709.19	4,537.71
		<b>5,348.41</b>	<b>5,176.93</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	14	693.28	809.72
(b) Provisions		236.59	75.68
		<b>929.87</b>	<b>885.40</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	13	-	63.19
(i) Lease liabilities	14	118.37	98.46
(ii) Trade payables	15		
- total outstanding dues of micro and small enterprises;		-	-
- total outstanding dues of creditors other than micro and small enterprises		293.29	24.11
(iii) Other financial liabilities	16	68.04	49.01
(b) Other current liabilities	17	98.63	129.47
(c) Provisions	18	65.03	54.56
		<b>643.36</b>	<b>418.80</b>
<b>Total equity and liabilities</b>		<b>6,921.64</b>	<b>6,481.13</b>

The accompanying notes referred to above form an integral part of these standalone financial statements.

This is the Standalone Balance sheet referred to in our report of even date.

For **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm's Registration No: 001076N/N500013

For and on behalf of Board of Directors of  
**Sagarsoft (India) Limited**

**Sanjay Kumar Jain**  
Partner  
Membership No.: 207660

**M Jagadeesh**  
Managing Director  
DIN: 01590689

**K Pradeep Kumar Reddy**  
Executive Director & CFO  
DIN: 02598624

**T Sri Sai Manasa**  
Company Secretary  
M.No. A61433

Place: Hyderabad  
Date: 10 May, 2024

Place: Hyderabad  
Date: 10 May, 2024

## Standalone Statement of Profit and Loss for the year ended 31 March 2024

(All amounts in ₹ lakhs, except share data and where otherwise stated)

Particulars	Notes	For the year ended	
		31 March 2024	31 March 2023
<b>Income</b>			
Revenue from operations	19	5,513.78	4,948.75
Other income	20	285.01	235.59
<b>Total income</b>		<b>5,798.79</b>	<b>5,184.34</b>
<b>Expenses</b>			
Employee benefit expenses	21	3,953.52	3,767.06
Outsourcing Costs		740.32	483.89
Finance costs	22	78.30	84.24
Depreciation and amortization expense	3	199.10	220.30
Other expenses	23	340.23	424.35
<b>Total expenses</b>		<b>5,311.47</b>	<b>4,979.84</b>
<b>Profit before tax</b>		<b>487.32</b>	<b>204.50</b>
<b>Tax expense:</b>	24		
Current tax expense		138.91	110.10
Deferred tax benefit		(23.36)	(43.97)
Prior period taxes		-	1.43
<b>Total tax expense</b>		<b>115.55</b>	<b>67.56</b>
<b>Profit for the year</b>		<b>371.77</b>	<b>136.94</b>
<b>Other comprehensive income / (loss) (OCI)</b>			
(i) Items that will not be reclassified subsequently to profit or loss		(96.82)	16.29
(ii) Income tax relating to above		24.37	(4.10)
(iii) Items that will be reclassified subsequently to profit or loss		-	-
<b>Total other comprehensive income / (loss)</b>		<b>(72.45)</b>	<b>12.19</b>
<b>Total comprehensive income for the year</b>		<b>299.32</b>	<b>149.13</b>
<b>Earnings per equity share (EPES) (In absolute ₹ terms)</b>			
Basic and Diluted EPES	25	5.82	2.14

The accompanying notes referred to above form an integral part of these standalone financial statements.

This is the Standalone Statement of Profit and Loss referred to in our report of even date.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No: 001076N/N500013

For and on behalf of Board of Directors of  
**Sagarsoft (India) Limited**

**Sanjay Kumar Jain**  
Partner  
Membership No.: 207660

**M Jagadeesh**  
Managing Director  
DIN: 01590689

**K Pradeep Kumar Reddy**  
Executive Director & CFO  
DIN: 02598624

**T Sri Sai Manasa**  
Company Secretary  
M.No. A61433

Place: Hyderabad  
Date: 10 May, 2024

Place: Hyderabad  
Date: 10 May, 2024

## Standalone Cash Flow Statement for the year ended 31 March 2024

(All amounts in ₹ lakhs, except share data and where otherwise stated)

Particulars	For the year ended	
	31 March 2024	31 March 2023
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>487.32</b>	<b>204.50</b>
<b>Adjustments:</b>		
Depreciation and amortization expense	199.10	220.30
Finance costs	78.30	84.24
(Gain) / loss on sale of Property, plant and equipment ("PPE")	(27.48)	15.57
Provision for doubtful debts and bad debts written off	0.10	41.27
Dividend income	(98.52)	-
Interest income	(151.08)	(142.06)
<b>Operating profits before working capital changes</b>	<b>487.74</b>	<b>423.82</b>
<b>Movements in working capital:</b>		
Changes in trade receivables	(647.13)	(131.48)
Changes in other assets	(78.47)	1.51
Changes in other liabilities	(18.72)	(22.21)
Changes in trade payables	269.18	(19.98)
Changes in provisions	74.56	108.89
<b>Cash generated from operating activities</b>	<b>87.16</b>	<b>360.55</b>
Income-tax paid, net	(121.04)	(174.58)
<b>Net cash generated from / (used in) operating activities (A)</b>	<b>(33.88)</b>	<b>185.97</b>
<b>Cash flow from investing activities</b>		
Purchase of PPE	(18.34)	(130.83)
Proceeds from disposal of PPE (including insurance claim)	110.35	9.02
Dividend income received	98.52	-
Loan extended to related party	-	(500.00)
Interest income received	145.37	196.35
<b>Net cash generated from / (used in) investing activities (B)</b>	<b>335.90</b>	<b>(425.46)</b>
<b>Cash flow from financing activities</b>		
Proceeds from long-term borrowings	-	81.44
Repayment of long-term borrowings	(63.19)	(18.25)
Interest paid	(78.30)	(84.24)
Repayment of lease liabilities	(96.53)	(89.10)
Dividend paid	(127.84)	(191.77)
<b>Net cash used in financing activities (C)</b>	<b>(365.86)</b>	<b>(301.92)</b>
<b>Net change in cash and cash equivalents (A + B + C)</b>	<b>(63.84)</b>	<b>(541.41)</b>
Cash and cash equivalents at the beginning of the year	675.17	1,216.58
<b>Cash and cash equivalents at the end of the year</b>	<b>611.33</b>	<b>675.17</b>
<b>Cash and cash equivalents includes</b>		
Cash on hand	0.03	0.29
Balances with banks in current accounts	51.60	144.08
Deposits with original maturity up to 3 months	559.70	530.80
	<b>611.33</b>	<b>675.17</b>

This is the Standalone Cash Flow Statement referred to in our report of even date.

For **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm's Registration No: 001076N/N500013

For and on behalf of Board of Directors of  
**Sagarsoft (India) Limited**

**Sanjay Kumar Jain**  
Partner  
Membership No.: 207660

**M Jagadeesh**  
Managing Director  
DIN: 01590689

**K Pradeep Kumar Reddy**  
Executive Director & CFO  
DIN: 02598624

**T Sri Sai Manasa**  
Company Secretary  
M.No. A61433

Place: Hyderabad  
Date: 10 May, 2024

Place: Hyderabad  
Date: 10 May, 2024

## Standalone Statement of Changes in Equity for the year ended 31 March 2024

(All amounts in ₹ lakhs, except share data and where otherwise stated)

### A. Equity Share Capital

Particulars	Notes	Number of shares	Amount
<b>As at 1 April 2022</b>		<b>63,92,238</b>	<b>639.22</b>
Changes in equity share capital	11	-	-
<b>As at 31 March 2023</b>		<b>63,92,238</b>	<b>639.22</b>
Changes in equity share capital	11	-	-
<b>As at 31 March 2024</b>		<b>63,92,238</b>	<b>639.22</b>

### B. Other Equity (refer note 12)

Particulars	Reserves and Surplus		Other comprehensive income	Total
	Securities premium	Retained earnings		
<b>Balance as at 1 April 2022</b>	<b>2,486.66</b>	<b>2,093.69</b>	-	<b>4,580.35</b>
Profit for the year	-	136.94	-	136.94
Other comprehensive income / (loss), net of taxes	-	12.19	-	12.19
Payment of dividend (₹3 per equity share)	-	(191.77)	-	(191.77)
<b>Balance as at 31 March 2023</b>	<b>2,486.66</b>	<b>2,051.05</b>	-	<b>4,537.71</b>
Profit for the year	-	371.77	-	371.77
Other comprehensive income / (loss), net of taxes	-	(72.45)	-	(72.45)
Payment of dividend (₹2 per equity share)	-	(127.84)	-	(127.84)
<b>Balance as at 31 March 2024</b>	<b>2,486.66</b>	<b>2,222.53</b>	-	<b>4,709.19</b>

The accompanying notes referred to above form an integral part of these standalone financial statements.

This is the Standalone Statement of Changes in Equity referred to in our report of even date.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No: 001076N/N500013

**Sanjay Kumar Jain**  
Partner  
Membership No.: 207660

Place: Hyderabad  
Date: 10 May, 2024

For and on behalf of Board of Directors of  
**Sagarsoft (India) Limited**

**M Jagadeesh**  
Managing Director  
DIN: 01590689

**K Pradeep Kumar Reddy**  
Executive Director & CFO  
DIN: 02598624

**T Sri Sai Manasa**  
Company Secretary  
M.No. A61433

Place: Hyderabad  
Date: 10 May, 2024

## Summary of material accounting policies and other explanatory information

### 1. Company overview

Sagarsoft (India) Limited ('the Company') is a public limited company incorporated and domiciled in India and having its registered office at Plot no 111, Road no 10, Jubilee Hills, Hyderabad – 500033, Telangana, India. The shares of the Company are traded on the BSE Limited. The Company is engaged in the business of providing Staffing and IT related services.

### 2. Basis of preparation of standalone financial statements

#### 2.1 Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with accounting principles generally accepted in India, Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and presentation requirement of Division II of Schedule III to the Act, including the amendments to Schedule III notified by the Ministry of Corporate Affairs ("MCA") vide its notification dated 24 March 2021 and guidelines issued by the Securities Exchange Board of India ("SEBI").

These standalone financial statements have been prepared by the Company as a going concern based on relevant Ind-AS that are effective or elected for early adoption at the Company's annual reporting date, 31 March 2024. These standalone financial statements were authorised for issuance by the Company's Board of Directors on 10 May 2024.

These standalone financial statements have been prepared on historical cost convention, except for the following material items:

- (a) Financial assets are measured at either at fair value or at amortised cost depending upon the classification.
- (b) Employee defined benefits assets / (liability) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains, and the present value of the defined benefit obligations.

The standalone financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest lakhs, except when otherwise indicated.

#### 2.2 Summary of material accounting policies

##### a) Current vs non-current classification:

The Company presents assets and liabilities in the standalone balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current

A liability is current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Expected due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

##### b) Foreign currency transactions and balances

The Company's standalone financial statements are presented in Indian Rupees (₹), which is also its functional currency.

Transactions in foreign currency are initially recorded at exchange rates prevailing on the date of transactions. Monetary items denominated in foreign currencies (such as cash, receivables, payables etc.) outstanding at the end of reporting period, are translated at the functional currency spot rate of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the standalone statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is

determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the standalone statement of profit and loss either under the head foreign exchange fluctuation or interest cost, as the case may be, except those relating to long-term foreign currency monetary items.

### c) **Revenue recognition**

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised services to the customers in an amount that reflects the consideration the Company expects to receive in exchange for those services ("transaction price"). When there exists uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

Revenue is measured on the basis of transaction price, after deduction of any discounts and any taxes or duties collected on behalf of the Government such as goods and services tax, etc. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

#### **Sale of services**

The contract with customer for staffing and IT related services, generally contains a single performance obligation and revenue is recognized over time based on satisfaction of performance criteria included in contractual arrangements with customers, measured at transaction price. The Company does not expect to have any contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money. Refer note 19 for details.

The Company's receivables are rights to consideration that are unconditional. Unbilled revenues comprising revenues in excess of invoicing are classified as financial asset when the right to consideration is unconditional and is due only after a passage of time. Unbilled revenues are presented under trade receivables.

#### **Interest income**

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective

interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included under other income in the standalone statement of profit and loss.

#### **Dividend income**

Dividend income is recognized when the Company's right to receive dividend is established.

### d) **Taxes**

#### **Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax is recognised in the standalone statement of profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### **Deferred tax**

Deferred tax is provided using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset

relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax is recognised in the standalone statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the deferred tax is also recognised in other comprehensive income or directly in equity, respectively.

#### e) **Property, plant and equipment**

Property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and any attributable cost of bringing the asset to its working condition and location for the intended use. All other repair and maintenance costs are recognised in the standalone statement of profit and loss as incurred. Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Depreciation is provided on the basis of straight-line method at the useful life and in the manner prescribed in Schedule II of the Companies Act, 2013. Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

#### **The following are the useful lives considered by the management:**

Asset class	Useful life (in years)
Computers	3
Office equipment	5

Furniture and Fixtures	10
Vehicles	8

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the standalone statement of profit and loss when the asset is derecognised.

#### f) **Leases**

##### **The Company as a lessee**

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an 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 the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate

implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the Right-of-use asset and Statement of Profit and Loss depending upon the nature of modification. Where the carrying amount of the Right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in the Statement of Profit and Loss.

#### **g) Impairment of non-financial assets**

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations, are recognised in the standalone statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the assets or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a

change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

#### **h) Provision and contingencies**

##### **Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the standalone statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

##### **Contingencies**

##### **Contingent liabilities are identified and disclosed with respect to following:**

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- a present obligation that arises from past events but is not recognised because:
  - > it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - > the amount of the obligation cannot be measured with sufficient reliability.
- Contingent assets are neither recognized nor disclosed, unless inflow of economic benefits is probable. However, when realization of income is virtually certain, related asset is recognized.



## i) Employee benefits

### Short term benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### Defined contribution plans

The Company's contributions to defined contribution plans are charged to the statement of profit and loss as and when the services are received from the employees.

### Defined benefit plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that have terms to maturity approximating to the terms of the related defined benefit obligation. The current service cost of the defined benefit plan, recognised in the statement of profit and loss in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognised immediately in the statement of profit and loss. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions for defined benefit obligation and plan assets are recognised in OCI in the period in which they arise. The Company recognises gains or losses on the settlement of a defined benefit plan obligation when the settlement occurs.

### Compensated absences

The Company operates a long-term leave encashment plan in India. Accrued liability for leave encashment including sick leave is determined on actuarial valuation basis using Projected Unit Credit (PUC) Method at the end of the year and provided completely in profit and loss account as per Ind AS - 19 "Employee Benefits". The Company presents the entire leave as a current liability in the Standalone Balance Sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

## j) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### Financial assets

#### Initial recognition and measurement

All financial assets are recognised initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at FVTOCI or FVTPL

#### Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the standalone statement of profit and loss. The losses arising from impairment are recognised in the standalone statement of profit and loss.

#### Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to standalone statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

#### **Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the standalone statement of profit and loss.

#### **Equity instruments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Consolidated statement of profit and loss, even on sale of investment. However, the Company transfers the cumulative gain or loss within equity.

#### **Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balances.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables that do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the standalone statement of profit and loss. This amount is reflected under the head 'other expenses' in the standalone statement of profit and loss. The standalone balance sheet presentation for various financial instruments is described below:

- Financial assets measured at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the standalone balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.

## Financial liabilities

### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including derivative financial instruments.

### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

#### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the standalone statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to the standalone statement of profit and loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the standalone statement of profit and loss. The company has not designated any financial liability as at fair value through profit and loss.

### **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the standalone statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the standalone statement of profit and loss.

This category generally applies to borrowings from banks.

### **Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per agreed terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### **De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the standalone statement of profit and loss.

### **k) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### **l) Cash flow statement**

The standalone cash flow statement is prepared in accordance with the Indirect method. Standalone cash flow statement presents the cash flows by operating, financing and investing activities of the Company. Operating cash flows are arrived by adjusting profit or loss before tax for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

#### **m) Cash and cash equivalents**

Cash and cash equivalent in the standalone balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the standalone cash flow statement, cash and cash equivalents consist of cash at banks and on hand and deposits, as defined above, net of outstanding loans repayable on demand from banks as they are considered an integral part of the Company's cash management.

#### **n) Cash dividends to equity holders**

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividend is approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable on distribution is recognised directly in equity.

#### **o) Investments in subsidiary**

The Company has elected to recognize its investments in equity instruments in subsidiary at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'.

### **2.3 Key accounting estimates, judgements and assumptions**

The preparation of the Company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

#### **a. Defined benefit plans and other long-term benefit plan**

The cost and present value of the defined benefit gratuity plan and leave encashment (other long-term benefit plan) are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality

rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation and other long-term benefits are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### **b. Useful lives of depreciable assets**

Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Company.

#### **c. Leases**

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives.

#### **d. Expected credit loss on financial assets**

On application of Ind AS 109, the impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history of collections, customer's credit-worthiness, existing market conditions as well as forward looking estimates at the end of the each reporting period.

