



SSIL: SEC: BSE: 2020-21

June 19, 2020

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

**Scrip Code: 540143**

Dear Sir,

**Sub: Intimation about the date of the ensuing Annual General Meeting and Intimation under Regulation 42 of the SEBI (LODR) Regulations 2015 regarding Book Closure.**

We wish to inform you that the 24<sup>th</sup> Annual General Meeting (AGM) of our company will be held on Wednesday, July 15, 2020 at 3.30 p.m. through Video Conference (VC)/ other Audio Visual Means (OAVM).

Pursuant to Regulation 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company along with the Notice of AGM for the financial year 2019-20 which is being sent through electronic mode to all our Members.

Our Board has recommended a dividend at Rs.1.50 per equity share (15%) on the 55,60,000 equity shares of Rs.10/- each of the Company for approval by the shareholders at the AGM.

We further wish to inform you that the Register of Members and the Share Transfer Books of our company will remain closed during the period from July 09, 2020 to July 15, 2020 (both days inclusive) for determining entitlement of members to the dividend for the financial year ended March 31, 2020. If the dividend as recommended by the Board of Directors is approved at the AGM, payment of such dividend, subject to deduction of tax at source wherever applicable, will be made as under:

- a) To all Beneficial Owners in respect of shares held in dematerialized form as per the data as will be made available to us by the National Securities Depository Limited and the Central Depository Services (India) Limited as of the close of business hours on Wednesday, July 8, 2020;
- b) To all Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company as of the close of business hours on Wednesday, July 8, 2020.

Thanking you

Yours faithfully

For Sagarsoft (India) Limited

**J. Raja Reddy  
Company Secretary**

# 24th Annual Report 2020



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

**SAGARSOFT (INDIA) LIMITED**

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**Board of Directors**

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

**Company Secretary**

Shri J.Raja Reddy

**Auditors**

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

**Bankers**

Axis Bank Ltd.,  
 Banjara Hills Branch, Hyderabad

HDFC Bank Ltd.,  
 Lakdikapool Branch, Hyderabad

**Registered Office**

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

**Corporate Identity Number**

L72200TG1996PLC023823

**Registrars and  
 Share transfer agents**

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

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

**NOTICE**

Notice is hereby given that the 24<sup>th</sup> Annual General Meeting of the Members of Sagarsoft (India) Limited will be held on Wednesday, the 15<sup>th</sup> day of July, 2020 at 3.30 p.m. through Video Conference (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2020 together with the Reports of the Directors and Auditors thereon and in this regard to pass the following resolution as an ordinary resolution:

“**Resolved that** the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March 2020 together with the reports of the Directors and Auditors thereon be and are hereby received, considered, approved and adopted.”

2. To declare dividend of Rs.1.50 per share (15%) on the equity shares of the company for the financial year ended 31<sup>st</sup> March, 2020 and in this regard to pass the following resolution as an Ordinary Resolution:

“**Resolved that** a dividend of Rs.1.50 per share (15%) on the 55,60,000 equity shares of Rs.10/- each of the company for the financial year ended 31<sup>st</sup> March, 2020 be and is hereby declared.

3. To re-appoint the retiring Director Shri S.Sreekanth Reddy (DIN: 00123889), who retires by rotation at the ensuing AGM and being eligible, offers himself for re-appointment and in this regard to pass the following resolution as an ordinary resolution:

“**Resolved that** Shri S.Sreekanth Reddy (DIN: 00123889) who retires by rotation in accordance with section 152 of the Companies Act, 2013 be and is hereby re-appointed as a director liable to retire by rotation.”

4. To re-appoint the retiring Director Shri K.Satish Chander Reddy (DIN:02412539), who retires by rotation at the ensuing AGM 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. To consider and if thought fit, to pass the following resolution as a special resolution:

**Resolved that** consent of the shareholders be and is hereby accorded pursuant to Section 180(1)(c) and any other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications thereof and any rules made thereunder for the time being in force), to the Board of Directors of the Company to borrow for the purpose of business, as and when required, from, including without limitation, any Bank and/or Financial Institution and/or NBFC and/or any body corporate/ entity/entities and/or authority/authorities and/or Director(s)/relatives of Director(s), either in rupees or in such other foreign currencies as may be permitted by law from time to time, such sum or sums of monies as they may deem necessary, notwithstanding the fact that the money to be borrowed together with the money already borrowed may exceed the

aggregate of the paid up capital of the Company, its free reserves, that is to say, reserves not set apart for any specific purpose and securities premium, provided that at any time the total outstanding amount of such borrowings, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, shall not exceed Rs.50 crores.

**Resolved Further** that the Board of Directors be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to, inter-alia, interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required.

6. To consider and if thought fit, to pass the following resolution as a special resolution:

**Resolved that** consent of the shareholders be and is hereby accorded under Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder to the Board of Directors of the Company to mortgage and or charge all or any of the movable and immovable properties of the Company, wherever situate, present and future, and to confer power to enter upon and to take possession of assets of the Company in certain events, in favour of Banks/ Financial Institutions/NBFCs/body Corporate/other entities/any authority(ies) to secure the term loan and other credit facilities extended or as may be extended by them to the company from time to time, together with interest, compound / additional interest at the respective agreed rates, premia on prepayment or on redemption, cost, charges, expenses and all other monies payable by the Company to the above said lenders in terms of the sanction governing such term loan(s) and credit facilities up to the limit as may be approved by the members from time to time under section 180(1)(c) of the Companies Act, 2013.

**Further resolved** that the Board of Directors of the Company be and is hereby authorised to finalize the documents for creating the afore said mortgage and or the charge and to do all such acts and things as may be necessary for giving effect to the above resolution.

7. To consider and if thought fit, to pass the following resolution as a special resolution:-

**Resolved that** pursuant to the provisions of Section 186 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification thereof for the time being in force and as may be enacted from time to time) and subject to such other approvals, consents, sanctions and permissions, as may be necessary, and the Articles of Association of the Company and all other provisions of applicable laws, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution), to give loans to any other body(ies) corporate and / or give any guarantee or provide security in connection with a loan to any other body(ies) corporate and / or acquire by way of subscription, purchase or otherwise, the securities of any body(ies) corporate upto an aggregate amount not exceeding Rs.100 crores notwithstanding that the aggregate of the loans or guarantees so far given or to be given and/ or securities so far acquired or to be acquired by the Company, may collectively exceed the limits prescribed under Section 186 of the Companies Act, 2013.