### **2.4 Standards and recent pronouncements issued but not yet effective**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

(All amounts in ₹ lakhs, except share data and where otherwise stated)

### 3. Property, plant and equipment & Right-of-use assets

Particulars	Computers	Furniture and fixtures	Office Equipment	Vehicles	Total	Right-of-use assets
<b>Gross Block</b>						
<b>Balance as at 1 April 2022</b>	<b>803.73</b>	<b>467.35</b>	<b>269.25</b>	<b>95.09</b>	<b>1,635.42</b>	<b>529.06</b>
Additions during the year	16.46	-	0.33	114.04	<b>130.83</b>	781.43
Disposals / retirements during the year	(678.67)	(115.55)	(84.42)	(138.39)	<b>(1,017.03)</b>	-
Adjustments	8.34	-	(8.34)	-	-	-
<b>Balance as at 31 March 2023</b>	<b>149.86</b>	<b>351.80</b>	<b>176.82</b>	<b>70.74</b>	<b>749.22</b>	<b>1,310.49</b>
Additions during the year	17.95	-	0.39	-	<b>18.34</b>	-
Disposals / retirements during the year	-	-	(3.68)	(13.60)	<b>(17.28)</b>	-
<b>Balance as at 31 March 2024</b>	<b>167.81</b>	<b>351.80</b>	<b>173.53</b>	<b>57.14</b>	<b>750.28</b>	<b>1,310.49</b>
<b>Accumulated depreciation</b>						
<b>Upto 1 April 2022</b>	<b>745.31</b>	<b>324.13</b>	<b>241.02</b>	<b>63.57</b>	<b>1,374.03</b>	<b>337.79</b>
Charge for the year	40.98	23.97	2.52	15.47	<b>82.94</b>	137.36
Disposals / retirements during the year	(678.67)	(115.55)	(84.42)	(33.79)	<b>(912.43)</b>	-
<b>Upto 31 March 2023</b>	<b>107.62</b>	<b>232.55</b>	<b>159.13</b>	<b>45.25</b>	<b>544.54</b>	<b>475.15</b>
Charge for the year	25.34	23.03	4.32	6.93	<b>59.62</b>	139.48
Disposals / retirements during the year	-	-	(3.49)	(10.93)	<b>(14.42)</b>	-
<b>Upto 31 March 2024</b>	<b>132.96</b>	<b>255.58</b>	<b>159.96</b>	<b>41.25</b>	<b>589.74</b>	<b>614.63</b>
<b>Net book value as at 31 March 2023</b>	<b>42.24</b>	<b>119.25</b>	<b>17.69</b>	<b>25.49</b>	<b>204.68</b>	<b>835.34</b>
<b>Net book value as at 31 March 2024</b>	<b>34.85</b>	<b>96.22</b>	<b>13.57</b>	<b>15.89</b>	<b>160.54</b>	<b>695.86</b>

#### Notes:

- The Company does not own any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee).
- There are no investment property and intangible assets as on 31 March 2024 and 31 March 2023.
- The Company has not revalued its Property, Plant and Equipment (including Right-of Use Assets).

### 4. Non-current investments

Particulars	As at	
	31 March 2024	31 March 2023
<b>Unquoted investments</b>		
<b>Investment in subsidiaries - measured at cost</b>		
<b>Membership Interest</b>		
Investment in subsidiary, ITCATS LLC, USA. Extent of holding - 100% (As at 31 March 2023 - 100%)	1,618.38	1,618.38
Aggregate amount of unquoted non-current investments	1,618.38	1,618.38
Aggregate amount of impairment in value of investments	-	-

(All amounts in ₹ lakhs, except share data and where otherwise stated)

## 5. Other financial assets

Particulars	As at	
	31 March 2024	31 March 2023
<b>Non-current</b>		
<b>Unsecured, considered good</b>		
Security deposits	42.24	38.83
<b>Total</b>	<b>42.24</b>	<b>38.83</b>
<b>Current</b>		
<b>Unsecured, considered good</b>		
Interest receivable	19.57	13.86
Security deposits	4.54	4.54
Insurance claim receivable	-	36.91
Receivable from sale of Property, plant and equipment	-	43.10
<b>Total</b>	<b>24.11</b>	<b>98.41</b>

## 6. Deferred tax assets, net

Particulars	As at	
	31 March 2024	31 March 2023
<b>Deferred tax assets arising on account of:</b>		
Property, plant and equipment	33.64	59.88
Provision for Employee Benefits	75.80	32.78
Right of use assets	29.14	18.33
<b>Total</b>	<b>138.58</b>	<b>110.99</b>
<b>Deferred tax liabilities arising on account of:</b>		
Insurance claim receivable	-	(20.14)
	-	(20.14)
<b>Total</b>	<b>138.58</b>	<b>90.85</b>

## Movement in deferred tax assets, net

Particulars	Property, plant and equipment	Provision for employee benefits	Rights of use assets	Others	Total
<b>As at 1 April 2022</b>	<b>35.76</b>	<b>(7.61)</b>	<b>-</b>	<b>-</b>	<b>28.15</b>
Credited					
- to statement of profit and loss					
- for the year ended 31 March 2023	20.48	31.49	12.14	(20.14)	<b>43.97</b>
- Pertaining to earlier years	3.64	13.00	6.19	-	<b>22.83</b>
to Other comprehensive income / (loss)	-	(4.10)	-	-	<b>(4.10)</b>
<b>As at 31 March 2023</b>	<b>59.88</b>	<b>32.78</b>	<b>18.33</b>	<b>(20.14)</b>	<b>90.85</b>
Credited					
- to statement of profit and loss					
- For the year ended 31 March 2024	(26.24)	18.65	10.81	20.14	<b>23.36</b>
- Pertaining to earlier years	-	-	-	-	<b>-</b>
to Other comprehensive income / (loss)	-	24.37	-	-	<b>24.37</b>
<b>As at 31 March 2024</b>	<b>33.64</b>	<b>75.80</b>	<b>29.14</b>	<b>-</b>	<b>138.58</b>

(All amounts in ₹ lakhs, except share data and where otherwise stated)

## 7. Trade receivables

Particulars	As at	
	31 March 2024	31 March 2023
Unsecured, considered good	2,057.65	1,410.52
Unsecured, significant increase in credit risk	-	-
Unsecured, credit impaired	-	-
	<b>2,057.65</b>	<b>1,410.52</b>
Less: Allowance for expected credit loss	(0.10)	-
<b>Total</b>	<b>2,057.55</b>	<b>1,410.52</b>

### (a) Trade receivables ageing schedule as at 31 March 2024:

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed</b>							
Unsecured, considered good	1,389.57	667.07	1.01	-	-	-	<b>2,057.65</b>
Unsecured, significant increase in credit risk	-	-	-	-	-	-	-
Unsecured, credit impaired	-	-	-	-	-	-	-
							<b>2,057.65</b>
Less : Allowance for expected credit loss							<b>(0.10)</b>
<b>Total</b>							<b>2,057.55</b>

### (b) Trade receivables ageing schedule as at 31 March 2023:

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed</b>							
Unsecured, considered good	410.96	999.56	-	-	-	-	<b>1,410.52</b>
Unsecured, significant increase in credit risk	-	-	-	-	-	-	-
Unsecured, credit impaired	-	-	-	-	-	-	-
							<b>1,410.52</b>
Less : Allowance for expected credit loss							-
<b>Total</b>							<b>1,410.52</b>

There are no disputed receivables outstanding as at 31 March 2024 and 31 March 2023.

**(C) Movement in the allowance for trade receivables for the year ended 31 March 2024 and 31 March 2023 is as follows:**

Particulars	For the year ended	
	31 March 2024	31 March 2023
Opening balance at beginning of the year	-	14.47
Add: Provision made during the year	0.10	41.27
Less: Bad debts written off during the year	-	(55.74)
<b>Closing balance at end of the year</b>	<b>0.10</b>	<b>-</b>

**8. Cash and bank balances**

Particulars	As at	
	31 March 2024	31 March 2023
<b>(a) Cash and cash equivalents</b>		
Cash on hand	0.03	0.29
Balances with banks in current accounts	51.60	144.08
Deposits with original maturity of less than three months	559.70	530.80
<b>Total</b>	<b>611.33</b>	<b>675.17</b>
<b>(b) Other bank balances</b>		
Earmarked balances with banks in Unpaid dividend account	52.58	45.67
<b>Total</b>	<b>52.58</b>	<b>45.67</b>

**9. Loans**

Particulars	As at	
	31 March 2024	31 March 2023
<b>Unsecured, considered good</b>		
Loans to related party (refer note (a))	1,300.00	1300.00
Loans to employees	6.58	1.72
<b>Total</b>	<b>1,306.58</b>	<b>1,301.72</b>

- (a) Represents unsecured loan given to R V Consulting Services Private Limited for financial assistance (enterprise in which relative of a chairman exercise control), bearing an interest rate in the range of 7.50% - 8.50% per annum and repayable within 12 months from the date of disbursement. During the year, the Company has renewed both the loans aggregating to ₹ 1,300 which had fallen due for repayment.
- (b) No loans are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013) either severally or jointly with any other person, that are either (i) repayable on demand; or (ii) without specifying any terms or period of repayment.



**10. Other assets**

Particulars	As at	
	31 March 2024	31 March 2023
<b>Non-current</b>		
<b>Unsecured, considered good</b>		
Prepaid expenses	15.55	19.43
<b>Total</b>	<b>15.55</b>	<b>19.43</b>
<b>Current</b>		
<b>Unsecured, considered good</b>		
Balances with statutory authorities	137.26	89.93
Prepaid expenses	60.71	33.86
Others	0.21	0.31
<b>Total</b>	<b>198.18</b>	<b>124.10</b>

**11. Equity share capital**

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
<b>i. Authorised share capital</b>				
Equity shares of ₹10 each	1,00,00,000	1,000	1,00,00,000	1,000
<b>ii. Issued, subscribed and fully paid up</b>				
Equity shares of ₹10 each	63,92,238	639.22	63,92,238	639.22
<b>Total</b>	<b>63,92,238</b>	<b>639.22</b>	<b>63,92,238</b>	<b>639.22</b>

**iii. Reconciliation of number of equity shares outstanding at the beginning and at the end of the year**

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
<b>Equity shares of ₹10 each</b>				
At the beginning of the year	63,92,238	639.22	63,92,238	639.22
Add: Issues during the year	-	-	-	-
<b>At the end of the year</b>	<b>63,92,238</b>	<b>639.22</b>	<b>63,92,238</b>	<b>639.22</b>

**iv. Rights, preferences and restrictions attached to equity shares**

The Company has only one class of issued, subscribed and paid up equity shares having a par value of ₹10 each per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(All amounts in ₹ lakhs, except share data and where otherwise stated)

**v. Details of shareholders holding more than 5% equity shares in the Company**

Name of the equity shareholders	As at 31 March 2024		As at 31 March 2023	
	Number	% holding	Number	% holding
S Sreekanth Reddy	11,67,950	18.27	11,67,950	18.27
Rachana Sammidi	6,46,574	10.11	6,46,574	10.11
Satish Chander Reddy Kalva	6,32,238	9.89	6,32,238	9.89
The Madhavapura Mercantile Co-op. Bank Ltd	3,99,836	6.26	3,99,836	6.26
R V Consulting Services Private Limited	3,72,506	5.83	1,00,700	1.58

**vi. Aggregate number of equity shares issued for consideration other than cash:**

During the year ended 31 March 2022, the Company has issued 6,32,238 equity shares of ₹10 each to Mr. Satish Chander Reddy Kalva, against acquisition of 100% stake in ITCATS LLC, USA. The Company has not issued any equity shares pursuant to contract without payment being received in cash or by way of bonus shares or bought back any equity shares during the last five year preceding the balance sheet date, except as mentioned above.

**vii.** Aggregate number of equity shares issued as bonus and shares bought back during the period of five years immediately preceding the reporting date is "Nil".

**viii. Shareholding of Promoters as at 31 March 2024**

Name of the promoter*	As at 31 March 2024		As at 31 March 2023		% Change during the year
	No. of Shares	% of total shares	No. of shares	% of total shares	
S Sreekanth Reddy	11,67,950	18.27	11,67,950	18.27	0.00
Rachana Sammidi	6,46,574	10.11	6,46,574	10.11	0.00
R V Consulting Services Private Limited	3,72,506	5.83	1,00,700	1.58	4.25
Anand Reddy Sammidi	1,52,200	2.38	1,52,200	2.38	0.00
Vanajatha Sammidi	1,47,100	2.30	1,47,100	2.30	0.00
Malathi Reddy Wdaru	1,20,900	1.89	1,20,900	1.89	0.00
Aruna Sammidi	1,18,400	1.85	1,18,400	1.85	0.00
Madhavi Nadikattu	1,16,400	1.82	1,16,400	1.82	0.00
Proddhutoori Sucharitha Reddy	1,05,200	1.65	1,05,200	1.65	0.00
Siddarth Sammidi	90,100	1.41	90,100	1.41	0.00
Aneesh Reddy Sammidi	90,100	1.41	90,100	1.41	0.00
Proddhutoori Sudarshan Reddy	50,000	0.78	50,000	0.78	0.00
Poodhuturu Rajith Reddy	50,000	0.78	50,000	0.78	0.00
M Radhika Reddy	55,200	0.86	55,200	0.86	0.00

(All amounts in ₹ lakhs, except share data and where otherwise stated)

**ix. Shareholding of Promoters as at 31 March 2023**

Name of the promoter*	As at 31 March 2023		As at 31 March 2022		% Change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
S Sreekanth Reddy	11,67,950	18.27	11,67,950	18.27	0.00
Rachana Sammidi	6,46,574	10.11	6,46,574	10.11	0.00
Anand Reddy Sammidi	1,52,200	2.38	1,52,200	2.38	0.00
Vanajatha Sammidi	1,47,100	2.30	1,47,100	2.30	0.00
Malathi Reddy Wdaru	1,20,900	1.89	1,20,900	1.89	0.00
Aruna Sammidi	1,18,400	1.85	1,18,400	1.85	0.00
Madhavi Nadikattu	1,16,400	1.82	1,16,400	1.82	0.00
Proddhutoori Sucharitha Reddy	1,05,200	1.65	1,05,200	1.65	0.00
R V Consulting Services Private Limited	1,00,700	1.58	1,00,700	1.58	0.00
Siddarth Sammidi	90,100	1.41	90,100	1.41	0.00
Aneesh Reddy Sammidi	90,100	1.41	90,100	1.41	0.00
Proddhutoori Sudarshan Reddy	50,000	0.78	50,000	0.78	0.00
Poodhuturu Rajith Reddy	50,000	0.78	50,000	0.78	0.00
M Radhika Reddy	55,200	0.86	55,200	0.86	0.00

\* Details of promoters are identified based on information submitted with the stock exchange as per SEBI (LODR) Regulations, 2015 (as amended) and the Annual Returns filed in accordance with the provisions of Section 92 of the Act.

**12. Other equity**

Particulars	As at	
	31 March 2024	31 March 2023
<b>Reserve and surplus</b>		
Securities premium	2,486.66	2,486.66
Retained earnings	2,222.53	2,051.05
<b>Other comprehensive income</b>	-	-
<b>Total</b>	<b>4,709.19</b>	<b>4,537.71</b>

**Nature and purpose of reserves**

**Securities premium**

The amount received in excess of face value of the equity shares is recognised in the securities premium. This reserve will be utilised in accordance with the provisions of Section 52 of the Act.

**Retained earnings**

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distribution to the shareholders.

(All amounts in ₹ lakhs, except share data and where otherwise stated)

### 13. Borrowings

Particulars	As at	
	31 March 2024	31 March 2023
<b>Secured - Term loans</b>		
Vehicle loans from banks	-	63.19
<b>Total</b>	<b>-</b>	<b>63.19</b>
Current borrowings	-	63.19
Non-current borrowings	-	-

#### a. Details of secured vehicle loans

In the FY 2022-23, the Company had availed a vehicle loan from a bank, which was fully secured by way of hypothecation of specific vehicle (including insurance claim receivable and proceeds from sale of the specific vehicle). The loan carried an interest rate of 7.35% per annum and was repayable in 39 equal monthly installments starting from July 2022, which the Company has prepaid in full in the month of May 2023.

#### b. Reconciliation of liabilities arising from financial activities

Particulars	Borrowings		Interest accrued but not due	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
<b>Balance at beginning of the year</b>	63.19	-	-	-
Cash inflows	-	81.44	5.09	4.00
Cash outflows	(63.19)	(18.25)	(5.09)	(4.00)
<b>Balance at end of the year</b>	<b>-</b>	<b>63.19</b>	<b>-</b>	<b>-</b>

### 14. Leases

The Company has lease arrangements for its office premises located in Hyderabad. This leases have original terms for a period of 7 years with multiyear renewal option at the discretion of lessee. The agreements entered into by the Company have rent escalation of 5%. There are no residual value guarantees provided by the third parties.