**Resolved Further that** the Board be and is hereby authorised to take from time to time all decisions including finalization of the terms and conditions for giving the loans,

guarantees or providing securities or for making such investments and to execute such documents, deeds, writings, papers and/or agreements as may be required and do all such further acts, deeds, matters and things, as it may in its absolute discretion, deem fit, necessary or appropriate.

8. To consider and if thought fit, to pass the following resolution as an ordinary resolution:

**Resolved that** pursuant to the provisions of Section 20 of the Companies Act, 2013 read with Rule 35 of the Companies (Incorporation) Rules, 2014 including any statutory modification(s) or re-enactment thereof, for the time being in force, consent of the members be and is hereby accorded to collect from every member of the Company who makes a specific request to the company to send any documents to him through a particular mode, a fee in advance as may be determined by the Board of Directors or a Committee thereof or the Registrars and Share Transfer Agents of the Company to cover the expenses involved in delivering the said documents through the mode indicated by the member.

By Order of the Board of Directors

Sd/-

Hyderabad,  
June 15, 2020

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

**Registered Office:**

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

**NOTES:**

1. In view of the Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated 5<sup>th</sup> May, 2020 read with circulars dated 8<sup>th</sup> April, 2020 and 13<sup>th</sup> April, 2020 (collectively referred to as “MCA Circulars”) permitted holding of the Annual General Meeting of companies through Video Conferencing or Other Audio Visual Means (“VC / OAVM”), without physical presence of the Members at a common venue.
2. In compliance with applicable provisions of the Companies Act, 2013 (“the Act”) read with the MCA Circulars and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the 24<sup>th</sup> Annual General Meeting of the Company is being conducted through Video Conferencing (“VC”) (hereinafter referred to as “AGM’ or “e-AGM”). In accordance with the Secretarial Standard -2 on General Meeting issued by the Institute of Company Secretaries of India (ICSI) read with Guidance/ Clarification dated 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 e-AGM.
3. e-AGM: The Company has appointed KFin Technologies Private Limited, Registrars and Transfer Agents, to provide Video Conferencing facility for the e-AGM and the attendant enablers for conducting of the e-AGM.
4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf who may or may not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC, physical attendance of Members has been dispensed with. Further as per the MCA Circulars, the facility for appointment of proxies by the Members will not be available for the e-AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

5. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”) setting out material facts concerning the special business under Item Nos. 5 to 8 of the accompanying Notice, is given in the annexure 1. The Board of Directors of the Company at its meeting held on 27<sup>th</sup> May, 2020 considered that the special business under Item Nos. 5 to 8, being considered unavoidable, be transacted at the 24th AGM of the Company.
6. The relevant details required to be given under Regulation 26(4) and 36(3) of Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of directors seeking re-appointment at this AGM are given in the Annexure-2.
7. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the e-AGM on its behalf and to vote either through remote e-voting or during the e-AGM. The said Resolution/Authorization should be sent electronically through their registered email address to the Scrutinizer at [bssass99@gmail.com](mailto:bssass99@gmail.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com) and company’s email id at [info@sagarsoft.in](mailto:info@sagarsoft.in).
8. The Company’s Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) is KFin Technologies Private Limited having office at Selenium Tower B, Plot number 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500032.
9. **Attending e-AGM:** Member will be provided with a facility to attend the e-AGM through video conferencing platform provided by KFin Technologies Private Limited. Members may access the same at <https://evoting.karvy.com> by clicking “e-AGM - Video Conference & Streaming” and access the shareholders/ members’ login by using the remote e-voting credentials which shall be provided as per Note No.20 below. Kindly refer note no.19 below for detailed instruction for participating in e-AGM through Video Conferencing.
10. The Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice.
11. As per the MCA Circular up to 1000 members will be able to join the e-AGM on a first-come-first-served basis. However, this restriction shall not apply to large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.
12. A member’s log-in to the Video Conferencing platform using the remote e-voting credentials shall be considered for record of attendance of such member for the e-AGM and such member attending the meeting will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
13. Remote e-Voting: Pursuant to the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of Listing Regulations, and the MCA Circulars, the Company is providing facility of remote e-voting to its Members through Company’s Registrar and Transfer Agent KFin technologies Private Limited. Kindly refer Note no.20 below for detailed instruction for remote-voting.
14. **Voting during the AGM:** Members who are present at the e-AGM through VC and have not cast their vote on resolutions through remote e-voting may cast their vote during the e-AGM through the e-voting system provided by KFin Technologies Private Limited in the Video Conferencing platform during the e-AGM. Kindly refer Note no. 21 below for instruction for e-voting during the AGM.
15. The Company has fixed Wednesday, 8<sup>th</sup> July, 2020 as the cut-off date for identifying the Members who shall be eligible to vote through remote e-voting facility or for participation and voting in the e-AGM. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date shall be entitled to vote on the resolutions through the facility of Remote e-Voting or participate and vote in the e-AGM.



16. The Register of Members and Transfer Book of the Company will be closed from 9<sup>th</sup> July, 2020 to 15<sup>th</sup> July, 2020 (both days inclusive).
17. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12<sup>th</sup> May, 2020, Notice of the e-AGM along with the Annual Report for the financial year ended on 31<sup>st</sup> March, 2020 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. The Notice calling the AGM and the Annual Report has been uploaded on the website of the Company at [www.sagarsoft.in](http://www.sagarsoft.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The same is also available on the website of KFin Technologies Private Limited at the website address <https://evoting.karvy.com/>.
18. **Procedure for registering the email addresses and obtaining the Annual Report, e-AGM notice and e-voting instructions by the shareholders whose email addresses are not registered with the Depositories (in case of shareholders holding shares in Demat form) or with RTA (in case the shareholders holding shares in physical form).**
  - i. Those members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:
    - a. Members holding shares in demat form can get their e-mail ID registered by contacting their respective Depository Participant.
    - b. Members holding shares in physical form may register their email address and mobile number with Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited by sending an e-mail request at the email ID **einward.ris@kfintech.com** along with signed scanned copy of the request letter providing the email address, mobile number, self-attested PAN copy and copy of share certificate for registering their email address and receiving the Annual report, AGM Notice and the e-voting instructions
  - ii. Those members who have not registered their email and in consequence the Annual Report, Notice of e-AGM and e-voting notice could not be served, may temporarily get their email address and mobile number provided with the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited by clicking the link: <https://karisma.kfintech.com/emailreg> for sending the same. Shareholders are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the Annual Report, Notice of e-AGM and e-voting instructions along with the User ID and Password. In case of any queries, shareholder may write to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).
  - iii. Those members who have registered their e-mail address, mobile nos., postal address and bank account details are requested to validate/update their registered details by contacting the Depository Participant in case of shares held in electronic form or by contacting KFin Technologies Private Limited, the Registrar and Share Transfer Agent of the Company, in case the shares held in physical form.
19. **Instructions to the Members for attending the e-AGM through Video Conference.**
  - i. Attending the e-AGM: Member will be provided with a facility to attend the e-AGM through video conferencing platform provided by KFin Technologies Private Limited. Members may access the same at <https://evoting.karvy.com/> by clicking 'e-AGM Video Conference and Streaming' and login by using the remote e-voting credentials. The link for e-AGM will be available in 'shareholders'/members' login where the EVENT 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 Laptops with Google Chrome for better experience.

- iv. Further Members will be required to allow access to the Camera, if any, and are requested to use Internet with good speed to avoid any disturbance during the meeting
- v. Please note that participants using Mobile Devices or Tablets or Laptops and are accessing the internet via "Mobile Hotspot" may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- vi. **Submission of Questions / queries prior to e-AGM:**
  - a) Members desiring any additional information with regard to Accounts/ Annual Reports or has any question or query are requested to write to the Company Secretary on the Company's investor email-id i.e. info@sagarsoft.in at least 2 days before the date of the e-AGM so as to enable the Management to keep the information ready. Please note that, members questions will be answered only if they continue to hold the shares as of cut-off date.
  - b) Alternatively, shareholders holding shares as on cut-off date may also visit [https:// evoting.karvy.com](https://evoting.karvy.com) and click on the tab "Post Your Queries Here" to post their queries/ views/questions in the window provided, by mentioning their name, demat account number/folio number, email ID, mobile number. The window shall be activated during the remote e-voting period and shall be closed 24 hours before the time fixed for the e-AGM.
- vii. **Speaker Registration before e-AGM:** In addition to above speaker registration may also be allowed during the remote e-voting period. Shareholder who wish to register as speakers are requested to visit <https://evoting.karvy.com/> and click on 'Speaker Registration' during this period. Shareholders shall be provided with a 'queue number' before the e-AGM. Shareholders are requested to remember the same and wait for their turn to be called by the Chairman of the meeting during the Question Answer Session. Due to limitations of transmission and coordination during the e-AGM, the Company may have to dispense with or curtail the Speaker Session, hence shareholders are encouraged to send their questions etc. in advance as provided in note no. 19(vi) above.
- viii. Members who wish to inspect the Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under section 189 of the Companies Act, 2013, can send an email to info@sagarsoft.in.

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

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

- i. The remote e-voting facility will be available during the following period:
  - a. Day, date and time of commencement of remote e-voting 11<sup>th</sup> July, 2020 (9.00 A.M. IST) and ends on 14<sup>th</sup> July, 2020 (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: 14<sup>th</sup> July, 2020 at 5:00 p.m.
- ii. Details of Website: <https://evoting.karvy.com>.
- iii. The voting rights of the Members holding shares in physical form or in dematerialized form, in respect of e-voting shall be reckoned in proportion to their share in the paid-

up equity share capital as on the cut-off date being Wednesday, 8<sup>th</sup> July, 2020. 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 12<sup>th</sup> June, 2020 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 12<sup>th</sup> June, 2020 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. Wednesday 8<sup>th</sup> July, 2020, may obtain the User Id and password in the manner as mentioned below:
  - a) If the mobile number of the Member is registered against Folio No./ DPID Client ID, the Member may send SMS:  
MYEPWD <space> 'e-Voting Event Number'  
+Folio number or DPID Client ID to +91-9212993399  
Example for NSDL: MYEPWD<SPACE>IN12345612345678  
Example for CDSL: MYEPWD<SPACE>1402345612345678  
Example for Physical: MYEPWD<SPACE>  
XXXX1234567890
  - b) If e-mail address or mobile number of the Member is registered against Folio No./ DPID Client ID, then on the home page of <https://evoting.karvy.com>, the Member may click "Forgot Password" and enter Folio No. or DPID Client ID and PAN to generate a password.
  - c) Member may call KFin Technologies Private Limited's Toll free number 1-800-3454-001.  
Member may send an e-mail request to [evoting@kfintech.com](mailto:evoting@kfintech.com).
- v. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by KFin Technologies Private Limited upon expiry of aforesaid period.
- vi. Details of persons to be contacted for issues relating to e-voting:  
Mr. K.Raj Kumar, Senior Manager, - Corporate Registry, KFin Technologies Private Limited, Unit: Sagarsoft (India) Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032. Contact No. 040 6716 2222, Toll Free No.: 18003454001.
- vii. Details of Scrutinizer: B S S & Associates, Practicing Company Secretaries (Unique Code of Partnership Firm: P2012AP02600) has been appointed as the Scrutinizers to scrutinize the e-voting process in a fair and transparent manner.
- viii. The procedure and instructions for remote e-Voting facility are as follows:
  - a. Open your web browser during the remote e-voting period and navigate to '[https:// evoting.karvy.com](https://evoting.karvy.com)'.
  - b. Enter the login credentials (i.e. User ID and password mentioned in the email). Your Folio No. or DP ID /Client ID will be your User ID. However, if you are already registered with KFin Technologies Private Limited 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.karvy.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. Wednesday, 8th July, 2020 under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut- off date.
- h. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
- i. Members holding multiple folios/ demat accounts shall choose the voting process separately for each of the folios/demat accounts.
- j. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- k. You may then cast your vote by selecting an appropriate option and click on "Submit". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote.
- l. During the voting period, Members can login any number of times till they cast their vote on the Resolution(s).
- m. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRIs, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at e-mail ID: [bssass99@gmail.com](mailto:bssass99@gmail.com) with a copy to [evoting@kfintech.com](mailto:evoting@kfintech.com). They may also upload the same in the e-voting module in their login. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name\_ EVENT NO."