Particulars	As at	
	31 March 2024	31 March 2023
<b>The movement in lease liabilities is as follows:</b>		
<b>Balance at the beginning of the year</b>	908.18	215.85
Additions during the year	-	781.43
Finance cost accrued during the year	73.21	80.24
Payment of lease liabilities	(169.74)	(169.34)
<b>Lease liabilities at the end of the year</b>	<b>811.65</b>	<b>908.18</b>
<b>Current lease liabilities</b>	<b>118.37</b>	<b>98.46</b>
<b>Non-current lease liabilities</b>	<b>693.28</b>	<b>809.72</b>
<b>(a) The details of contractual maturities of lease liabilities on an undiscounted basis is as follows:</b>		
Less than one year	181.08	172.46
one to five years	819.51	1,000.59
More than five years	-	-
<b>Total</b>	<b>1,000.59</b>	<b>1,173.05</b>

(All amounts in ₹ lakhs, except share data and where otherwise stated)

Particulars	As at	
	31 March 2024	31 March 2023
<b>(b) Following amount has been recognized in statement of profit and loss:</b>		
Depreciation/amortisation on right to use asset	139.48	137.36
Interest on lease liability	73.21	80.24
Expenses related to short term lease (included under other expenses)	10.55	13.37
<b>Total amount recognized in the statement of profit and loss</b>	<b>223.24</b>	<b>230.97</b>

#### 15. Trade payables

Particulars	As at	
	31 March 2024	31 March 2023
Total outstanding dues of micro and small enterprises ("MSME")	-	-
Total outstanding dues of creditors other than MSME	293.29	24.11
<b>Total</b>	<b>293.29</b>	<b>24.11</b>

#### (a) Trade payables ageing schedule :

Particulars	As at 31 March 2024		As at 31 March 2023	
	Dues to MSME	Dues to other creditors	Dues to MSME	Dues to other creditors
<b>Undisputed dues outstanding for following periods from due date of payment</b>				
Unbilled	-	79.18	-	23.01
Less than 1 Year	-	214.11	-	1.10
1-2 Years	-	-	-	-
2-3 Years	-	-	-	-
More Than 3 Years	-	-	-	-
<b>Total</b>	<b>-</b>	<b>293.29</b>	<b>-</b>	<b>24.11</b>

Note: There are no outstanding disputed dues payable as at 31 March 2024 and 31 March 2023.

#### (b) Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

The creditors covered by Micro, Small and Medium Enterprises Development Act, 2006 ("the MSMED Act, 2006") have been identified on the basis of information available with the Company. Disclosures in respect of the amounts payable to such parties are given below:

Particulars	As at	
	31 March 2024	31 March 2023
(i) The principal amount remaining unpaid as at the end of the year	-	-
(ii) The amount of interest accrued and remaining unpaid on (i) above	-	-
(iii) Amount of interest paid by the Company in terms of Section 16, of the MSMED Act, 2006 along with the amounts of payments made beyond the appointed date during the year.	-	-
(iv) The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
(v) The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	-	-

**16. Other financial liabilities**

Particulars	As at	
	31 March 2024	31 March 2023
<b>Current</b>		
Employee related payables	6.00	2.19
Unclaimed dividend	52.58	45.67
Other payables	9.46	1.15
<b>Total</b>	<b>68.04</b>	<b>49.01</b>

**17. Other current liabilities**

Particulars	As at	
	31 March 2024	31 March 2023
Statutory dues payable	97.43	93.58
Advance from customers*	-	28.08
Others	1.20	7.81
<b>Total</b>	<b>98.63</b>	<b>129.47</b>

\* The Company has entered into agreements with customers for rendering of services. The Company has identified these performance obligations and recognised the same as contract liabilities in respect of contracts, where the Company has obligation to perform the specified services to a customer for which the consideration has been received. During the year ended 31 March 2024, revenue recognised from amount included in contract liability at the beginning of year is ₹28.08 (31 March 2023: ₹ Nil).

**18. Provisions**

Particulars	As at	
	31 March 2024	31 March 2023
<b>Non-Current</b>		
Gratuity	236.59	75.68
<b>Total</b>	<b>236.59</b>	<b>75.68</b>
<b>Current</b>		
Compensated absences	65.03	54.56
<b>Total</b>	<b>65.03</b>	<b>54.56</b>

**19. Revenue from operations**

Particulars	For the year ended	
	31 March 2024	31 March 2023
Staffing and IT related services	5,513.78	4,948.75
<b>Total</b>	<b>5,513.78</b>	<b>4,948.75</b>

**(i) Reconciliation of transaction price and amounts allocated to performance obligations:**

Particulars	For the year ended	
	31 March 2024	31 March 2023
Revenue at contracted prices	5,513.78	4,948.75
Less: Adjustments	-	-
<b>Total revenue from contracts with customers</b>	<b>5,513.78</b>	<b>4,948.75</b>

(All amounts in ₹ lakhs, except share data and where otherwise stated)

**(ii) Revenue disaggregation geography wise is as follows:**

Particulars	For the year ended	
	31 March 2024	31 March 2023
India	84.26	62.24
United States of America	5,429.52	4,886.51
<b>Total</b>	<b>5,513.78</b>	<b>4,948.75</b>

**20. Other income**

Particulars	For the year ended	
	31 March 2024	31 March 2023
Interest income on financial assets carried at amortized cost	151.08	142.06
Gain on foreign exchange fluctuation	7.93	90.73
Gain on sale of Property, plant and equipment	27.48	-
Dividend Income	98.52	-
Other non-operating income	-	2.80
<b>Total</b>	<b>285.01</b>	<b>235.59</b>

**21. Employee benefit expenses**

Particulars	For the year ended	
	31 March 2024	31 March 2023
Salaries and other benefits	3,514.22	3,261.85
Contribution to provident and other funds (refer note a below)	212.34	211.61
Gratuity expense	144.61	164.68
Staff welfare expenses	82.35	128.92
<b>Total</b>	<b>3,953.52</b>	<b>3,767.06</b>

(a) The amount recognized as an expense towards contribution to provident fund and employee state insurance scheme for the year ended 31 March 2024 amounts to ₹212.34 (31 March 2023: ₹211.61).

**22. Finance costs**

Particulars	For the year ended	
	31 March 2024	31 March 2023
Interest on borrowings measured at amortized cost	5.09	4.00
Interest on lease liabilities	73.21	80.24
<b>Total</b>	<b>78.30</b>	<b>84.24</b>

**23. Other expenses**

Particulars	For the year ended	
	31 March 2024	31 March 2023
Legal and professional fees	128.55	91.64
Office maintenance	52.75	56.59
Travelling and conveyance	35.59	43.79
Payment to auditors (refer note (i) below)	26.65	39.54
Sitting fees	16.50	14.60
Rates and taxes	16.23	18.43

(All amounts in ₹ lakhs, except share data and where otherwise stated)

Particulars	For the year ended	
	31 March 2024	31 March 2023
Communication expenses	16.28	15.68
Corporate social responsibility expenditure (refer note(ii) below)	10.81	12.06
Rent	10.55	13.37
Electricity charges	9.26	8.19
Printing and stationery	3.73	4.41
Bank charges	2.17	4.52
Provision towards doubtful debts and bad debts written off	0.10	41.27
Assets written-off	-	36.88
Loss on sale of property, plant and equipment, net	-	15.57
Others	11.06	7.81
<b>Total</b>	<b>340.23</b>	<b>424.35</b>
<b>(i). Details of payments to auditors:</b>		
<b>As auditor</b> (including reimbursement of expenses):		
-Statutory audit fees	17.77	18.37
-Tax Audit fee	-	-
- Limited review fee *	8.88	21.17
<b>In other capacities</b>	-	-
* includes one-time fee of Nil (31 March 2023: 12.04 ) towards additional efforts.		
<b>(ii). Details of CSR expenditure:</b>		
a) Gross amount required to be spent during the year	10.81	11.87
b) Amount spent during the year		
i) Construction/ acquisition of any asset	-	-
ii) on purposes other than (i) above	10.81	12.06
c) Shortfall at the end of the year	-	-
d) Total of previous years shortfall	-	-
e) Reason for shortfall	NA	NA
f) Nature of CSR activities	Food, Health and education promotion	
g) Details of related party transactions	-	-
h) Movements in the Provision made during the year	-	-
Opening provision	-	-
Add: Amount required to be spent during the year	10.81	11.87
Less: Amount spent during the year	(10.81)	(12.06)
Closing provision	-	-

## 24. Income tax expense

The major components of income tax expense and the reconciliation between expected tax expense based on the domestic effective tax rate of the Company at 25.17% (31 March 2023: 25.17%) and the reported tax expense in the statement of profit and loss is as follows:

Income tax expense reported in the statement of profit and loss		
Particulars	For the year ended	
	31 March 2024	31 March 2023
<b>Tax expense comprises of:</b>		
Current tax expense	138.91	110.10
Deferred tax benefit	(23.36)	(43.97)
Prior period taxes	-	1.43
<b>Total</b>	<b>115.55</b>	<b>67.56</b>



Reconciliation of tax expense and the accounting profit multiplied by India's tax rate		
<b>Profit before tax</b>	<b>487.32</b>	<b>204.50</b>
Tax at the Indian tax rate of 25.17% (31 March 2023: 25.17%)	122.66	51.47
<b>Tax effect of amounts which are not deductible / taxable in calculating taxable income:</b>		
Tax of earlier years	-	1.43
Effect of expenses not deductible under the IT Act, 1961	(10.02)	13.37
Other adjustments	2.91	1.29
<b>Total</b>	<b>115.55</b>	<b>67.56</b>

## 25. Earnings per equity share

Particulars	For the year ended	
	31 March 2024	31 March 2023
Profit for the year	371.77	136.94
Weighted average number of equity shares outstanding during the year	63,92,238	63,92,238
<b>Earnings per equity share (in absolute ₹ terms):</b>		
Nominal value per equity share	10.00	10.00
Basic and Diluted EPES	5.82	2.14

The Company did not have any potential dilutive equity shares as on 31 March 2024 and 31 March 2023.

## 26. Dividend proposed before approval or issue of the financial statements

Dividend amount per equity share proposed or declared in accordance with the provisions of Section 123 of the Act is as follows:

Particulars	For the year ended	
	31 March 2024	31 March 2023
<b>Proposed final dividend on equity shares of ₹10 each *</b>		
Per equity share (in absolute ₹ terms)	2.00	2.00
Amount	127.84	127.84

Particulars	For the year ended	
	31 March 2024	31 March 2023
<b>Interim dividend declared on equity shares of ₹10 each</b>		
Per equity share (in absolute ₹ terms)	-	-
Amount	-	-

\* The proposed final dividend, is subject to the approval of shareholders in the ensuing Annual General Meeting of the Company and accordingly not recognized as a liability in accordance with the applicable accounting principles.

Note: The Company has paid a dividend of ₹2 per share during the year ended 31 March 2024 (31 March 2023: ₹3 per share), pertaining to such dividend declared for the previous financial year amounting to ₹127.84 (31 March 2023: ₹191.77).

## 27. Categories of Financial instruments and their fair values

The carrying amount of all financial assets and financial liabilities appearing in the financial statements are reasonable approximation of their fair values.

### Categories of financial instruments

Particulars	As at 31 March 2024			As at 31 March 2023		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
<b>Financial assets</b>						
Trade receivables	-	-	2,057.55	-	-	1,410.52
Cash and bank balances	-	-	663.91	-	-	720.84
Loans	-	-	1,306.58	-	-	1,301.72
Others financial assets	-	-	66.35	-	-	137.24
	-	-	<b>4,094.39</b>	-	-	<b>3,570.32</b>

(All amounts in ₹ lakhs, except share data and where otherwise stated)

Particulars	As at 31 March 2024			As at 31 March 2023		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
<b>Financial liabilities</b>						
Borrowings	-	-	-	-	-	63.19
Lease liabilities	-	-	811.65	-	-	908.18
Trade payables	-	-	293.29	-	-	24.11
Others financial liabilities	-	-	68.04	-	-	49.01
	-	-	<b>1,172.98</b>	-	-	<b>1,044.49</b>

The fair value of the financial assets and financial liabilities are included at an account at which the instruments could be exchanged in a current transaction between the willing parties, other than in a forced or liquidation sale.

## 28. Financial risk management objectives and policies

### Financial Risk Management Framework

The Board of Directors is responsible for developing and monitoring the Company's risk management policies.

The Company's principal financial liabilities comprises of borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables and cash and bank balances that the Company derives directly from its operations.

The Company is exposed primarily to credit risk, liquidity risk and market risk, which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

### A. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk arises primarily from financial assets such as trade receivables, balances with banks and loan and other receivables.

Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and bank balances and loans. None of the financial instruments of the Company result in material concentration of credit risk.

### Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹4,094.39 and ₹3,570.32 as of 31 March 2024 and 31 March 2023 respectively, being the total of the carrying amount of financial assets.

### Financial assets that are neither past due nor impaired

None of the Company's cash equivalents, loans and other financial assets were either past due or impaired as at 31 March 2024 and 31 March 2023. The Company has diversified its portfolio of investment in cash and cash equivalents and term deposits with various banks which have secure credit ratings, hence the risk is reduced. Loans given to related parties are tested for impairment where there is an indicator. Other financial assets represent security deposits given to lessors and other assets. Credit risk associated with such deposits and other assets is relatively low.

### Financial assets that are past due but not impaired

The Company's credit period for customers generally ranges from 30 - 90 days. The ageing of trade receivables that are past due but not impaired is given below:

Particulars	31 March 2024	31 March 2023
<b>Past due not impaired:</b>		
0 - 30 days	587.94	707.40
More than 30 days	80.14	292.16
	<b>668.08</b>	<b>999.56</b>

(All amounts in ₹ lakhs, except share data and where otherwise stated)

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each balance sheet date whether a financial asset or a group of financial assets are impaired. Expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix and loans if they past due. The provision matrix takes into account historical credit loss experience and is adjusted for forward-looking information. Based on such data, loss on collection of receivable is not material, hence no additional provision considered.

## B. Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining cash and cash equivalents and the cash flows generated from operations.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

As at 31 March 2024	On demand	Up to 1 year	More than 1 year	Total
Borrowings	-	-	-	-
Lease liabilities	-	181.08	819.51	<b>1,000.59</b>
Trade payables	-	293.29	-	<b>293.29</b>
Other financial liabilities	-	68.04	-	<b>68.04</b>
<b>Total</b>	<b>-</b>	<b>542.41</b>	<b>819.51</b>	<b>1,361.92</b>

As at 31 March 2023	On demand	Up to 1 year	More than 1 year	Total
Borrowings	-	63.19	-	<b>63.19</b>
Lease liabilities	-	172.46	1,000.59	<b>1,173.05</b>
Trade payables	-	24.11	-	<b>24.11</b>
Other financial liabilities	-	49.01	-	<b>49.01</b>
<b>Total</b>	<b>-</b>	<b>308.77</b>	<b>1,000.59</b>	<b>1,309.36</b>

## C. Market risk:

'Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### i. Foreign exchange risk:

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The majority of Company's revenue is generated in US dollars, as a result, as the rupee appreciates or depreciates against foreign currencies, the results of the entity's operations are impacted.

- (a) Significant foreign currency risk exposure relating to financial assets expressed in ₹ terms are as follows:

Particulars	31 March 2024	31 March 2023
<b>Trade receivables</b>		
- USD	2,050.04	1,399.19

- (b) Foreign currency sensitivity:

The following table demonstrates the sensitivity to a reasonably possible change in USD, with all other variables held constant:

Particulars	Impact on profit after tax / equity for the year ended	
	31 March 2024	31 March 2023
<b>USD sensitivity</b>		
₹/USD - Increase by 5%	76.70	52.35
₹/USD - Decrease by 5%	(76.70)	(52.35)

(All amounts in ₹ lakhs, except share data and where otherwise stated)

## ii. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's borrowing during the current year and previous year comprised of vehicle loans which carries fixed rate of interest, which do not expose it to interest rate risk.

## 29. Capital risk management

Capital includes equity capital and all other reserves attributable to the equity holders of the parent. The primary objective of the capital management is to ensure that it maintain an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder's value. The Company manages its capital structure and make adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, company may adjust the dividend payment to shareholders return capital to shareholders or issue new shares.

The Company monitors capital using a debt to capital employed ratio which is debt divided by total capital plus debt. The Company's policy is to keep this ratio at an optimal level to ensure that the debt related covenants are complied with.

Particulars	As at	
	31 March 2024	31 March 2023
Debt (includes lease liabilities)	811.65	971.37
Less: Cash and cash equivalents	(611.33)	(675.17)
<b>Net debt</b>	<b>200.32</b>	<b>296.20</b>
<b>Total equity</b>	<b>5,348.41</b>	<b>5,176.93</b>
Capital and net debt	5,548.73	5,473.13
<b>Net debt to equity ratio (%)</b>	<b>3.61%</b>	<b>5.41%</b>

## 30. Disclosure pursuant to requirements of Rule 11(e) (i) & (ii) of the Companies (Audit and Auditors) Rules

- No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).
- The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## 31. Contingent liabilities and Commitments

There are no contingent liabilities and outstanding commitments as at 31 March 2024 and 31 March 2023.