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual for Members available at the download section of <https://evoting.karvy.com> or contact Mr. Mr. K.Raj Kumar, Senior Manager of KFin Technologies Private Limited at 040 6716 2222 or at 1800-3454-001 (toll free).

- n. The Scrutinizer's decision on the validity of the vote shall be final.
- o. Once the vote on a resolution stated in this notice is cast by Member through remote e-voting, the Member shall not be allowed to change it subsequently and such e-vote shall be treated as final. The Members who have cast their vote by remote e-voting may also attend the e-AGM, however such Member shall not be allowed to vote again during the e-AGM.
- p. The Scrutinizer after scrutinizing the votes cast by remote e-voting and e-voting during the e-AGM will make a consolidated Scrutinizer's Report and submit the same forthwith not later than 48 hours of conclusion of the e-AGM to the Chairman of the Company or a person authorised by him in writing, who shall countersign the same.
- q. The Results declared along with the consolidated Scrutinizer's Report shall be hosted on the website of the Company i.e. [www.sagarsoft.in](http://www.sagarsoft.in) and on the website of KFin Technologies Private Limited i.e. <https://evoting.karvy.com>.

The results shall simultaneously be communicated to BSE Limited. The result shall also be displayed on the Notice Board at the Registered Office of the Company.

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

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

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

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

22. Members can avail the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014. Members desiring to avail this facility may send their nomination in the prescribed Form No. SH. 13 duly filled in to M/s KFin Technologies Private Limited on einward.ris@kfinfintech.com. Members holding shares in demat form may contact their Depository Participant for availing this facility.
23. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. 1<sup>st</sup> April, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ KFin Technologies Private Limited (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to info@sagarsoft.in by 5.00.p.m IST on 14<sup>th</sup> July, 2020. 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 14<sup>th</sup> July, 2020.

24. Members seeking any information/documents referred to in the Notice and the Explanatory statement with regard to the accounts or any other matter are available for inspection upto the date of AGM and members are also requested to write to the Company on or before 14<sup>th</sup> July, 2020 through email to info@sagarsoft.in for seeking information, if any. The same will be replied by the Company suitably.
25. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
26. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, 1<sup>st</sup> April, 2019, except in

case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, KFin Technologies Private Limited for assistance in this regard.

27. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
28. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the e-AGM.
29. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to KFin Technologies Private Limited.
30. The Company has fixed 8<sup>th</sup> July, 2020 as the 'Record Date' for determining entitlement of members to dividend for the financial year ended 31<sup>st</sup> March, 2020, if approved at the AGM.
31. The dividend/s, if any, approved by the Members or declared by the Board of Directors of the Company from time to time, will be paid as per the mandate registered with the Company or with their respective Depository Participants.
32. In the event the Company is unable to pay the dividend to any Member directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant/ Bankers' cheque/ demand draft to such Member, at the earliest once the normalcy is restored.
33. If the dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend subject to deduction of tax at source, will be made within 30 days from the date of AGM, as under:
  - i. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of the close of business hours on 8<sup>th</sup> July, 2020.
  - 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 8<sup>th</sup> July, 2020.
34. Members who have not yet encashed their dividend warrants in respect of the dividend declared for subsequent years as detailed below are requested to make their claims to the Company. The details of dividend lying unclaimed in respect of these years are available in the Company's website. [www.sagarsoft.in](http://www.sagarsoft.in).

Year	Nature of Dividend	Rate of Dividend
2017-18	Final	25% (Rs.2.50/- per share)
2018-19	Interim	10% (Rs.1.00/- per share)
2018-19	Final	15% (Rs.1.50/- per share)

35. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12<sup>th</sup> May, 2020, Notice of the AGM along with the Annual Report 2019-2020 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019- 2020 are also available on the Company's website [www.sagarsoft.in](http://www.sagarsoft.in), websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of e-voting agency KFin Technologies Private Limited at <https://evoting.karvy.com/>

36. Members may note that the Annual Report for the year 2019-2020 is also available on the Company's website [www.sagarsoft.in](http://www.sagarsoft.in) for their download.
37. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of Listing Regulations read with MCA Circulars and SEBI Circular, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at the 24<sup>th</sup> AGM and facility for those Members participating in the AGM to cast vote through e-Voting system during the AGM.
38. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the meeting.
39. During the 24<sup>th</sup> AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the e-AGM, formally propose to the Members participating through VC/OAVM Facility to vote on the resolutions as set out in the Notice of the AGM and announce the start of the casting of vote through the e-Voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-Voting will be closed with the formal announcement of closure of the AGM.
40. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at [www.sagarsoft.in](http://www.sagarsoft.in) and on the website of KFin Technologies Private Limited immediately after the declaration of Results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
41. Since the AGM will be held through VC / OAVM, the Route Map, proxy form and attendance slip are not annexed in this Notice.

By Order of the Board of Directors

Sd/-

**J.Raja Reddy**

Company Secretary

M.No. A31113

Hyderabad,  
June 15, 2020

**Registered Office:**

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

## Annexure to the Notice of the 24<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 8 of the accompanying Notice dated 15<sup>th</sup> June, 2020.

##### **On Item No.5**

Pursuant to the provisions of section 180 (1) (c) of the Companies Act, 2013, the Board of Directors shall not, except with the approval of the Company in general meeting, borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed the aggregate of its paid-up share capital, free reserves and security premium, apart from temporary loans obtained from the company's bankers in the ordinary course of business.

To part fund the growing operational needs of the company, it is now proposed to obtain the permission of the members for borrowing up to Rs.50 Crores (Rupees Fifty Crores Only), which is more than the threshold limit mentioned above.