- In accordance with Ind AS 108, Operating segments, segment information has been provided in the consolidated financial statements of the Company and no separate disclosure on segment information is given in these standalone financial statement

## 33. Related party disclosures

- Names of the related parties and nature of relationship

Names of related parties	Nature of relationship
S Sreekanth Reddy M Jagadeesh K Pradeep Kumar Reddy J Raja Reddy (Upto Sep 06, 2023) T Sri Sai Manasa (W.e.f. Nov 01, 2023)	Key Managerial Personnel ("KMP")
IT CATS LLC, USA Sapplica Inc, (with effect from 05 March 2024)	Subsidiary Step down Subsidiary

(All amounts in ₹ lakhs, except share data and where otherwise stated)

Savyasachi Constructions Private Limited Saplica Info Technologies Private Limited Sagar Cements Limited Amicus Systems Inc., USA R V Consulting Services Private Limited Sagarsoft Inc., USA	Enterprises where KMP along with their relatives exercise significant influence
K Roopesh K Satish Chander Reddy K V Ramananda Rao Nalamati Harimohan Neelima Kaushik V Venkat Ramana Keerthi Anantha	Non-executive Directors
Dr. S. Anand Reddy S. Vanajatha	Relatives of Director

**b) Transactions with related parties**

S.No	Particulars	For the year ended	
		31 March 2024	31 March 2023
<b>(i)</b>	<b>Remuneration paid</b>		
	M Jagadeesh	81.44	76.89
	K Pradeep Kumar Reddy	81.44	76.89
	J Raja Reddy (Upto Sep 06, 2023)	19.25	36.04
	T Sri Sai Manasa (W.e.f. Nov 01, 2023)	5.00	-
<b>(ii)</b>	<b>Loans granted</b>		
	R V Consulting Services Private Limited	-	500.00
<b>(iii)</b>	<b>Rent paid</b>		
	Dr. S. Anand Reddy	67.83	64.60
	S. Vanajatha	67.83	64.60
	S Sreekanth Reddy	67.83	64.60
<b>(iv)</b>	<b>Revenue from Operations</b>		
	Sagarsoft Inc, USA	2,242.56	2,879.00
	Amicus Systems, Inc., USA	38.01	53.69
	IT CATS LLC, USA	3,148.94	1,795.65
	Sagar Cements limited	57.00	57.00
<b>(v)</b>	<b>Operating expenses</b>		
	Savyasachi Constructions Private Limited - Maintenance charges	32.94	32.94
	Sagar Cements Limited - Power expenses	9.26	8.19
<b>(vi)</b>	<b>Interest income on loans</b>		
	R V Consulting Services Private Limited	105.79	97.69
<b>(vii)</b>	<b>Transactions with Non-Executive Directors</b>		
	Sitting fee	16.50	14.60

**Note:**

- (i) M. Jagadeesh (Managing Director) and K. Pradeep Kumar Reddy (Executive Director & CFO) are covered by the Company's Medclaim insurance policy and are eligible for gratuity along with other employees of the Company. The proportionate premium paid towards this policy and provision made for gratuity pertaining to the M. Jagadeesh (Managing Director) and K. Pradeep Kumar Reddy (Executive Director & CFO) has been included in the afore mentioned disclosures as these are not determined on an individual basis.

(All amounts in ₹ lakhs, except share data and where otherwise stated)

(ii) All transactions with the related party are priced on an arm's length basis and are to be settled in cash. None of the balances are secured and no guarantees are extended to the related parties.

**(c) Balance receivable / (payable)**

Particulars	As at	
	31 March 2024	31 March 2023
<b>Trade receivables</b>		
Sagarsoft Inc, USA	608.12	620.34
Amicus Systems, Inc., USA	5.08	4.76
Sagar Cements Limited	-	5.13
IT CATS LLC, USA	1,435.83	768.66
<b>Other financial liabilities</b>		
M Jagadeesh	(9.44)	(4.89)
K Pradeep Kumar Reddy	(9.44)	(4.89)
<b>Loan receivable</b>		
R V Consulting Services Private Limited	1,300.00	1,300.00

**34. Gratuity**

The Company provides its employees with benefits under a defined benefit plan, referred to as the "Gratuity Plan". The Gratuity Plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days salary for each year of completed service (service of six months and above is rounded off as one year) at the time of retirement/ exit, restricted to a sum of ₹20 in accordance with Payment of Gratuity Act, 1972. The Company maintains its investments with Life Insurance Corporation of India, to fund its gratuity plan.

	Particulars	31 March 2024	31 March 2023
<b>(i)</b>	<b>Change in projected benefit obligation</b>		
	Projected benefit obligation at the beginning of the year	344.64	220.68
	Service cost	65.45	44.27
	Past service cost	76.50	123.67
	Interest cost	24.23	14.69
	Actuarial loss - demographic assumptions	23.78	-
	Actuarial loss - experience assumptions	35.67	(11.79)
	Actuarial gain - financial assumptions	36.59	(6.28)
	Benefits paid	(43.59)	(40.60)
	<b>Projected benefit obligation at the end of the year</b>	<b>563.27</b>	<b>344.64</b>
<b>(ii)</b>	<b>Change in plan assets</b>		
	Fair value of plan assets at the beginning of the year	268.96	236.89
	Contribution made during the year	80.53	56.50
	Interest income on plan assets	21.56	17.95
	Actuarial loss	(0.78)	(1.78)
	Benefits paid	(43.59)	(40.60)
	<b>Fair value of plan assets at the end of the year</b>	<b>326.68</b>	<b>268.96</b>
<b>(iii)</b>	<b>Reconciliation of present value of benefit obligation and plan assets</b>		
	Present value of projected benefit obligation at the end of the year	563.27	344.64
	Funded status of the plan	(326.68)	(268.96)
	<b>Net liability / (asset) recognised in the balance sheet</b>	<b>236.59</b>	<b>75.68</b>

(All amounts in ₹ lakhs, except share data and where otherwise stated)

<b>(iv)</b>	<b>Expense recognized in the statement of profit and loss</b>		
	Interest cost	24.23	14.69
	Service cost	65.45	44.27
	Past service cost	76.50	123.67
	Interest income on plan assets	(21.56)	(17.95)
		<b>144.62</b>	<b>164.68</b>
<b>(v)</b>	<b>Expense recognized in OCI</b>		
	Actuarial gain / (loss), net	(96.82)	16.29
		<b>(96.82)</b>	<b>16.29</b>
<b>(vi)</b>	<b>Key actuarial assumptions</b>		
	Discount rate	7.22%	7.50%
	Salary escalation rate	6.00%	5.00%
	Withdrawal rate	15% to 25%	2.00%
	Mortality rate (as % of IALM (2012-14) Ult. Mortality Table)	100.00%	100.00%
	Retirement age	60 Years	58 Years
	The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.		
<b>(vii)</b>	<b>Maturity profile of defined benefit obligation:</b>		
	Within one year	91.35	19.75
	Within two to five years	284.96	68.75
	More than five years	487.86	806.04
		<b>864.17</b>	<b>894.54</b>
	Weighted average duration of the defined benefit obligation	6.00 years	11.92 years

**(viii) Sensitivity analysis**

Particulars	31 March 2024	31 March 2023
	No. of equity shares allotted	
Discount rate (+ 1% movement)	537.07	310.85
Discount rate (- 1% movement)	592.11	384.07
Salary escalation (+ 1% movement)	595.37	374.14
Salary escalation (- 1% movement)	533.60	315.15

**(ix)** The Company expects to contribute ₹Nil towards gratuity within one year from the year ended 31 March 2024 and 31 March 2023.

**(x) Risk exposures:**

Valuation are based on certain assumptions, which are dynamic in nature and may vary over time. As such valuations of the Company is exposed to following risks -

- Salary escalation: Higher than expected increases in salary will increase the defined benefit obligation.
- Discount rate: The defined benefit obligation calculated use a discount rate based on government bonds. If bond yield fall, the defined benefit obligation will tend to increase.
- Mortality rate: If the actual death cases are lower or higher than assumed in the valuation, it can impact the defined benefit obligation.
- Withdrawals: If the actual withdrawal are higher or lower than the assumed withdrawals or there is a change in withdrawal rates at subsequent valuations, it can impact defined benefit obligation

### 35. Additional disclosures

- (i) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- (ii) The Company has not taken borrowings from banks or financial institutions on the basis of security of current assets.
- (iii) The Company has not been declared willful defaulter by any bank or financial Institution or other lender.
- (iv) No transactions are carried out with companies struck off under section 248 of the Act or section 560 of Companies Act, 1956.
- (v) No charges or satisfaction yet to be registered with ROC beyond the statutory period.
- (vi) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (vii) No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Act.
- (viii) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961,

that has not been recorded in the books of account.

- (ix) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

### 36. Audit trail

The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company, in respect of financial year commencing on 1 April 2023 has used an accounting software "TallyPrime 2.1" for maintaining its books of account for the period 01 April 2023 to 31 May 2023. The Company has migrated to a new accounting software 'Tally Prime (Edit log) 4.0' from 1 June 2023 which maintains the audit trail (edit log).

### 37. Key ratios

S.No	Particulars	Notes	31 March 2024	31 March 2023	Change in %
a)	Current ratio = current assets / current liabilities		6.61	8.77	(24.63)
b)	Debt equity ratio = (Long-term borrowings + short term borrowings + lease liabilities) / Equity		0.15	0.19	(21.05)
c)	Debt service coverage ratio = (Profit after tax + finance cost + depreciation + other adjustments like loss / (gain) on sale of PPE etc) / (finance cost + total debt)	(i)	0.70	0.51	37.25
d)	Return on equity ratio / return on investment ratio = net profit after tax divided by average equity	(ii)	7.06	2.63	168.44
e)	Inventory turnover ratio = cost of goods sold divided by average inventory		NA*	NA*	NA*
f)	Trade receivables turnover ratio = sales divided by average trade receivables		3.18	3.62	(12.15)
g)	Trade payables turnover ratio = Purchases of services and other expenses (excluding other adjustments like loss on sale of PPE etc) divided by average trade payables	(iii)	6.81	36.04	(81.10)
h)	Net capital turnover ratio = sales divided by (current assets less current liabilities)		1.53	1.52	0.66
i)	Net profit ratio = Net profit after tax divided by sales	(ii)	6.74	2.77	143.32
j)	Return on capital employed = (earnings before finance cost, other income and taxes) divided by capital employed	(ii)	4.47	0.88	407.95

# capital employed = total assets - current liabilities

\* Not Applicable



**Note: Reasons for change more than 25% is as under:**

- (i) Principal reason for change in the debt service coverage ratio is attributed to increase in earnings and decrease in lease liabilities and borrowings during the year ended 31 March 2024.
- (ii) Principal reason for change in the return on equity ratio / return on investment ratio / net profit ratio / return on capital employed is attributed to the increase in profits reported during the year ended 31 March 2024 compared to the year ended 31 March 2023.
- (iii) Principal reason for change in the trade payables turnover ratio is attributed to increase in trade payable balances during the year ended 31 March 2024 compared to the year ended 31 March 2023.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No: 001076N/N500013

For and on behalf of Board of Directors of  
**Sagarsoft (India) Limited**

**Sanjay Kumar Jain**  
Partner  
Membership No.: 207660

**M Jagadeesh**  
Managing Director  
DIN: 01590689

**K Pradeep Kumar Reddy**  
Executive Director & CFO  
DIN: 02598624

**T Sri Sai Manasa**  
Company Secretary  
M.No. A61433

Place: Hyderabad  
Date: 10 May, 2024

Place: Hyderabad  
Date: 10 May, 2024

# Independent Auditor's Report

## To the Members of Sagarsoft (India) Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

1. We have audited the accompanying consolidated financial statements of Sagarsoft (India) Limited ('the Holding Company') and ITCATS LLC, USA and Sapplica Inc USA, its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2024, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matter

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

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue from contract with customers</b></p> <ul style="list-style-type: none"> <li>• The Group derives revenue primarily from Staffing and Information Technology related services. Revenue is recognised as the related services are performed in accordance with contractual terms. The Group's invoicing cycle is on contractual predetermined dates and recognised as receivables based on customer acceptances for delivery of work / attendance of resources.</li> <li>• There is a risk of revenue being overstated, resulting from pressure the management may feel to achieve the performance targets at the reporting end.</li> </ul>	<p><b>Our audit procedures relating to revenue recognition included, but were not limited to the following procedures:</b></p> <ul style="list-style-type: none"> <li>• Assessed the appropriateness of the revenue recognition accounting policies adopted by the Group in accordance with Ind AS 115 – Revenue from contracts with customers ('Ind AS 115').</li> <li>• Evaluated the design, implementation and tested the operating effectiveness of key controls over revenue recognition.</li> <li>• Performed substantive testing by selecting samples of revenue transactions recorded during the year by verifying the underlying documents, which included service agreements and approved time sheets.</li> </ul>

Key audit matter	How our audit addressed the key audit matter
<ul style="list-style-type: none"> <li>• Due to materiality of the amounts involved and above said considerations, revenue recognized from Staffing and Information Technology related services is determined to be a key audit matter for the current year audit.</li> <li>• Refer Note 2.2(d) to the Consolidated Financial Statements – Summary of the material accounting policies and Note 18 for the revenue recognized during the year.</li> </ul>	<ul style="list-style-type: none"> <li>• Tested the completeness of revenue by mapping the cost incurred towards the billable resources to the invoices billed / recognized during the year.</li> <li>• Performed other substantive audit procedures including obtaining trade receivables confirmations on a sample basis for balances outstanding as at the year end.</li> <li>• Evaluated the appropriateness and adequacy of the disclosures made in the consolidated financial statements with respect to revenue from sale of services in accordance with the requirements of applicable accounting standards.</li> </ul>

### Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under Section 133 of the Act read with

the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group, covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
11. As part of an audit in accordance with Standards on Auditing specified under Section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control 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 Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information/ financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors.
12. 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.
13. 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.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

### Other matter

15. We did not audit the financial information of a subsidiary, whose financial information reflects total assets of ₹7.39 lakhs as at 31 March 2024, total revenues of ₹Nil and net cash inflows amounting to ₹1.84 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial information is unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as

it relates to the amounts and disclosures included in respect of the aforesaid subsidiary, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the management, this financial information is not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial statements/financial information certified by the management.

### Report on other Legal and Regulatory Requirements

16. As required by Section 197(16) of the Act based on our audit, we report that the Holding Company has paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.
17. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act based on the consideration of the Order report issued by us, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the Order reports of such companies.
18. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books; except for the matters stated in paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
  - c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

- e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company, none of the directors of the Group company, are disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f) The qualification relating to the maintenance of accounts and other matters connected therewith with respect to the consolidated financial statements are as stated in paragraph 18(b) above on reporting under Section 143(3) (b) of the Act and paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and the operating effectiveness of such controls, refer to our separate report in '**Annexure A**' wherein we have expressed an unmodified opinion; and
- 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. There were no pending litigations as at 31 March 2024 which would impact the consolidated financial position of the Group;
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;
  - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Holding Company, during the year ended 31 March 2024;
  - iv. a. The management of the Holding Company has represented to us that, to the best of their knowledge and belief, as disclosed in note 29(i) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

- b. The management of the Holding Company has represented to us, to the best of their knowledge and belief, as disclosed in the note 29(ii) to the accompanying consolidated financial statements, no funds have been received by the Holding Company, from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, its shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed by us, as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. As stated in note 25 to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2024 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. The final dividend paid by the Holding Company during the year ended 31 March 2024 in respect of such dividend declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.
- vi. As stated in note 35 to the consolidated financial statements and based on our examination which included test checks, the Holding Company, in respect of financial year commencing on 1 April 2023, has used an accounting software (Tally Prime) for maintaining its books of account for which we are unable to comment on the audit trail (edit log) facility for the period 1 April 2023 to 31 May 2023. The Holding Company has migrated to Tally Prime Edit Log, which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the period from 1 June 2023 to 31 March 2024 for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with where such feature was enabled.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Sanjay Kumar Jain**

Partner

Place: Hyderabad

Membership No.: 207660

Date: May 10, 2024

UDIN: 24207660BKERHG7960

## **Annexure A to the Independent Auditor's Report of even date to the members of Sagarsoft (India) Limited on the consolidated financial statements for the year ended 31 March 2024**

### **Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the consolidated financial statements of Sagarsoft (India) Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company, which is a company covered under the Act, as at that date.

### **Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

2. The Board of Directors of the Holding Company, which is a company covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements 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. 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 the Company's business, including adherence to the 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 Act.

### **Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Consolidated Financial Statements**

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued

by the ICAI. 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 with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, as aforesaid.

### **Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements**

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

### **Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

8. In our opinion, the Holding Company, which is company covered under the Act, has in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Sanjay Kumar Jain**

Partner

Place: Hyderabad

Membership No.: 207660

Date: May 10, 2024

UDIN:24207660BKERHG7960



## Consolidated Balance Sheet as at 31 March 2024

(All amounts in ₹ lakhs, except share data and where otherwise stated)

Particulars	Notes	As at	
		31 March 2024	31 March 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3	190.24	230.43
(b) Right of use asset	3	741.97	909.51
(c) Goodwill	36	868.64	868.64
(d) Financial assets			
(i) Other financial assets	4	42.24	38.83
(e) Other non current assets	9	15.55	19.43
(f) Deferred tax asset (net)	5	138.55	64.79
		<b>1,997.19</b>	<b>2,131.63</b>
<b>Current assets</b>			
(a) Financial assets			
(i) Trade receivables	6	5,171.47	3,296.58
(ii) Cash and cash equivalents	7	2,080.79	2,520.99
(iii) Bank balances other than (ii) above	7	52.58	45.67
(iv) Loans	8	1,314.82	1,307.93
(v) Other financial assets	4	24.11	98.41
(b) Current tax assets (net)		0.16	18.03
(c) Other current assets	9	210.38	134.06
		<b>8,854.31</b>	<b>7,421.67</b>
<b>Total assets</b>		<b>10,851.50</b>	<b>9,553.30</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	10	639.22	639.22
(b) Other equity	11	6,217.26	5,534.90
<b>Equity attributable to equity holders of holding company</b>		<b>6,856.48</b>	<b>6,174.12</b>
Non-controlling interest		(5.45)	
		<b>6,851.03</b>	<b>6,174.12</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	13	711.47	857.61
(b) Provisions		236.59	75.68
		<b>948.06</b>	<b>933.29</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	12	-	63.19
(ii) Lease liabilities	13	148.76	127.28
(iii) Trade payables	14		
- total outstanding dues of micro and small enterprises;		-	-
- total outstanding dues of creditors other than micro and small enterprises		1,907.01	1,331.52
(iv) Other financial liabilities	15	615.01	617.96
(b) Other current liabilities	16	136.43	138.58
(c) Provisions	17	65.03	54.56
(d) Current tax liabilities (net)		180.17	112.80
		<b>3,052.41</b>	<b>2,445.89</b>
<b>Total equity and liabilities</b>		<b>10,851.50</b>	<b>9,553.30</b>

The accompanying notes referred to above form an integral part of these Consolidated financial statements.