None of the Directors / Key Managerial Personnel of the Company / their relatives, is in any way concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Special Resolution set out at item number 5 of the Notice for approval by the Shareholders.

##### **On Item No.6**

Pursuant to the provisions of section 180 (1) (a) of the Companies Act, 2013 the Company requires consent of the shareholders through a special resolution to mortgage / create charge on its properties to secure the loans to be availed by the Company from time to time.

Approval of the shareholders is therefore sought for creating mortgage/charge on the assets of the Company to secure the loans to be availed by the Company from time to time up to a limit of Rs.50 Crores (Rupees Fifty Crores Only).

None of the Directors / Key Managerial Personnel of the Company / their relatives, is in any way concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Special Resolution set out at item number 6 of the Notice for approval by the Shareholders.

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

Pursuant to the provisions of section 186 of the Companies Act, 2013, the Board of Directors shall not except with the approval of the Company in general meeting shall directly or indirectly:

- give any loan to any person or other body corporate;
- give any guarantee or provide security in connection with a loan to any other body corporate or person; and
- acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, whichever is more.

It is proposed to pass an enabling resolution authorizing board of directors or any of its committee of the company to make investment or give loan, guarantee or provide security upto Rs.100 Crores (Rupees One Hundred Crores) at any point of time.



None of the Directors / Key Managerial Personnel of the Company / their relatives, is in any way concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Special Resolution set out at item number 7 of the Notice for approval by the Shareholders.

**On Item No. 8**

Section 20 of the companies Act, 2013 prescribes various modes for service of documents by the Company on its members. The proviso to the said section states that a member may request the company for delivery of any documents through a particular mode, for which he shall pay such fees as may be determined by the company at its annual general meeting.

While the company does not normally charge any fee for serving any documents on its members, yet when a specific request is received from a member for delivery of a document in a particular mode where, the factors like the weight of the documents to be delivered, destination, mode of service etc., warrant charging a reasonable fee from the member concerned, to enable the company to collect the said fee in advance from the said member, the approval of the members as contemplated in the section 20 referred to above is sought through an ordinary resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives, is in any way concerned or interested, financially or otherwise, in the resolution.

The Board recommends the ordinary Resolution set out at item number 8 of the Notice for approval by the Shareholders.

By Order of the Board of Directors

Sd/-

**J.Raja Reddy**

Company Secretary

M.No. A31113

Hyderabad,  
June 15, 2020

**Registered Office:**

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

**Annexure 2**

(Pursuant to Regulation 26(4) and 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standard-2)

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

S. No.	Particulars	Name of the Director	
		Shri.S.Sreekanth Reddy	Shri. K.Satish Chander Reddy
1	DIN	00123889	02412539
2	Date of birth	27.08.1971	05.12.1963
3	Qualification	B.E.(I&P), P.G.Diploma in Cement Technology	B.E., M.S
4	Experience in specific functional areas	Technocrat and Entrepreneur	Technocrat and Entrepreneur
5	Brief resume	Is a Engineering Graduate and holding PG diploma in cement technology and has vast experience in the field of cement industry	Is a Engineering graduate and he has vide experience in Information technology
6	Nature of Appointment	Retires by rotation and offers himself for re-appointment	Retires by rotation and offers himself for re-appointment
7	Terms and Conditions of Reappointment	Appointment as a director subject to retirement by rotation.	Appointment as a director subject to retirement by rotation.
8	Date of first appointment on the Board	15.07.1996	26.06.2001
9	Directorships in other Public Companies	Sagar Cements Ltd Sagar Cements (R) Ltd Sagar Power Ltd Sagar Priya Housing and Industrial Enterprises Ltd	Nil
10	Membership of Audit / Shareholders / Investors Grievances Committees of other Public Limited Companies	Nil	Nil
11	Shareholding in the Company	11,67,950 shares	Nil
12	Number of Board Meetings attended	4	3
13	Details of Remuneration last drawn	An aggregate Sitting Fee of Rs.20,000/- was paid for attending the meetings of the Board during the financial year 2019-2020.	An aggregate Sitting Fee of Rs.10,000/- was paid for attending the meetings of the Board during the financial year 2019-2020.
14	Inter-se relationship with other directors, Managers Other Key Managerial Personnel of the company	Nil	Nil

By Order of the Board of Directors

Sd/-

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

Hyderabad,  
June 15, 2020

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

## DIRECTORS' REPORT AND MANAGEMENT DISCUSSION ANALYSIS REPORT

Dear Members

Your Directors are pleased to present their 24<sup>th</sup> Annual Report together with the audited financial statements of the company for the year ended 31<sup>st</sup> March, 2020.

### FINANCIAL RESULTS

The discussion on the financial condition and results of operations of your company should be read in conjunction with the company's audited financial statements and notes thereto for the year ended 31<sup>st</sup> March, 2020 which are summarized below:

(Rs.in Lakhs)

Particulars	Year ended	
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Income from operations	<b>3,673.22</b>	4,096.98
Other Income	<b>81.01</b>	87.45
<b>Total Income</b>	<b>3,754.23</b>	4,184.43
Total Expenditure	<b>3,267.84</b>	3,202.35
<b>Profit before depreciation, interest and tax</b>	<b>486.39</b>	982.07
Depreciation	<b>180.71</b>	99.92
<b>Profit before tax</b>	<b>305.68</b>	882.16
Provision for Tax	<b>84.64</b>	256.19
Deferred Tax Asset / (Liability) for the year	<b>-12.50</b>	2.90
Net Profit	<b>233.54</b>	623.07

### DIVIDEND

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

Your Board of Directors is pleased to recommend a dividend of Rs.1.50 (15%) per share on the 55,60,000 equity shares of Rs.10/- each for the year 2019-20. This would result in a total outflow of Rs.83.40 Lakhs.

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

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

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

### TRANSFER TO RESERVES

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

### SHARE CAPITAL

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

## VARIATIONS IN NET WORTH

The Net worth of the Company as at the Financial Year ending on 31<sup>st</sup> March, 2020 is Rs.22.34 Crores as compared to Rs.21.07 Crores as at the end of previous financial year ended on 31<sup>st</sup> March, 2019.

## MANAGEMENT DISCUSSION AND ANALYSIS

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

## INDUSTRY REVIEW AND OVERVIEW

The global market for software and services is estimated to have grown to \$1.5 trillion. IT services is estimated to have grown by 3.5% YoY, characterized by a shift to digital technologies, and adoption of DevOps, and Software & Platform as-a-service models. The company leverages all these and its deep contextual knowledge of its customers' businesses to craft unique, high quality, high impact solutions designed to deliver differentiated business outcomes. These solutions are delivered using the latest technologies.

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

The World Health Organization declared a global pandemic of the Novel Coronavirus disease (COVID-19) on 11<sup>th</sup> February, 2020. During the last weeks of March we started to see the impact of COVID-19. The Governments in several countries have imposed stringent lockdown in a bid to contain the spread of the COVID-19 pandemic which has disrupted demand and supply chains across industries, negatively impacting the business of companies and driving the global economy towards a recession. This in turn has forced companies to reconfigure how their employees work and how their core business processes are supported and delivered. These events could cause companies to pause and reprioritize their spending on technology and business process outsourcing, it is very likely that businesses will continue to spend on technology related initiatives with a greater focus on automation, remote working, cloud-based applications, optimization of legacy technology costs, etc. Several sectors are also seeking technology-based solutions immediately to tackle the health and economic crises – notably in healthcare, life sciences, banking, telecommunications and essential retail.

Our focus has been and remains the safety of our employees, the delivery of service to our clients, and the financial well-being of the Company. In keeping with its employee-safety first approach, the Company quickly instituted measures to trace all employees and be assured of their well-being. Our teams reacted with speed and efficiency, and quickly leveraged technology to shift the workforce to working from home (WFH) or remote working. Policy changes related to working from home and IT infrastructure support were rolled out overnight to help our employees shift to this new work paradigm. The Company's focus on liquidity, supported by a strong balance sheet and acceleration in cost optimization initiatives, would help in navigating any near-term challenges in the demand environment.

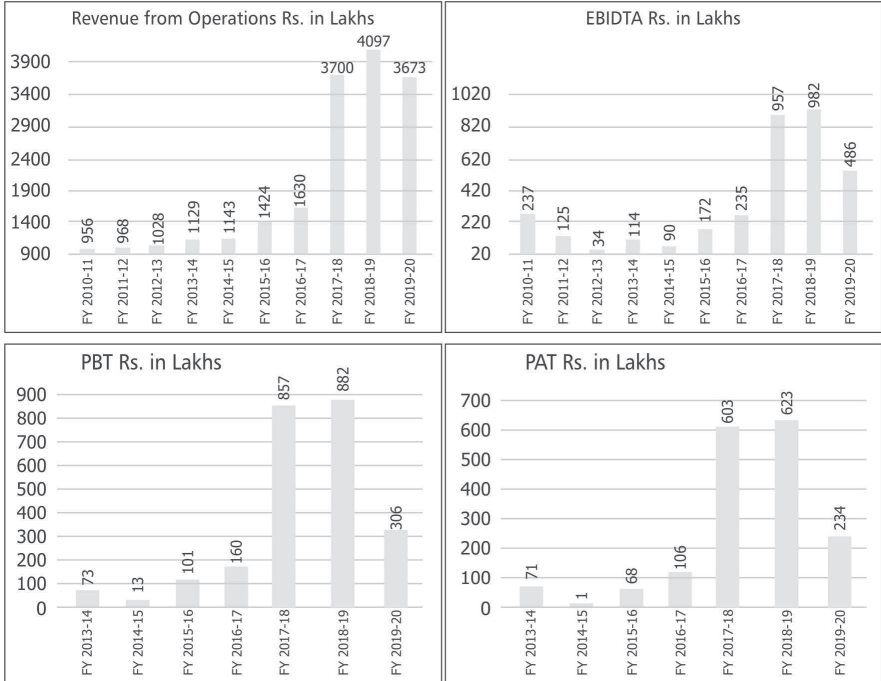
Most of the customers will review and may even revisit the previously proposed initiatives. They might even revisit their business models with more thrust on digital models. In this backdrop, we are strengthening our "business first approach" towards helping customers in addressing the current and near term business situation.

## COMPANY'S PERFORMANCE

During the year, your company earned a revenue of Rs.3673.22 Lakhs as against Rs.4096.98 Lakhs in the previous year, registering a decrease of around 10.34%. Earnings before interest,

tax, depreciation and amortization (EBITDA) was Rs.486.39 Lakhs against Rs.982.07 Lakhs in the previous year. Profit after tax (PAT) for the year was Rs.233.54 Lakhs as against Rs.623.07 Lakhs in the previous year.

### PERFORMANCE HIGHLIGHTS



### KEY RATIOS

S.No	Ratio	2019-20	2018-19
1	Debtors Turnover Ratio	4.31	4.66
2	Inventory Turnover Ratio	Not Applicable	Not Applicable
3	Interest Coverage Ratio*	464.55	846.42
4	Current Ratio	7.58	4.60
5	Debt Equity Ratio	0.20	0.20
6	Operating Profit Margin (%)	8.30	21.51
7	Net Profit Margin (%)	6.36	15.21
8	Return on Net worth	10.45	29.57

\* On account of vehicle loans

There was a sharp fall in the operating profit margin, net profit margin and return on net worth due to decrease in the turnover and increase in the operational expenses.

### SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

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

## OPPORTUNITIES AND THREATS

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

## OUR STRATEGY

Customers want solutions to business problems and not just technology skills. We have successfully shifted to WFH model, thus achieving the operational stability to deliver on client commitments and ensuring our own business continuity. All our clients are extremely happy with our approach of managing services through WFH infrastructure, employee engagement, and work monitoring-reporting-review mechanisms. Sagarsoft highlights responsiveness on Pandemic disruption highlights need for operational resilience and enterprise adaptability and also looking for market share expansion.