This is the Consolidated Balance sheet referred to in our report of even date.

For **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm's Registration No: 001076N/N500013

For and on behalf of Board of Directors of  
**Sagarsoft (India) Limited**

**Sanjay Kumar Jain**  
Partner  
Membership No.: 207660

**M Jagadeesh**  
Managing Director  
DIN: 01590689

**K Pradeep Kumar Reddy**  
Executive Director & CFO  
DIN: 02598624

**T Sri Sai Manasa**  
Company Secretary  
M.No. A61433

Place: Hyderabad  
Date: 10 May, 2024

Place: Hyderabad  
Date: 10 May, 2024

## Consolidated Statement of Profit and Loss for the year ended 31 March 2024

(All amounts in ₹ lakhs, except share data and where otherwise stated)

Particulars	Notes	For the year ended	
		31 March 2024	31 March 2023
<b>Income</b>			
Revenue from operations	18	15,219.18	16,415.30
Other income	19	206.69	243.68
<b>Total income</b>		<b>15,425.87</b>	<b>16,658.98</b>
<b>Expenses</b>			
Employee benefit expenses	20	9,873.15	10,691.96
Outsourcing costs		2,861.53	3,124.37
Finance costs	21	80.42	87.16
Depreciation and amortization expense	3	241.62	259.99
Other expenses	22	1,230.97	1,436.09
<b>Total expenses</b>		<b>14,287.69</b>	<b>15,599.57</b>
<b>Profit before tax</b>		<b>1,138.18</b>	<b>1,059.41</b>
<b>Tax expense:</b>	23		
Current tax expense		327.76	342.64
Deferred tax benefit		(23.36)	(47.37)
Tax for earlier year		-	1.43
<b>Total tax expense</b>		<b>304.40</b>	<b>296.70</b>
<b>Profit for the year</b>		<b>833.78</b>	<b>762.71</b>
<b>Other comprehensive income (OCI)</b>			
(a) (i) Items that will not be reclassified subsequently to profit or (loss)		(96.83)	16.29
(ii) Income tax relating to above		24.37	(4.10)
(b) (i) Items that will be reclassified to profit or loss		31.78	117.02
(ii) Income tax relating to above		26.06	(29.45)
<b>Total other comprehensive income / (loss)</b>		<b>(14.62)</b>	<b>99.76</b>
<b>Total comprehensive income for the year</b>		<b>819.16</b>	<b>862.47</b>
<b>Net profit / (loss) attributable to:</b>			
- Shareholders of the Holding Company		839.60	762.71
- Non-controlling interest		(5.82)	-
<b>Other comprehensive income for the year attributable to:</b>			
- Shareholders of the Holding Company		(14.62)	99.76
- Non-controlling interest		-	-
<b>Total comprehensive income / (loss) for the year attributable to:</b>			
- Shareholders of the Holding Company		824.98	862.47
- Non-controlling interest		(5.82)	-
<b>Earnings per equity share ("EPES")</b>			
Basic and Diluted EPES (in absolute terms)	24	13.13	11.93

The accompanying notes referred to above form an integral part of these Consolidated financial statements.

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm's Registration No: 001076N/N500013

For and on behalf of Board of Directors of  
**Sagarsoft (India) Limited**

**Sanjay Kumar Jain**  
Partner  
Membership No.: 207660

**M Jagadeesh**  
Managing Director  
DIN: 01590689

**K Pradeep Kumar Reddy**  
Executive Director & CFO  
DIN: 02598624

**T Sri Sai Manasa**  
Company Secretary  
M.No. A61433

Place: Hyderabad  
Date: 10 May, 2024

Place: Hyderabad  
Date: 10 May, 2024

## Consolidated Cash Flow Statement for the year ended 31 March 2024

(All amounts in ₹ lakhs, except share data and where otherwise stated)

Particulars	For the year ended	
	31 March 2024	31 March 2023
<b>Cash flow from operating activities</b>		
Profit before tax	1,138.18	1,059.41
<b>Adjustments:</b>		
Depreciation and amortization expense	241.62	259.99
Finance cost	80.42	87.16
(Gain) / loss on sale of Property, plant and equipment ("PPE")	(27.48)	15.57
Provision for doubtful debts and bad debts written off	0.10	41.27
Interest income	(171.28)	(142.06)
<b>Operating profits before working capital changes</b>	<b>1,261.56</b>	<b>1,321.34</b>
<b>Movements in working capital:</b>		
Changes in trade receivables	(1,824.29)	786.09
Changes in other assets	(82.78)	0.71
Changes in other liabilities	51.98	(912.08)
Changes in trade payables	465.76	304.43
Changes in provisions	74.56	108.89
<b>Cash generated from/(used in) operating activities</b>	<b>(53.21)</b>	<b>1,609.38</b>
Income-taxes paid, net	(259.37)	(433.24)
<b>Net cash generated from/ (used in) operating activities (A)</b>	<b>(312.58)</b>	<b>1,176.14</b>
<b>Cash flows from investing activities</b>		
Purchase of PPE	(35.05)	(151.13)
Proceeds from disposal of PPE (including insurance claim)	110.35	9.02
Loan extended to related party	-	(500.00)
Interest income received	165.57	196.35
<b>Net cash generated from / (used in) investing activities (B)</b>	<b>240.87</b>	<b>(445.76)</b>
<b>Cash flows from financing activities</b>		
Proceeds from long-term borrowings	-	81.44
Repayment of long-term borrowings	(63.19)	(18.25)
Proceeds from non-controlling interest	0.37	-
Interest paid	(80.42)	(87.16)
Repayment of lease liabilities	(125.58)	(115.64)
Dividend paid	(127.84)	(191.77)
<b>Net cash used in financing activities (C)</b>	<b>(396.66)</b>	<b>(331.38)</b>
<b>Net change in cash and cash equivalents (A + B + C)</b>	<b>(468.37)</b>	<b>399.00</b>
Effect of exchange rate changes on cash	28.17	92.23
Cash and cash equivalents at the beginning of the year	2,520.99	2,029.76
Cash and cash equivalents at the end of the year	2,080.79	2,520.99
<b>Cash and cash equivalents include:</b>		
Cash on hand	0.86	1.11
Balances with banks in current accounts	895.18	1,989.08
Deposits with original maturity up to 3 months	1,184.75	530.80
	<b>2,080.79</b>	<b>2,520.99</b>

This is the Consolidated Cash Flow Statement referred to in our report of even date.

For **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm's Registration No: 001076N/N500013

For and on behalf of Board of Directors of  
**Sagarsoft (India) Limited**

**Sanjay Kumar Jain**  
Partner  
Membership No.: 207660

**M Jagadeesh**  
Managing Director  
DIN: 01590689

**K Pradeep Kumar Reddy**  
Executive Director & CFO  
DIN: 02598624

**T Sri Sai Manasa**  
Company Secretary  
M.No. A61433

Place: Hyderabad  
Date: 10 May, 2024

Place: Hyderabad  
Date: 10 May, 2024

## Consolidated Statement of Changes in Equity for the year ended 31 March 2024

(All amounts in ₹ lakhs, except share data and where otherwise stated)

### A. Equity Share Capital

Particulars	Notes	Number of shares	Amount
<b>As at 1 April 2022</b>		<b>63,92,238</b>	<b>639.22</b>
Changes in equity share capital	10	-	-
<b>As at 31 March 2023</b>		<b>63,92,238</b>	<b>639.22</b>
Changes in equity share capital	10	-	-
<b>As at 31 March 2024</b>		<b>63,92,238</b>	<b>639.22</b>

### B. Other Equity (refer note 11)

Particulars	Reserves and Surplus		OCI	Total
	Securities premium	Retained earnings	Foreign currency translation reserve	
<b>Balance as at 1 April 2022</b>	<b>2,486.66</b>	<b>2,364.97</b>	<b>12.57</b>	<b>4,864.20</b>
Profit for the year	-	762.71	-	762.71
Other comprehensive income / (loss), net of taxes	-	12.19	87.57	99.76
Payment of dividend ( 3 per equity share)	-	(191.77)	-	(191.77)
<b>Balance as at 31 March 2023</b>	<b>2,486.66</b>	<b>2,948.10</b>	<b>100.14</b>	<b>5,534.90</b>
Profit for the year	-	839.60	-	839.60
Other comprehensive income / (loss), net of taxes	-	(72.46)	57.84	(14.62)
Tax on dividend from subsidiary	-	(14.78)	-	(14.78)
Payment of dividend ( 2 per equity share)	-	(127.84)	-	(127.84)
<b>Balance as at 31 March 2024</b>	<b>2,486.66</b>	<b>3,572.62</b>	<b>157.98</b>	<b>6,217.26</b>

The accompanying notes referred to above form an integral part of these Consolidated financial statements.

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No: 001076N/N500013

**Sanjay Kumar Jain**  
Partner  
Membership No.: 207660

Place: Hyderabad  
Date: 10 May, 2024

For and on behalf of Board of Directors of  
**Sagarsoft (India) Limited**

**M Jagadeesh**  
Managing Director  
DIN: 01590689

**K Pradeep Kumar Reddy**  
Executive Director & CFO  
DIN: 02598624

**T Sri Sai Manasa**  
Company Secretary  
M.No. A61433

Place: Hyderabad  
Date: 10 May, 2024

## Summary of material accounting policies and other explanatory information

### 1. Description of the Group

Sagarsoft (India) Limited ('the Holding Company', 'the Parent Company') together with its subsidiaries (collectively referred as 'the Group') is engaged in the business of providing Staffing and IT related services. The shares of the Holding Company trade on the BSE Limited. The registered office of the Holding Company is located office at Plot no 111, Road no 10, Jubilee hills, Hyderabad – 500033, Telangana, India.

### 2. Basis of preparation of Consolidated Financial Statements

#### 2.1 Statement of compliance

These Consolidated Financial Statements of the Group have been prepared in accordance with accounting principles generally accepted in India, Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and presentation requirement of Division II of Schedule III to the Act, including the amendments to Schedule III notified by the Ministry of Corporate Affairs ("MCA") vide its notification dated 24 March 2021 and guidelines issued by the Securities Exchange Board of India ("SEBI").

These Consolidated financial statements have been prepared by the Group as a going concern based on relevant Ind-AS that are effective or elected for early adoption at the Group's annual reporting date, 31 March 2024. These Consolidated financial statements were authorised for issuance by the Group's Board of Directors on 10 May 2024.

These Consolidated financial statements have been prepared on historical cost convention, except for the following material items:

- (a) Financial assets are measured at either at fair value or at amortized cost depending upon the classification.
- (b) Employee defined benefits assets / (liability) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains, and the present value of the defined benefit obligations.

The Consolidated financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest lakhs, except when otherwise indicated.

#### 2.2 Summary of material accounting policies

##### a) Basis of consolidation

###### Subsidiaries

Subsidiaries are all entities (including special purpose entities) that are controlled by the Parent Company.

Control exists when the Parent Company is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet, respectively. For the purpose of preparing these consolidated financial statements, the accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Parent Company.

###### Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses, and cash flows of the Parent Company with those of its subsidiaries.
- (b) Offset (eliminate) the carrying amount of the Parent Company's investment in each subsidiary and the Parent Company's portion of equity of each subsidiary.
- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as Property, plant and equipment are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

###### Changes in ownership interests

Acquisition of some or all of the NCI is accounted for as a transaction with equity holders in their capacity as equity holders. Consequently, the difference arising between the fair value of the purchase consideration paid and the carrying value of the NCI is recorded as an adjustment to retained earnings that is attributable to the Parent company. The associated cash flows are classified as financing activities. No goodwill is recognised as a result of such transactions.

## Loss of Control

Upon loss of control, the Parent Company derecognises the assets and liabilities of the subsidiary, any NCIs and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the consolidated statement of profit and loss. If the Company retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, depending on the level of influence retained, it is accounted for as an equity-accounted investee or as an investment measured at fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL") under Ind AS 109 "Financial Instruments".

### List of entities included in the consolidated financial statements is as under:

Name of the entity	Relationship	Country of incorporation	Proportion of ownership interest as at	
			31 March 2024	31 March 2023
ITCATS LLC	Subsidiary	USA	100%	100%
SAPPLICA INC #	Step-down Subsidiary	USA	60%	0%

# IT CATS LLC has invested in Sapplica Inc. on 05 March 2024.

### b) Current vs non-current classification:

The Group presents assets and liabilities in the Consolidated balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current

A liability is current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Expected due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

### c) Foreign currency transactions and balances

The Group's Consolidated financial statements are presented in Indian Rupees (₹), which is also its functional currency.

Transactions in foreign currency are initially recorded at exchange rates prevailing on the date of transactions. Monetary items denominated in foreign currencies (such as cash, receivables, payables etc.) outstanding at the end of reporting period, are translated at the functional currency spot rate of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the Consolidated statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Consolidated statement of profit and loss either under the head foreign exchange fluctuation or interest cost, as the case may be, except those relating to long-term foreign currency monetary items.

### d) Revenue recognition

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised services to the customers in an amount that reflects the consideration the Group expects to receive in exchange for those services ("transaction price"). When there exists uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

Revenue is measured on the basis of transaction price, after deduction of any discounts and any taxes or duties collected on behalf of the Government such

as goods and services tax, etc. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

### **Sale of services**

The contract with customer for staffing and IT related services, generally contains a single performance obligation and revenue is recognized over time based on satisfaction of performance criteria included in contractual arrangements with customers, measured at transaction price. The Group does not expect to have any contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money. Refer note 18 for details.

The Group's receivables are rights to consideration that are unconditional. Unbilled revenues comprising revenues in excess of invoicing are classified as financial asset when the right to consideration is unconditional and is due only after a passage of time. Unbilled revenues are presented under trade receivables.

### **Interest income**

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call, and similar options) but does not consider the expected credit losses. Interest income is included under other income in the Consolidated statement of profit and loss.

## **e) Taxes**

### **Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax is recognised in the Consolidated statement of profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Management periodically evaluates positions taken in the tax

returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### **Deferred tax**

Deferred tax is provided using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax is recognised in the Consolidated statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the deferred tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### **f) Property, plant and equipment**

Property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and any attributable cost of bringing the asset to its working condition and location for the intended use. All other repair and maintenance costs are recognised in the Consolidated statement of profit and loss as incurred. Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated statement of profit and loss when the asset is derecognised.

Depreciation is provided on the basis of straight-line method at the useful life and in the manner prescribed in Schedule II of the Companies Act, 2013 for assets held by the Holding Company. The subsidiary depreciates its assets over the estimated useful life of 5 to 7 years. Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used

#### **g) Leases**

##### **The Group as a lessee**

The Group's lease asset classes primarily consist of leases for buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an 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 Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use (ROU) asset and a

corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the Right-of-use asset and Statement of Profit and Loss depending upon the nature of modification. Where the carrying amount of the Right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in the Statement of Profit and Loss.

#### **h) Business combinations and goodwill**

Business combinations are accounted for using the acquisition method, regardless of whether



equity instruments or other assets are acquired. The acquisition date is the date on which control is transferred to the acquirer. Control exists when the Company is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

The Company determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

The consideration transferred for the acquisition of a subsidiary is comprised of:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Company;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

At the acquisition date, the identifiable assets acquired, and liabilities and contingent liabilities assumed are, with limited exceptions, measured initially at their fair values. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

Contingent consideration is classified either as equity or a financial liability. Contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted for within equity. Amounts classified as a financial liability are subsequently re-measured to fair value, with changes in fair value recognised in the consolidated statement of profit and loss.

Goodwill is initially measured at cost, being the excess of the aggregate of:

- the consideration transferred,
- the amount of any non-controlling interest in the acquired entity, and
- the acquisition-date fair value of any previous equity

interest in the acquired entity.

over the fair value of the net identifiable assets acquired.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

#### **i) Impairment of non-financial assets**

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations, are recognised in the Consolidated statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the assets or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

#### **Impairment of goodwill**

Goodwill is not amortised but is reviewed for impairment at least annually. The Group estimates the value-in-use of the cash generating units (CGUs) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts.

The discount rates used for the CGUs represent the weighted average cost of capital based on the historical market returns of comparable companies.

**j) Provision and contingencies**  
**Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Consolidated statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**Contingencies**

Contingent liabilities are identified and disclosed with respect to following:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- a present obligation that arises from past events but is not recognised because:
  - > it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - > the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets are neither recognized nor disclosed, unless inflow of economic benefits is probable. However, when realization of income is virtually certain, related asset is recognized.