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

## OUTLOOK, RISKS AND CONCERNS

The COVID-19 pandemic is a global humanitarian and health crisis. The actions taken by various governments to contain the pandemic, such as closing of borders and lockdown restrictions, resulted in significant disruption to people and businesses. Consequently, market demand and supply chains have been affected, significantly increasing the risk of a global economic recession. The pandemic has impacted, and may further impact, all of our stakeholders, employees, clients, investors and communities we operate.

Rolling lockdowns and social distancing restrictions on account of the pandemic are expected to significantly impact economic activity in all major markets, and cause demand compression. In the immediate aftermath, enterprises are expected to downscale current investments, defer planned initiatives, cut costs and conserve cash. While this could inject volatility into revenue growth, the company expects to gain market share from ensuing vendor consolidations. Demand is expected to increase for services around digital channels, collaboration and workplace transformation, online learning and workforce analytics. Companies are also expected to invest more towards building operational resilience, leveraging analytics, intelligent automation, cloud and cyber security.

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

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

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

## **RISK MANAGEMENT**

Sagarsoft (India) Limited has identified a suitable approach and framework for risk management which meets its business, legal and regulatory requirements. The management has decided to adopt the same framework for entire organization. It has a Security Management Group with representatives from all functional team and a representative of the senior management team leads the group. Its steering committee meets at least once in 6 months to identify the risks throughout the organization. Your Company attaches utmost importance to the assessment of internal risks and the management thereof in all its dealings. The Company is constantly on the lookout for identifying opportunities to enhance its enterprise value and keeping the need to minimize the risks associated with such efforts, every proposal of significant nature is screened and evaluated for the risks involved and then approved at different levels in the organisation before implementation.

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

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

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

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

The Audit Committee reviewed the physical and digital risks and controls around scenarios arising on account of COVID-19 and the Company's assessment of the impact of COVID-19 on various items of the financial statement ending 31<sup>st</sup> March, 2020. The Committee also reviewed accounting judgments and other matters in light of COVID-19.

## **HUMAN RESOURCE DEVELOPMENT**

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

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

### **SEXUAL HARASSMENT**

Regarding the Sexual Harassment of Women at the work place (Prevention, Prohibition & Redressal) Act, 2013, the company has an Internal Complaints Committee. No complaints were received or disposed off during the year under the above Act and no complaints were pending either at the beginning or at the end of the year.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

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

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

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

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

### **INDEPENDENT DIRECTORS DECLARATION**

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



## **MEETING OF INDEPENDENT DIRECTORS**

The Independent Directors met on 20<sup>th</sup> January, 2020, without the attendance of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

## **AUDITORS**

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

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

### **AUDITORS' REPORT**

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

### **SECRETARIAL AUDITORS' REPORT**

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

### **SECRETARIAL STANDARDS**

The Company has complied with all the applicable secretarial standards.

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

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

## **TRANSACTIONS WITH RELATED PARTIES**

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

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

## **EXTRACT OF ANNUAL RETURN**

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

### NUMBER OF MEETINGS OF THE BOARD

Five Board meetings were held during the financial year 2019-20 and the gap between two consecutive meetings did not exceed one hundred and twenty days. These meetings were held on 29<sup>th</sup> April, 2019, 26<sup>th</sup> July, 2019, 23<sup>rd</sup> October, 2019, 20<sup>th</sup> January, 2020 and 12<sup>th</sup> March, 2020.

Attendance of directors at the Board Meetings held during financial year 2019-2020 is given below:

Name of the Director	Number of board meetings during the year 2019-20	
	Held	Attended
Shri. S Sreekanth Reddy	5	4
Shri. M Jagadeesh	5	5
Shri. K Pradeep Kumar Reddy	5	5
Shri. N Hari Mohan	5	5
Shri. K Rakesh Rao	5	3
Shri. K Satish Chander Reddy	5	3
Shri. K Prasad	5	5
Shri. K Ganesh	5	5
Smt. Neelima Kaushik	5	4

### SUB COMMITTEES OF THE BOARD

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

### AUDIT COMMITTEE

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

#### Composition of Audit Committee

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

The Audit Committee which met five time during the year 2019-20, held its meetings on 29<sup>th</sup> April, 2019, 26<sup>th</sup> July, 2019, 23<sup>rd</sup> October, 2019, 20<sup>th</sup> January, 2020 and 12<sup>th</sup> March, 2020.

Attendance of members at the Audit Committee meetings held during financial year 2019-2020 is given below:

Name of the Member	Number of Audit Committee meetings during the year 2019-20	
	Held	Attended
Shri. K.Prasad	5	5
Shri. M.Jagadeesh	5	5
Shri. K.Ganesh	5	5

## NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee has been entrusted with role of formulating criteria for determining the qualifications, positive attributes and independence of the Directors as well as for identifying persons who may be appointed at senior management levels and also for devising a policy on remuneration of Directors, Key Managerial Personnel and other senior employees. The Committee has the power and role that are in accordance with Section 178 of the Companies Act, 2013 and with Listing Regulations.

### Composition of Committee

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

The Committee which met once during the year 2019-20, held its meeting on 29<sup>th</sup> April, 2019.

Attendance of members at the Nomination and Remuneration Committee meeting held during financial year 2019-2020 is given below:

Name of the Member	Number of Audit Committee meetings during the year 2019-20	
	Held	Attended
Shri. K Prasad	1	1
Shri. N.Hari Mohan	1	1
Shri. K Ganesh	1	1

## STAKEHOLDERS RELATIONSHIP COMMITTEE

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

### Composition of Committee

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

The Committee which met once during the year 2019-20, held its meeting on 20<sup>th</sup> January, 2020.

Attendance of members at the Nomination and Remuneration Committee meeting held during financial year 2019-2020 is given below::

Name of the Member	Number of Audit Committee meetings during the year 2019-20	
	Held	Attended
Shri. K Prasad	1	1
Shri. N.Hari Mohan	1	1
Shri. K Rakesh Rao	1	1

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

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

impact. It aims to achieve growth in a responsible way by encouraging people to take small actions every day that will make a big difference.

During the year, one meeting of the CSR Committee was held on 20<sup>th</sup> January, 2020.