**k) Employee benefits**  
**Short term benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**Defined contribution plans**

The Company's contributions to defined contribution plans are charged to the consolidated statement of profit and loss as and when the services are received from the employees.

**Defined benefit plans**

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that have terms to maturity approximating to the terms of the related defined benefit obligation. The current service cost of the defined benefit plan, recognised in the consolidated statement of profit and loss in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments, and settlements. Past service costs are recognised immediately in the consolidated statement of profit and loss. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the consolidated statement of profit and loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions for defined benefit obligation and plan assets are recognised in OCI in the period in which they arise. The Company recognises gains or losses on the settlement of a defined benefit plan obligation when the settlement occurs.

**Compensated absences**

The Group operates a long-term leave encashment plan in India. Accrued liability for leave encashment including sick leave is determined on actuarial valuation basis using Projected Unit Credit (PUC) Method at the end of the year and provided completely in profit and loss account as per Ind AS - 19 "Employee Benefits". The Group presents the entire leave as a current liability in the Consolidated Balance Sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

**l) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**  
**Initial recognition and measurement**

All financial assets, excluding trade receivables are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through

profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Trade receivables that do not contain a significant financing component are measured at transaction price.

#### **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at FVTOCI or FVTPL

#### **Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Consolidated statement of profit and loss. The losses arising from impairment are recognised in the Consolidated statement of profit and loss.

#### **Debt instrument at FVTOCI**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Consolidated statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

#### **Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Consolidated statement of profit and loss.

#### **Equity instruments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group decides to classify the same either as at FVTOCI or FVTPL. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Consolidated statement of profit and loss, even on sale of investment. However, the Group transfers the cumulative gain or loss within equity.

#### **Impairment of financial assets**

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balances

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables that do not contain a significant financing component.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Consolidated statement of profit and loss. This amount is reflected under the head 'other expenses' in the Consolidated statement of profit and loss. The Consolidated balance sheet presentation for various financial instruments is described below:

Financial assets measured at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Consolidated balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

### **Financial liabilities**

#### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including derivative financial instruments.

#### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

### **Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per agreed terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

#### **De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated statement of profit and loss.

### **m) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### **n) Cash flow statement**

The Consolidated cash flow statement is prepared in accordance with the Indirect method. Consolidated cash flow statement presents the cash flows by operating, financing and investing activities of the Group. Operating cash flows are arrived by adjusting profit or loss before tax for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

### **o) Cash and cash equivalents**

Cash and cash equivalent in the Consolidated balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Consolidated cash flow statement, cash and cash equivalents consist of cash at banks and on hand and deposits, as defined above, net of outstanding loans repayable on demand from banks as they are considered an integral part of the Group's cash management.

**p) Cash dividends to equity holders**

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividend is approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable on distribution is recognised directly in equity.

**2.3 Key accounting estimates, judgements and assumptions**

The preparation of the Group's Consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

**a. Defined benefit plans and other long-term benefit plan**

The cost and present value of the defined benefit gratuity plan and leave encashment (other long-term benefit plan) are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation and other long-term benefits are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**b. Useful lives of depreciable assets**

Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Group.

**c. Leases**

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted

with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives.

**(d) Impairment on Goodwill:**

Goodwill recognized on business combination are tested for impairment at least annually or when events occur or changes in circumstances indicate that the recoverable amount of the asset or the cash generating unit (CGU) to which these pertain is less than the carrying value. The recoverable amount of the asset or the CGU is higher of value-in-use and fair value less cost of disposal. The calculation of value in use of a CGU involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

**2.4 Standards and recent pronouncements issued but not yet effective**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

(All amounts in ₹ lakhs, except share data and where otherwise stated)

### 3. Property, plant and equipment & Right-of-use assets

Particulars	Computers	Furniture and fixtures	Office Equipment	Vehicles	Total	Right-of-use assets
<b>Gross Block</b>						
<b>Balance as at 1 April 2022</b>	<b>812.14</b>	<b>467.78</b>	<b>281.87</b>	<b>95.09</b>	<b>1,656.88</b>	<b>623.63</b>
Additions during the year	36.49	-	0.60	114.04	<b>150.48</b>	781.43
Effect of changes in foreign exchange rates	1.16	0.04	1.12	-	<b>2.31</b>	8.32
Disposals / retirements during the year	(678.67)	(115.55)	(84.41)	(138.39)	<b>(1,017.02)</b>	-
<b>Balance as at 31 March 2023</b>	<b>171.12</b>	<b>352.27</b>	<b>199.18</b>	<b>70.74</b>	<b>792.65</b>	<b>1,413.38</b>
Additions during the year	32.91	-	2.36	-	<b>35.27</b>	-
Effect of changes in foreign exchange rates	0.14	0.01	0.20	-	<b>0.35</b>	-
Disposals / retirements during the year	-	-	(3.68)	(13.60)	<b>(17.28)</b>	-
Adjustments	0.67	-	-	-	<b>0.67</b>	-
<b>Balance as at 31 March 2024</b>	<b>204.84</b>	<b>352.28</b>	<b>198.06</b>	<b>57.14</b>	<b>811.66</b>	<b>1,413.38</b>
<b>Accumulated depreciation</b>						
<b>Upto 1 April 2022</b>	<b>747.36</b>	<b>324.17</b>	<b>244.52</b>	<b>63.57</b>	<b>1,379.62</b>	<b>337.79</b>
Charge for the year	48.60	24.00	6.48	15.47	<b>94.54</b>	165.45
Effect of changes in foreign exchange rates	0.03	-	0.05	-	<b>0.08</b>	0.63
Adjustment for disposals / retirements	(678.67)	(115.55)	(84.41)	(33.79)	<b>(912.00)</b>	-
<b>Upto 31 March 2023</b>	<b>117.32</b>	<b>232.62</b>	<b>166.64</b>	<b>45.25</b>	<b>562.24</b>	<b>503.87</b>
Charge for the year	38.35	23.03	4.92	6.93	<b>73.21</b>	168.41
Effect of changes in foreign exchange rates	0.32	-	0.51	-	<b>0.83</b>	(0.87)
Disposals / retirements during the year	-	-	(3.49)	(10.93)	<b>(14.42)</b>	-
Adjustments	(0.44)	-	-	-	<b>(0.44)</b>	-
<b>Upto 31 March 2024</b>	<b>155.55</b>	<b>255.65</b>	<b>168.58</b>	<b>41.25</b>	<b>621.42</b>	<b>671.41</b>
<b>Net book value as at 31 March 2023</b>	<b>53.80</b>	<b>119.65</b>	<b>32.54</b>	<b>25.49</b>	<b>230.43</b>	<b>909.51</b>
<b>Net book value as at 31 March 2024</b>	<b>49.29</b>	<b>96.63</b>	<b>29.48</b>	<b>15.89</b>	<b>190.24</b>	<b>741.97</b>

#### Notes:

- (i) The Group does not own any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee).
- (ii) There are no investment property and intangible assets as on 31 March 2024 and 31 March 2023.
- (iii) The Group has not revalued its Property, Plant and Equipment (including Right-of Use Assets).

(All amounts in ₹ lakhs, except share data and where otherwise stated)

#### 4. Other financial assets

Particulars	As at	
	31 March 2024	31 March 2023
<b>Non-current</b>		
<b>Unsecured, considered good</b>		
Security deposits	42.24	38.83
<b>Total</b>	<b>42.24</b>	<b>38.83</b>
<b>Current</b>		
<b>Unsecured, considered good</b>		
Interest receivable	19.57	13.86
Security deposits	4.54	4.54
Insurance claim receivable	-	36.91
Receivables from sale of property, plant and equipment	-	43.10
<b>Total</b>	<b>24.11</b>	<b>98.41</b>

#### 5. Deferred tax assets, net

Particulars	As at	
	31 March 2024	31 March 2023
<b>Deferred tax assets / (liabilities) arising on account of:</b>		
Property, plant and equipment	33.64	59.88
Provision for employee benefits	75.80	32.78
Right of use assets	29.11	18.33
Others	-	(46.20)
<b>Total</b>	<b>138.55</b>	<b>64.79</b>

(All amounts in ₹ lakhs, except share data and where otherwise stated)

**Movement in deferred tax assets, net**

Particulars	Property, plant and equipment	Provision for employee benefits	Right of use assets	Others	Total
<b>As at 1 April 2022</b>	<b>35.76</b>	<b>(7.61)</b>	<b>-</b>	<b>(0.02)</b>	<b>28.13</b>
Credited					
- to statement of profit and loss					
- for the year ended 31 March 2023	20.48	31.49	12.13	(16.73)	<b>47.37</b>
- pertaining to earlier years	3.64	13.00	6.20	-	<b>22.84</b>
- to Other comprehensive income / (loss)	-	(4.10)	-	(29.45)	<b>(33.55)</b>
<b>As at 31 March 2023</b>	<b>59.88</b>	<b>32.78</b>	<b>18.33</b>	<b>(46.20)</b>	<b>64.79</b>
Credited					
- to statement of profit and loss					
- for the year ended 31 March 2024	(26.24)	18.65	10.81	20.14	<b>23.36</b>
- Foreign currency translation adjustment	-	-	(0.03)	-	<b>(0.03)</b>
- to Other comprehensive income / (loss)	-	24.37	-	26.06	<b>50.43</b>
<b>As at 31 March 2024</b>	<b>33.64</b>	<b>75.80</b>	<b>29.11</b>	<b>-</b>	<b>138.55</b>

**6. Trade receivables**

Particulars	As at	
	31 March 2024	31 March 2023
Unsecured, considered good	5,171.57	3,296.58
Unsecured, significant increase in credit risk	-	-
Unsecured, credit impaired	-	-
	<b>5,171.57</b>	<b>3,296.58</b>
Less: Allowance for expected credit loss	(0.10)	-
<b>Total</b>	<b>5,171.47</b>	<b>3,296.58</b>

**(a) Trade receivables ageing schedule as at 31 March 2024:**

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed</b>							
Unsecured, considered good	3,597.25	1,562.71	11.46	0.15	-	-	5,171.57
Unsecured, significant increase in credit risk	-	-	-	-	-	-	-
Unsecured, credit impaired	-	-	-	-	-	-	-
							<b>5,171.57</b>
Less : Allowance for credit loss							(0.10)
<b>Total</b>							<b>5,171.47</b>



(All amounts in ₹ lakhs, except share data and where otherwise stated)

**(b) Trade receivables ageing schedule as at 31 March 2023:**

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed</b>							
Unsecured, considered good	1,728.08	1,529.82	29.02	9.66	-	-	<b>3,296.58</b>
Unsecured, significant increase in credit risk	-	-	-	-	-	-	-
Unsecured, credit impaired	-	-	-	-	-	-	-
							<b>3,296.58</b>
Less : Allowance for expected credit loss							-
<b>Total</b>							<b>3,296.58</b>

There are no disputed receivables outstanding as at 31 March 2024 and 31 March 2023.

**(c) Movement in the allowance for trade receivables for the year ended 31 March 2024 and 31 March 2023 is as follows:**

Particulars	For the year ended	
	31 March 2024	31 March 2023
<b>Opening balance at beginning of the year</b>	-	14.47
Add: Provision made during the year	0.10	41.27
Less: Bad debts written off during the year	-	(55.74)
<b>Closing balance at end of the year</b>	<b>0.10</b>	<b>-</b>

**7. Cash and bank balances**

Particulars	As at	
	31 March 2024	31 March 2023
<b>(a) Cash and cash equivalents</b>		
Cash on hand	0.86	1.11
Balances with banks in current accounts	895.18	1,989.08
Deposits with original maturity of less than three months	1,184.75	530.80
<b>Total</b>	<b>2,080.79</b>	<b>2,520.99</b>
<b>(b) Other bank balances</b>		
Earmarked balances with banks in Unpaid dividend account	52.58	45.67
<b>Total</b>	<b>52.58</b>	<b>45.67</b>

(All amounts in ₹ lakhs, except share data and where otherwise stated)

## 8. Loans

Particulars	As at	
	31 March 2024	31 March 2023
<b>Unsecured, considered good</b>		
Loans to related party (refer note (a))	1,300.00	1,300.00
Loans to employees	14.82	7.93
<b>Total</b>	<b>1,314.82</b>	<b>1,307.93</b>

- (a) Represents unsecured loan given to R V Consulting Services Private Limited for financial assistance (enterprise in which relative of a chairman exercise control), bearing an interest rate in the range of 7.50% - 8.50% per annum and repayable with-in 12 months from the date of disbursement. During the year, the Holding Company has renewed loan aggregating to ₹1,300. which had fallen due for repayment.
- (b) No loans are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013) either severally or jointly with any other person, that are either (i) repayable on demand; or (ii) without specifying any terms or period of repayment.

## 9. Other assets

Particulars	As at	
	31 March 2024	31 March 2023
<b>Non-current</b>		
<b>Unsecured, Considered good</b>		
Prepaid expenses	15.55	19.43
<b>Total</b>	<b>15.55</b>	<b>19.43</b>
<b>Current</b>		
<b>Unsecured, Considered good</b>		
Balances with statutory authorities	137.26	89.93
Prepaid expenses	69.61	43.72
Others	3.51	0.41
<b>Total</b>	<b>210.38</b>	<b>134.06</b>

## 10. Equity share capital

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
<b>i. Authorised share capital</b>				
Equity shares of ₹10 each	1,00,00,000	1,000	1,00,00,000	1,000
<b>ii. Issued, subscribed and fully paid up</b>				
Equity shares of ₹10 each	63,92,238	639.22	63,92,238	639.22
<b>Total</b>	<b>63,92,238</b>	<b>639.22</b>	<b>63,92,238</b>	<b>639.22</b>

(All amounts in ₹ lakhs, except share data and where otherwise stated)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
<b>iii. Reconciliation of number of equity shares outstanding at the beginning and at the end of the year</b>				
<b>Equity shares of ₹10 each</b>				
At the beginning of the year	63,92,238	639.22	63,92,238	639.22
Add: Issues during the year	-	-	-	-
<b>At the end of the year</b>	<b>63,92,238</b>	<b>639.22</b>	<b>63,92,238</b>	<b>639.22</b>

**iv. Rights, preferences and restrictions attached to equity shares**

The Company has only one class of issued, subscribed and paid up equity shares having a par value of ₹10 each per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**v. Details of shareholders holding more than 5% equity shares in the Company**

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	% holding	Number	% holding
<b>Name of the equity shareholders</b>				
S Sreekanth Reddy	11,67,950	18.27%	11,67,950	18.27%
Rachana Sammidi	6,46,574	10.11%	6,46,574	10.11%
Satish Chander Reddy Kalva	6,32,238	9.89%	6,32,238	9.89%
The Madhavpura Mercantile Co-op. Bank Ltd	3,99,836	6.26%	3,99,836	6.26%
R V Consulting Services Private Limited	3,72,506	5.83%	1,00,700	1.58%

**vi. Aggregate number of equity shares issued for consideration other than cash:**

During the year ended 31 March 2022, the Holding Company has issued 6,32,238 equity shares of ₹10 each to Mr. Satish Chander Reddy Kalva, against acquisition of 100% stake in ITCATS LLC, USA. The holding Company has not issued any equity shares pursuant to contract without payment being received in cash or by way of bonus shares or bought back any equity shares during the last five years preceding the balance sheet date, except as mentioned above.

**vii. Aggregate number of equity shares issued as bonus and shares bought back during the period of five years immediately preceding the reporting date is " Nil".**

(All amounts in ₹ lakhs, except share data and where otherwise stated)

**viii. Shareholding of Promoters as at 31 March 2024**

Name of the promoter*	As at 31 March 2024		As at 31 March 2023		% Change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
S Sreekanth Reddy	11,67,950	18.27	11,67,950	18.27	0.00
Rachana Sammidi	6,46,574	10.11	6,46,574	10.11	0.00
R V Consulting Services Private Limited	3,72,506	5.83	1,00,700	1.58	4.25
Anand Reddy Sammidi	1,52,200	2.38	1,52,200	2.38	0.00
Vanajatha Sammidi	1,47,100	2.30	1,47,100	2.30	0.00
Malathi Reddy Wdaru	1,20,900	1.89	1,20,900	1.89	0.00
Aruna Sammidi	1,18,400	1.85	1,18,400	1.85	0.00
Madhavi Nadikattu	1,16,400	1.82	1,16,400	1.82	0.00
Proddhutoori Sucharitha Reddy	1,05,200	1.65	1,05,200	1.65	0.00
Siddarth Sammidi	90,100	1.41	90,100	1.41	0.00
Aneesh Reddy Sammidi	90,100	1.41	90,100	1.41	0.00
Proddhutoori Sudarshan Reddy	50,000	0.78	50,000	0.78	0.00
Proddhutoori Rajith Reddy	50,000	0.78	50,000	0.78	0.00
M Radhika Reddy	55,200	0.86	55,200	0.86	0.00

**ix. Shareholding of Promoters as at 31 March 2023**

Name of the promoter*	As at 31 March 2023		As at 31 March 2022		% Change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
S Sreekanth Reddy	11,67,950	18.27	11,67,950	18.27	0.00
Rachana Sammidi	6,46,574	10.11	6,46,574	10.11	0.00
Anand Reddy Sammidi	1,52,200	2.38	1,52,200	2.38	0.00
Vanajatha Sammidi	1,47,100	2.30	1,47,100	2.30	0.00
Malathi Reddy Wdaru	1,20,900	1.89	1,20,900	1.89	0.00
Aruna Sammidi	1,18,400	1.85	1,18,400	1.85	0.00
Madhavi Nadikattu	1,16,400	1.82	1,16,400	1.82	0.00
Proddhutoori Sucharitha Reddy	1,05,200	1.65	1,05,200	1.65	0.00
R V Consulting Services Private Limited	1,00,700	1.58	1,00,700	1.58	0.00
Siddarth Sammidi	90,100	1.41	90,100	1.41	0.00

(All amounts in ₹ lakhs, except share data and where otherwise stated)

Name of the promoter*	As at 31 March 2023		As at 31 March 2022		% Change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Aneesh Reddy Sammidi	90,100	1.41	90,100	1.41	0.00
Proddhutoori Sudarshan Reddy	50,000	0.78	50,000	0.78	0.00
Proddhutoori Rajith Reddy	50,000	0.78	50,000	0.78	0.00
M Radhika Reddy	55,200	0.86	55,200	0.86	0.00

\*Details of promoters are identified based on information submitted with the stock exchanges as per SEBI (LODR) Regulations, 2015 (as amended) and the Annual Returns filed in accordance with the provisions of Section 92 of the Act.

## 11. Other equity

Particulars	As at	
	31 March 2024	31 March 2023
<b>Reserve and surplus</b>		
Securities premium	2,486.66	2,486.66
Retained earnings	3,572.62	2,948.10
<b>Total</b>	<b>6,059.28</b>	<b>5,434.76</b>
<b>Other comprehensive income</b>		
Foreign currency translation reserve ('FCTR')	157.98	100.14
<b>Total</b>	<b>6,217.26</b>	<b>5,534.90</b>

### Nature and purpose of reserves

#### Securities premium

The amount received in excess of face value of the equity shares is recognised in the securities premium. This reserve will be utilised in accordance with the provisions of Section 52 of the Act.

#### Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distribution to the shareholders.

#### FCTR

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

## 12. Borrowings

Particulars	As at	
	31 March 2024	31 March 2023
<b>Secured - Term loans</b>		
Vehicle loans from banks	-	63.19
<b>Total</b>	<b>-</b>	<b>63.19</b>
Current borrowings	-	63.19
Non-current borrowings	-	-

(All amounts in ₹ lakhs, except share data and where otherwise stated)

**(a) Details of secured vehicle loans**

In the FY 2022-23, the Holding Company had availed a vehicle loan from a bank, which was fully secured by way of hypothecation of specific vehicle (including insurance claim receivable and proceeds from sale of the specific vehicle). The loan carried an interest rate of 7.35% per annum and was repayable in 39 equal monthly installments starting from July 2022, which the Holding Company has prepaid in full in the month of May 2023.

**(b) Reconciliation of liabilities arising from financial activities**

Particulars	Borrowings		Interest accrued but not due	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
<b>Balance at beginning of the year</b>	63.19	-	-	-
Cash inflows	-	81.44	5.09	4.00
Cash outflows	(63.19)	(18.25)	(5.09)	(4.00)
<b>Balance at end of the year</b>	-	63.19	-	-

**13. Leases**

1. The Holding Company has lease arrangements for its corporate office premises located in Hyderabad. The lease has original terms for a period of 7 years with multiyear renewal option at the discretion of lessee. The agreements entered into by the Holding Company have rent escalation of 5%. There are no residual value guarantees provided by the third parties.

2. The Subsidiary has lease arrangements for its office premises located in New Jersey. The lease has original terms for a period of 2 years with renewal option at the discretion of lessee. There are no residual value guarantees provided by the third parties.

**The movement in lease liabilities is as follows:**

Particulars	31 March 2024	31 March 2023
<b>Balance at the beginning of the year</b>	<b>984.89</b>	<b>310.41</b>
Additions during the year	-	781.43
Finance cost accrued during the year	75.33	83.16
Payment of lease liabilities	(200.90)	(198.80)
Foreign currency translation adjustment	0.91	8.69
<b>Lease liabilities at the end of the year</b>	<b>860.23</b>	<b>984.89</b>
Current lease liabilities	148.76	127.28
Non-current lease liabilities	711.47	857.61

**(a) The details of contractual maturities of lease liabilities on an undiscounted basis is as follows:**

Particulars	31 March 2024	31 March 2023
Less than one year	212.00	203.38
one to five years	868.73	1,049.81
More than five years	-	-
<b>Total</b>	<b>1,080.73</b>	<b>1,253.20</b>

(All amounts in ₹ lakhs, except share data and where otherwise stated)

**(b) Following amount has been recognized in statement of profit and loss:**

Particulars	31 March 2024	31 March 2023
Depreciation/amortisation on right to use asset	168.41	165.45
Interest on lease liability	75.33	83.16
Expenses related to short term lease (included under other expenses)	10.55	13.37
<b>Total amount recognized in the statement of profit and loss</b>	<b>254.29</b>	<b>261.98</b>

**14. Trade payables**

Particulars	As at	
	31 March 2024	31 March 2023
Total outstanding dues of micro and small enterprises ("MSME")	-	-
Total outstanding dues of creditors other than MSME	1,907.01	1,331.52
<b>Total</b>	<b>1,907.01</b>	<b>1,331.52</b>

**(a) Trade payables ageing schedule :**

Particulars	As at 31 March 2024		As at 31 March 2023	
	Dues to MSME	Dues to other creditors	Dues to MSME	Dues to other creditors
<b>Undisputed dues outstanding for following periods from due date of payment</b>				
Unbilled	-	183.73	-	108.77
Less than 1 Year	-	1,237.12	-	930.34
1-2 Years	-	189.52	-	220.17
2-3 Years	-	223.35	-	-
More Than 3 Years	-	73.28	-	72.24
<b>Total</b>	<b>-</b>	<b>1,907.01</b>	<b>-</b>	<b>1,331.52</b>

**Note:** There are no outstanding disputed dues payable as at 31 March 2024 and 31 March 2023

**(b) Disclosure under Micro, Small and Medium Enterprises Development Act, 2006**

The creditors covered by Micro, Small and Medium Enterprises Development Act, 2006 ("the MSMED Act, 2006") have been identified on the basis of information available with the Company. Disclosures in respect of the amounts payable to such parties are given below:

Particulars	As at	
	31 March 2024	31 March 2023
(i) The principal amount remaining unpaid as at the end of the year	-	-
(ii) The amount of interest accrued and remaining unpaid on (i) above	-	-

(All amounts in ₹ lakhs, except share data and where otherwise stated)

Particulars	As at	
	31 March 2024	31 March 2023
(iii) Amount of interest paid by the Company in terms of Section 16, of the MSMED Act, 2006 along with the amounts of payments made beyond the appointed date during the year.	-	-
(iv) The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
(v) The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	-	-

#### 15. Other financial liabilities

Particulars	As at	
	31 March 2024	31 March 2023
<b>Current</b>		
Employee related payables	552.97	572.29
Unclaimed dividend	52.58	45.67
Other payables	9.46	-
<b>Total</b>	<b>615.01</b>	<b>617.96</b>

#### 16. Other current liabilities

Particulars	As at	
	31 March 2024	31 March 2023
Statutory dues payable	135.22	130.77
Other advances	1.21	7.81
<b>Total</b>	<b>136.43</b>	<b>138.58</b>

#### 17. Provisions

Particulars	As at	
	31 March 2024	31 March 2023
<b>Non Current</b>		
Gratuity	236.59	75.68
<b>Total</b>	<b>236.59</b>	<b>75.68</b>
<b>Current</b>		
Compensated absences	65.03	54.56
<b>Total</b>	<b>65.03</b>	<b>54.56</b>



(All amounts in ₹ lakhs, except share data and where otherwise stated)

## 18. Revenue from operations

Particulars	For the year ended	
	31 March 2024	31 March 2023
Staffing and IT related services	15,219.18	16,415.30
<b>Total</b>	<b>15,219.18</b>	<b>16,415.30</b>
<b>(i) Reconciliation of transaction price and amounts allocated to performance obligations:</b>		
Revenue at contracted prices	15,219.18	16,415.30
Less: Adjustments	-	-
<b>Total revenue from contracts with customers</b>	<b>15,219.18</b>	<b>16,415.30</b>
<b>(ii) Revenue disaggregation geography wise is as follows:</b>		
India	84.26	62.24
United States of America	15,134.92	16,353.06
<b>Total</b>	<b>15,219.18</b>	<b>16,415.30</b>

## 19. Other income

Particulars	For the year ended	
	31 March 2024	31 March 2023
Interest income on financial assets carried at amortized cost	151.08	142.06
Gain on foreign exchange fluctuation	7.93	90.73
Gain on sale of Property, plant and equipment	27.48	-
Other non-operating income	20.20	10.89
<b>Total</b>	<b>206.69</b>	<b>243.68</b>

## 20. Employee benefit expenses

Particulars	For the year ended	
	31 March 2024	31 March 2023
Salaries and other benefits	9,185.88	9,925.33
Contribution to provident and other funds (refer note below)	430.06	430.09
Gratuity expense	144.61	164.68
Staff welfare expenses	112.60	171.86
<b>Total</b>	<b>9,873.15</b>	<b>10,691.96</b>

- (a) The amount recognized as an expense towards contribution to provident fund and employee state insurance scheme by the Holding Company for the year ended 31 March 2024 amounts to ₹212.34 (31 March 2023: ₹211.61).
- (b) In the United States, the Subsidiary sponsors a defined contribution 401(k) retirement savings plan for all eligible employees. The Subsidiary has contributed ₹217.72 and ₹218.48 to the 401(k) retirement savings plan during the years ended 31 March 2024 and 31 March 2023, respectively. The Subsidiary has no further obligations under the plan beyond its monthly matching contributions.

(All amounts in ₹ lakhs, except share data and where otherwise stated)

## 21. Finance costs

Particulars	For the year ended	
	31 March 2024	31 March 2023
Interest on borrowings measured at amortized cost	5.09	4.00
Interest on lease liabilities	75.33	83.16
<b>Total</b>	<b>80.42</b>	<b>87.16</b>

## 22. Other expenses

Particulars	For the year ended	
	31 March 2024	31 March 2023
Legal and professional fees	734.18	727.88
Travelling and conveyance	110.44	110.65
Office maintenance	89.58	74.65
Rates and taxes	82.36	162.34
Insurance expense	40.42	14.37
Advertisement charges	40.41	32.24
Communication expenses	29.24	30.80
Payment to auditors (refer note (i) below)	26.65	39.54
Sitting fees	16.50	14.60
Interest & Bank Charges	14.60	87.64
Corporate social responsibility expense (refer note(ii) below)	10.81	12.06
Rent	10.55	13.37
Electricity charges	9.26	8.19
Printing and stationery	3.73	4.41
General expense	1.16	2.25
Provision towards doubtful debts and bad debts written off	0.10	41.27
Assets written-off	-	36.88
Loss on sale of property, plant and equipment, net	-	15.57
Others	10.98	7.38
<b>Total</b>	<b>1,230.97</b>	<b>1,436.09</b>

(All amounts in ₹ lakhs, except share data and where otherwise stated)

**(i) Details of payments to auditors:**

Particulars	For the year ended	
	31 March 2024	31 March 2023
<b>As auditor (including reimbursement of expenses):</b>		
- Statutory audit fees	17.77	18.37
- Tax audit fee	-	-
- Limited review fee*	8.88	21.17
In other capacities	-	-

\* includes one-time fee of Nil (31 March 2023: ₹ 12.04) towards additional efforts.

**(ii) Details of CSR expenditure:**

Particulars	For the year ended	
	31 March 2024	31 March 2023
(a) Gross amount required to be spent during the year	10.81	11.87
(b) Amount spent during the year	-	-
i) Construction/ acquisition of any asset	-	-
ii) on purposes other than (i) above	10.81	12.06
(c) Shortfall at the end of the year	-	-
(d) Total of previous years shortfall	-	-
(e) Reason for shortfall	NA	NA
(f) Nature of CSR activities	Food, Health and education promotion	
(g) Details of related party transactions	-	-

**23. Income tax**

The major components of income tax expense and the reconciliation between expected tax expense based on the domestic effective tax rate of the Company at 25.17% (31 March 2023: 25.17%) and the reported tax expense in the statement of profit and loss is as follows:

**Income tax expense reported in the statement of profit and loss**

Particulars	For the year ended	
	31 March 2024	31 March 2023
<b>Tax expense comprises of:</b>		
Current tax expense	327.76	342.64
Deferred tax benefit	(23.36)	(47.37)
Prior period taxes	-	1.43
<b>Total</b>	<b>304.40</b>	<b>296.70</b>

(All amounts in ₹ lakhs, except share data and where otherwise stated)

#### Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

Particulars	For the year ended	
	31 March 2024	31 March 2023
<b>Profit before tax</b>	1,138.18	1,059.41
Enacted tax rate in India - 25.17% (31 March 2023: 25.17%)	286.48	266.65
<b>Tax effect of amounts which are not deductible / taxable in calculating taxable income:</b>		
Tax of earlier years	-	1.43
Effect of (income) / expenses not deductible under the IT Act, 1961	(10.02)	13.37
Differences between Indian and foreign tax rates	13.24	15.46
Other adjustments	14.70	(0.21)
<b>Total</b>	<b>304.40</b>	<b>296.70</b>

#### 24. Earnings per equity share

Particulars	For the year ended	
	31 March 2024	31 March 2023
Profit for the year	839.60	762.71
Weighted average number of equity shares outstanding during the year	63,92,238	63,92,238
<b>Earnings per equity share (in absolute ₹ terms):</b>		
Nominal value per equity share	10.00	10.00
Basic and Diluted EPES	13.13	11.93

#### 25. Dividend

Dividend amount per equity share proposed or declared in accordance with the provisions of Section 123 of the Act is as follows:

Particulars	For the year ended	
	31 March 2024	31 March 2023
<b>Proposed final dividend on equity shares of ₹ 10 each *</b>		
Per equity share (in absolute ₹ terms)	2.00	2.00
<b>Amount</b>	<b>127.84</b>	<b>127.84</b>

\*The proposed final dividend, is subject to the approval of shareholders in the ensuing Annual General Meeting of the Holding Company and accordingly not recognized as a liability in accordance with the applicable accounting principles.

**Note:** The Holding Company has paid a dividend of ₹ 2 per share during the year ended 31 March 2024 (31 March 2023: ₹ 3 per share), pertains to such dividend declared for the previous financial year, amounting to ₹ 127.84 (31 March 2023: ₹ 191.77).

(All amounts in ₹ lakhs, except share data and where otherwise stated)

## 26. Categories of Financial instruments and their fair values

The carrying amount of all financial assets and financial liabilities appearing in the financial statements are reasonable approximation of their fair values.

### Categories of financial instruments

Particulars	As at 31 March 2024			As at 31 March 2023		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
<b>Financial assets</b>						
Trade receivables	-	-	5,171.47	-	-	3,296.58
Cash and bank balances	-	-	2,133.37	-	-	2,566.66
Loans	-	-	1,314.82	-	-	1,307.93
Other financial assets	-	-	66.35	-	-	137.24
<b>Total</b>	<b>-</b>	<b>-</b>	<b>8,686.01</b>	<b>-</b>	<b>-</b>	<b>7,308.41</b>

Particulars	As at 31 March 2024			As at 31 March 2023		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
<b>Financial liabilities</b>						
Borrowings	-	-	-	-	-	63.19
Lease liabilities	-	-	860.23	-	-	984.89
Trade payables	-	-	1,907.01	-	-	1,331.52
Other financial liabilities	-	-	615.01	-	-	617.96
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3,382.25</b>	<b>-</b>	<b>-</b>	<b>2,997.56</b>

The fair value of the financial assets and financial liabilities are included at an amount at which the instruments could be exchanged in a current transaction between the willing parties, other than in a forced or liquidation sale.

## 27. Financial risk management objectives and policies

### Financial Risk Management Framework

The Board of Directors is responsible for developing and monitoring the Group's risk management policies.

The Group's principal financial liabilities comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the operations. The Group's principal financial assets include loans, trade and other receivables and cash and bank balances that the Group derives directly from its operations.

The Group is exposed primarily to credit risk, liquidity risk and market risk, which may adversely impact the fair value of its financial instruments. The Group assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Group.

### A. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk arises primarily from financial assets such as trade receivables, balances with banks and loan and other receivables.

Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and bank balances and loans. None of the financial instruments of the Company result in material concentration of credit risk.

(All amounts in ₹ lakhs, except share data and where otherwise stated)

### Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹8,686.01 and ₹7,308.41 as of 31 March 2024 and 31 March 2023 respectively, being the total of the carrying amount of financial assets.

### Financial assets that are neither past due nor impaired

None of the Group's cash equivalents were either past due or impaired as at 31 March 2024 and 31 March 2023. The Group has diversified its portfolio of investment in cash and cash equivalents and term deposits with various banks which have secure credit ratings, hence the risk is reduced. Loans given to related parties are tested for impairment where there is an indicator. Other financial assets represent security deposits given to lessors and other assets. Credit risk associated with such deposits and other assets is relatively low.

### Financial assets that are past due but not impaired

The Group's credit period for customers generally ranges between 30-100 days. Ageing of trade receivables that are past due but not impaired is as under:

Particulars	As at	
	31 March 2024	31 March 2023
<b>Past due not impaired:</b>		
0 - 30 days	1,116.00	1,185.50
More than 30 days	458.30	383.00
<b>Total</b>	<b>1,574.30</b>	<b>1,568.50</b>

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each balance sheet date whether a financial asset or a group of financial assets are impaired. Expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix and loans if they past due. The provision matrix takes into account historical credit loss experience and is adjusted for forward-looking information. Based on such data, loss on collection of receivable is not material, hence no additional provision considered.

## B. Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group manages liquidity risk by maintaining cash and cash equivalents and the cash flows generated from operations.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

As at 31 March 2024	On demand	Up to 1 year	More than 1 year	Total
Lease liabilities	-	212.00	868.73	<b>1,080.73</b>
Trade payables	-	1,907.01	-	<b>1,907.01</b>
Other financial liabilities	-	615.01	-	<b>615.01</b>
<b>Total</b>	<b>-</b>	<b>2,734.02</b>	<b>868.73</b>	<b>3,602.75</b>

As at 31 March 2023	On demand	Up to 1 year	More than 1 year	Total
Lease liabilities	-	203.38	1,049.81	<b>1,253.20</b>
Borrowings	-	63.19	-	<b>63.19</b>
Trade payables	-	1,331.52	-	<b>1,331.52</b>
Other financial liabilities	-	617.96	-	<b>617.96</b>
<b>Total</b>	<b>-</b>	<b>2216.05</b>	<b>1049.81</b>	<b>3265.87</b>

(All amounts in ₹ lakhs, except share data and where otherwise stated)

### C. Market risk:

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

#### i. Foreign exchange risk:

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The majority of Holding Company's revenue is generated in US dollars, as a result, as the rupee appreciates or depreciates against foreign currencies, the results of the entity's operations are impacted.

(a) Significant foreign currency risk exposure relating to financial assets expressed in ₹ terms are as follows:

Particulars	31 March 2024	31 March 2023
<b>Trade receivables</b>		
- USD	614.13	630.53

(b) Foreign currency sensitivity:

The following table demonstrates the sensitivity to a reasonably possible change in USD, with all other variables held constant:

Particulars	Impact on profit after tax for the year ended	
	31 March 2024	31 March 2023
<b>USD sensitivity</b>		
₹/USD - Increase by 5%	22.98	23.59
₹/USD - Decrease by 5%	(22.98)	(23.59)

#### ii Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's investments and borrowings are fixed interest rate bearing instruments. Therefore, the Group is not exposed to interest rate risk.

### 28. Capital risk management

Capital includes equity capital and all other reserves attributable to the equity holders of the parent. The primary objective of the capital management is to ensure that it maintain an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder's value. The Group manages its capital structure and make adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, company may adjust the dividend payment to shareholders return capital to shareholders or issue new shares.

The Group monitors capital using a debt to capital employed ratio which is debt divided by total capital plus debt. The Group's policy is to keep this ratio at an optimal level to ensure that the debt related covenants are complied with.

Particulars	As at	
	31 March 2024	31 March 2023
Debt (includes lease liabilities)	860.23	1,048.08
Less: Cash and cash equivalents (note 6)	(2,080.79)	(2,520.99)
<b>Net debt (A)</b>	-	-
<b>Total equity (B)</b>	<b>6,851.03</b>	<b>6,174.12</b>
Net debt to equity ratio (%) (A) + (B)	6,851.03	6,174.12
Gearing ratio	0.00%	0.00%

(All amounts in ₹ lakhs, except share data and where otherwise stated)

## 29. Disclosure pursuant to requirements of Rule 11(e) (i) & (ii) of the Companies (Audit and Auditors) Rules

- (i) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries).
- (ii) The Group has not received any fund from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## 30. Contingent liabilities and Commitments

- (a) There are no contingent liabilities as at 31 March 2024 and 31 March 2023.
- (b) The Group has committed additional investment of ₹ 283.36, in Sapplica Inc., USA as at 31 March 2024.

## 31. Related party disclosures

### (a) Names of the related parties and nature of relationship

Names of related parties	Nature of relationship
S Sreekanth Reddy K Roopesh M Jagadeesh K Pradeep Kumar Reddy J Raja Reddy (Upto Sep 06, 2023) T Sri Sai Manasa (w.e.f. Nov 01, 2024)	Key Managerial Personnel ("KMP")
Savyasachi Constructions Private Limited Sapplica Info Technologies Private Limited Sagar Cements Limited Amicus Systems, Inc., USA R V Consulting Services Private Limited Sagarsoft Inc, USA	Enterprises where KMP along with their relatives exercise significant influence
K Satish Chander Reddy K V Ramananda Rao Nalamati Harimohan Neelima Kaushik V Venkat Ramana Keerthi Anantha	Non-executive Directors
Dr. S. Anand Reddy S. Vanajatha	Relatives of Directors

### (b) Transactions with related parties

Particulars	For the year ended	
	31 March 2024	31 March 2023
(i) <b>Remuneration paid</b>		
M Jagadeesh	81.44	76.89
K Pradeep Kumar Reddy	81.44	76.89
K Roopesh	217.47	194.88
J Raja Reddy (Upto Sep 06, 2023)	19.25	36.04
T Sri Sai Manasa (W.e.f. Nov 01, 2023)	5.00	-
(ii) <b>Loans granted</b>		
R V Consulting Services Private Limited	-	500.00
(iii) <b>Rent paid</b>		
Dr. S. Anand Reddy	67.83	64.60
S. Vanajatha	67.83	64.60
S Sreekanth Reddy	67.83	64.60



(All amounts in ₹ lakhs, except share data and where otherwise stated)

Particulars	For the year ended	
	31 March 2024	31 March 2023
(iv) <b>Revenue from operations</b>		
Sagarsoft Inc, USA	2,360.92	3,026.76
Amicus Systems, Inc., USA	38.01	53.69
Sagar Cements limited	57.00	57.00
(v) <b>Operating expenses</b>		
Savyasachi Constructions Private Limited - Maintainence charges	32.94	32.94
Sagar Cements Limited - Power expenses	9.26	8.19
Amicus Systems Inc., USA - Consultancy expense	301.76	583.93
Sagarsoft Inc., USA - Consultancy expense	-	108.03
(vi) <b>Interest income on loans</b>		
R V Consulting Services Private Limited	105.79	97.69
(vii) <b>Transactions with Non-Executive Directors</b>		
Sitting fee	16.50	14.60

**Note:**

(i) M. Jagadeesh (Managing Director) and K. Pradeep Kumar Reddy (Executive Director & CFO) are covered by the Holding Company's mediclaim insurance policy and are eligible for gratuity along with other employees of the Holding Company. The proportionate premium paid towards this policy and provision made for gratuity pertaining to the M. Jagadeesh (Managing Director) and K. Pradeep Kumar Reddy (Executive Director & CFO) has been included in the aforementioned disclosures as these are not determined on an individual basis.

(ii) All transactions with the related party are priced on an arm's length basis and are to be settled in cash. None of the balances are secured and no guarantees are extended to the related parties.

**(c) Balance receivable / (payable)**

Particulars	As at	
	31 March 2024	31 March 2023
<b>Trade receivables</b>		
Sagarsoft Inc, USA	637.07	685.33
Amicus Systems Inc., USA	5.08	4.76
Sagar Cements Limited	-	5.13
<b>Other financial liabilities</b>		
M Jagadeesh	(9.44)	(4.89)
K Pradeep Kumar Reddy	(9.44)	(4.89)
K Roopesh	(18.40)	(15.06)
<b>Trade payables</b>		
Amicus Systems Inc., USA	(579.75)	(433.98)
Sagarsoft Inc, USA	(131.68)	(152.40)
<b>Loan receivable</b>		
R V Consulting Services Private Limited	1,300.00	1,300.00

**32. Gratuity**

The Holding Company provides its employees with benefits under a defined benefit plan, referred to as the "Gratuity Plan". The Gratuity Plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days salary for each year of completed service (service of six months and above is rounded off as one year) at the time of retirement/ exit, restricted to a sum of ₹20 in accordance with Payment of Gratuity Act, 1972. The Holding Company maintains its investments with Life Insurance Corporation of India, to fund its gratuity plan.

(All amounts in ₹ lakhs, except share data and where otherwise stated)

SI No.	Particulars	31 March 2024	31 March 2023
(i)	<b>Change in projected benefit obligation</b>		
	Projected benefit obligation at the beginning of the year	344.64	220.67
	Service cost	65.45	44.27
	Past Service Cost	76.50	123.67
	Interest cost	24.23	14.69
	Actuarial Gain / (loss) - demographic assumptions	23.79	-
	Actuarial Gain / (loss) - experience assumptions	35.67	(11.79)
	Actuarial Gain / (loss) - financial assumptions	36.59	(6.28)
	Benefits paid	(43.59)	(40.60)
	<b>Projected benefit obligation at the end of the year</b>	<b>563.28</b>	<b>344.64</b>
(ii)	<b>Change in plan assets</b>		
	Fair value of plan assets at the beginning of the year	268.96	236.89
	Contribution made during the year	80.53	56.50
	Interest income on plan assets	21.56	17.95
	Actuarial loss	(0.78)	(1.78)
	Benefits paid	(43.59)	(40.60)
	<b>Fair value of plan assets at the end of the year</b>	<b>326.68</b>	<b>268.96</b>
(iii)	<b>Reconciliation of present value of benefit obligation and plan assets</b>		
	Present value of projected benefit obligation at the end of the year	563.28	344.64
	Funded status of the plan	(326.68)	(268.96)
	<b>Net liability / (asset) recognised in the balance sheet</b>	<b>236.60</b>	<b>75.68</b>
(iv)	<b>Expense recognized in the statement of profit and loss</b>		
	Interest cost	24.23	14.69
	Service cost	65.45	44.27
	Past Service cost	76.50	123.67
	Interest income on plan assets	(21.56)	(17.95)
		<b>144.62</b>	<b>164.68</b>
(v)	<b>Expense recognized in OCI</b>		
	Actuarial loss, net	(96.83)	16.29
		<b>(96.83)</b>	<b>16.29</b>
(vi)	<b>Key actuarial assumptions</b>		
	Discount rate	7.22%	7.50%
	Salary escalation rate	6.00%	5.00%
	Withdrawal rate	15% to 25%	2.00%
	Mortality rate (as % of IALM (2012-14) Ult. Mortality Table)	100.00%	100.00%
	Retirement age	60 Years	58 Years
	The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.		
(vii)	<b>Maturity profile of defined benefit obligation:</b>		
	Within one year	91.35	19.75
	Within two to five years	284.96	68.75
	More than five years	487.86	806.04
	<b>Total</b>	<b>864.17</b>	<b>894.54</b>
		6 years	11.92 years

(All amounts in ₹ lakhs, except share data and where otherwise stated)

**(viii) Sensitivity analysis**

Particulars	31 March 2024	31 March 2023
Discount rate (+ 1% movement)	537.07	310.85
Discount rate (- 1% movement)	592.11	384.07
Salary escalation (+ 1% movement)	595.37	374.14
Salary escalation (- 1% movement)	533.60	315.15

**(ix)** The Company expects to contribute ₹Nil towards gratuity within one year from the year ended 31 March 2024 and 31 March 2023.

**(x) Risk exposures:**

Valuation are based on certain assumptions, which are dynamic in nature and may vary over time. As such valuations of the Company is exposed to following risks -

- Salary escalation: Higher than expected increases in salary will increase the defined benefit obligation.
- Discount rate: The defined benefit obligation calculated use a discount rate based on government bonds. If bond yield fall, the defined benefit obligation will tend to increase.
- Mortality rate: If the actual death cases are lower or higher than assumed in the valuation, it can impact the defined benefit obligation.
- Withdrawals: If the actual withdrawal are higher or lower than the assumed withdrawals or there is a change in withdrawal rates at subsequent valuations, it can impact defined benefit obligation,

**33. Operating Segments**

The Group is engaged in providing Staffing and Information Technology related services to its customers in India and Overseas, which is being considered as a single reportable business segment.

Geography-wise details of the Group's revenues from external customers is disclosed in note 18(ii). Details of Group's non-current assets (other than financial instruments and deferred tax assets) and revenue from major customers are given below:

**(i) Non-current assets (other than financial instruments and deferred tax assets)**

Particulars	As at	
	31 March 2024	31 March 2023
India	1,729.54	1,927.67
USA	86.86	100.34
<b>Total</b>	<b>1,816.40</b>	<b>2,028.01</b>

**(ii) Major customers**

The Group has two customers who contributed more than 10% of the Group's total revenue during the current year and previous year. The revenue from such major customers aggregated to ₹ 7,924.11 (31 March 2023: ₹ 8,298.84).

**34. Additional disclosures**

- (i) No proceedings have been initiated on or are pending against the Holding Company for holding benami property under the Benami Transactions Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- (ii) The Group has not taken borrowings from banks or financial institutions on the basis of security of current assets.
- (iii) The Group has not been declared willful defaulter by any bank or financial Institution or other lender.
- (iv) No transactions are carried out with companies struck off under section 248 of the Act or section 560 of Companies Act, 1956.
- (v) No charges or satisfaction yet to be registered with ROC beyond the statutory period.
- (vi) The Holding Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (vii) No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Act.
- (viii) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- (ix) The Holding Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

**35. Audit trail**

The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Holding Company, in respect of financial year commencing on 1 April 2023 has used an accounting software "TallyPrime 2.1" for maintaining its books of account for the period 01 April 2023 to 31 May 2023. The Company has migrated to a new accounting software 'Tally Prime (Edit log) 4.0' from 1 June 2023 which maintains the audit trail (edit log).

**36. Goodwill**

Goodwill arising upon business combinations is not amortised but tested for impairment at least annually or more frequently if there is any indication that the cash generating unit to which goodwill is allocated is impaired. For the purposes of impairment testing, carrying amount of goodwill has been allocated to the following Cash Generating Unit (CGU) as follows:

Particulars	As at	
	31 March 2024	31 March 2023
Business acquisition of ITCATS LLC		
Opening balance	868.64	868.64
Additions during the year	-	-
Impaired during the year	-	-
Closing balance	<b>868.64</b>	<b>868.64</b>

The recoverable amount of goodwill has been assessed using a value-in-use model. Value in use is calculated as the net present value of the projected post-tax cash flows plus a terminal value of the cash generating unit to which the goodwill is allocated. Initially a post-tax discount rate is applied to calculate the net present value of the post-tax cash flows. The cash flow projections include specific estimates for five years developed using internal forecasts and a terminal growth rate thereafter of 3.90% per annum, discounted using weighted average cost of capital of 15%. The planning horizon reflects the assumptions for short-to-mid term market developments which are based on key assumptions such as margins, expected growth rates based on past experience, new product launches and management's expectations / extrapolation of normal increase / steady terminal growth rate. Discount rate reflects the current market assessment of the risks.

The management believes that any reasonable possible change in the key assumptions would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

(All amounts in ₹ lakhs, except share data and where otherwise stated)

**37. Additional disclosure as required under paragraph 2 of 'General Instructions for the preparation of Consolidated Financial Statements' of the Schedule III to the Act**

Particulars	As at / For the year ended 31 March 2024					
	Parent Company	Foreign Subsidiaries		Consolidation Adjustments	Non-controlling interest	Total
		IT CATS LLC	Sapplica Inc.			
Net assets	5,348.41	2,257.69	7.39	(757.01)	(5.45)	6,851.03
As a % of consolidation net assets	78.07%	32.95%	0.11%	(11.05%)	(0.08%)	100.00%
Share in profit or loss	371.77	554.94	(14.55)	(66.74)	(5.82)	839.60
As a % of consolidation profit or loss	44.28%	66.10%	(1.73%)	(7.95%)	(0.69%)	100.00%
Share of OCI	(72.45)	-	0.02	57.81	-	(14.62)
As a % of OCI	495.55%	0.00%	(0.14%)	(395.42%)	0.00%	100.00%
Share of total comprehensive income	299.32	554.94	(14.53)	(8.93)	(5.82)	824.98
As a % of total comprehensive income	36.28%	67.27%	(1.76%)	(1.08%)	(0.71%)	100.00%

Particulars	As at / For the year ended 31 March 2023				
	Parent Company	Foreign Subsidiaries		Consolidation Adjustments	Total
		IT CATS LLC			
Net assets	5,176.93	1,773.39		(776.20)	6,174.12
As a % of consolidation net assets	83.85%	28.72%		(12.57%)	100.00%
Share in profit or loss	136.94	635.96		(10.19)	762.71
As a % of consolidation profit or loss	17.95%	83.38%		(1.34%)	100.00%
Share of OCI	12.19	-		87.57	99.76
As a % of OCI	12.22%	0.00%		87.78%	100.00%
Share of total comprehensive income	149.13	635.96		77.38	862.47
As a % of total comprehensive income	17.29%	73.74%		8.97%	100.00%

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No: 001076N/N500013

For and on behalf of Board of Directors of  
**Sagarsoft (India) Limited**

**Sanjay Kumar Jain**  
Partner  
Membership No.: 207660

Place: Hyderabad  
Date: 10 May, 2024

**M Jagadeesh**  
Managing Director  
DIN: 01590689

Place: Hyderabad  
Date: 10 May, 2024

**K Pradeep Kumar Reddy**  
Executive Director & CFO  
DIN: 02598624

**T Sri Sai Manasa**  
Company Secretary  
M.No. A61433







**Sagarsoft**<sup>®</sup>

**Sagarsoft (India) Limited**

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