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

Name	Category	Number of meetings during the financial year 2019-20	
		Held	Attended
Shri. M.Jagadeesh	Managing Director	1	1
Shri. N.Hari Mohan	Independent Director	1	1
Smt.Neelima Kaushik	Independent Director	1	1

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

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

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

#### **BOARD EVALUATION**

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

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

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

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

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

#### **PARTICULARS OF EMPLOYEES**

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

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

Particulars	Ratio to Median Remuneration
<b>Non-Executive Directors*</b>	-
<b>Executive Directors</b>	
Shri. M.Jagadeesh, Managing Director	5.22
Shri. K.Pradeep Kumar Reddy, Executive Director & CFO	5.22

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

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

<b>Director, Chief Executive Officer, Chief Financial Officer and Company Secretary</b>	<b>% increase in remuneration in the financial year</b>
Shri S.Sreekanth Reddy	These Directors were not paid any Remuneration, other than sitting fee.
Shri K.Satish Chander Reddy	
Shri K.Prasad	
Shri N.Hari Mohan	
Shri K.Rakesh Rao	
Shri K.Ganesh	
Smt. Neelima Kaushik	
Shri M.Jagadeesh, Managing Director	40.91
Shri K.Pradeep Kumar Reddy, Executive Director & CFO.	11.05
Shri J.Raja Reddy, Company Secretary	15.00

- c. The percentage increase in the median remuneration of employees in the financial year: 1.77%.

- d. The number of permanent employees on the rolls of Company: 190

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

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

Increase in the managerial remuneration for the year was 24.21%.

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

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

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

#### **VIGIL MECHANISM**

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

#### **DEPOSITS FROM PUBLIC**

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

#### **INSURANCE**

All the properties of the Company have been adequately insured.

#### **INDUSTRIAL RELATIONS**

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

## CORPORATE GOVERNANCE

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

## INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

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

## REPORTING OF FRAUDS BY AUDITORS

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

## MAINTENANCE OF COST RECORDS

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

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

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

### Conservation of Energy

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

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

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

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

(Rs.in lakhs)

<b>Foreign Exchange Earning and Outgo</b>	<b>2019-20</b>	<b>2018-19</b>
Foreign Exchange inflow	3826.24	3621.82
Foreign Exchange outflow	49.25	29.72

### CAUTIONARY STATEMENT

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

### ACKNOWLEDGEMENT

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

For and on behalf of the Board

Sd/-

**S.Sreekanth Reddy**

Chairman

(DIN: 00123889)

Hyderabad  
May 27, 2020

## Form No. MR-3

**Secretarial Audit Report****For the Financial Year ended March 31, 2020**

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

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

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

Based on our verification of *Sagarsoft (India) Limited's* books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020, complied with the statutory provisions listed hereunder and also the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by *Sagarsoft (India) Limited* for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

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



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

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

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

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

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

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

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

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

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

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

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

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

**S.Srikanth**  
Partner

Place: Hyderabad  
Date: 23.05.2020

ACS No.: 22119  
C P No.: 7999  
UDIN: A022119B000273810

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

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**'Annexure A'**

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

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

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

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

**S.Srikanth**  
Partner

Place: Hyderabad  
Date: 23.05.2020

ACS No.: 22119  
C P No.: 7999  
UDIN: A022119B000273810

**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 2019-2020.

**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 2019-2020.

On behalf of the Board of Directors

Hyderabad  
May 27, 2020

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

**Form No.MGT-9**
**Extract of Annual Return  
as on the financial year ended on March 31, 2020**

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

**I. Registration and other details**

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

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

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

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

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

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

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

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

Category of Shareholder		No. of shares held at the beginning of the year				No. of shares at the end of the year				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(A)	Shareholding of Promoter and Promoter Group <sup>2</sup>									
1	Indian									
(a)	Individuals/ Hindu Undivided Family	2905609	0	2905609	52.26	2909109	0	2909109	52.32	0.06
(b)	Central Government/ State Government(s)									
(c)	Bodies Corporate									
(d)	Financial Institutions/ Banks									
(e)	Any Others(Specify)									
	<b>Sub Total(A)(1)</b>	<b>2905609</b>	<b>0</b>	<b>2905609</b>	<b>52.26</b>	<b>2909109</b>	<b>0</b>	<b>2909109</b>	<b>52.32</b>	<b>0.06</b>
2	Foreign									
a	Individuals (Non-Resident Individuals/ Foreign Individuals)									
b	Bodies Corporate									
c	Institutions									
d	Qualified Foreign Investors									
e	Any Others(Specify)									
	<b>Sub Total(A)(2)</b>									
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>2905609</b>	<b>0</b>	<b>2905609</b>	<b>52.26</b>	<b>2909109</b>	<b>0</b>	<b>2909109</b>	<b>52.32</b>	<b>0.06</b>
(B)	Public shareholding									
1	Institutions									
(a)	Mutual Funds									
(b)	Financial Institutions/Banks	413136	0	413136	7.43	413136	0	413136	7.43	0

Category of Shareholder		No. of shares held at the beginning of the year				No. of shares at the end of the year				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(c)	Central Government/ State Government(s)									
(d)	Venture Capital Funds									
(e)	Insurance Companies									
(f)	Foreign Institutional Investors/FCIs									
(g)	Foreign Venture Capital Investors									
(h)	Qualified Foreign Investors									
(i)	Any Other (specify)									
	<b>Sub-Total (B)(1)</b>	<b>413136</b>	<b>0</b>	<b>413136</b>	<b>7.43</b>	<b>413136</b>	<b>0</b>	<b>413136</b>	<b>7.43</b>	<b>0</b>
B 2	Non-institutions									
(a)	Bodies Corporate	450809	13500	464309	8.35	415037	39500	454537	8.18	-0.17
(b)	Individuals									
I	i. Individual shareholders holding nominal share capital up to Rs 1 lakh	980487	271255	1251742	22.51	970023	233355	1203378	21.64	-0.86
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	460740	0	460740	8.29	457008	0	457008	8.29	-0.07
(c)	NRIs	28230	0	28230	0.50	86346	0	86346	1.55	1.05
(c-i)	Foreign Corporate Body	0	0	0	0	0	0	0	0	0
(c-ii)	Hindu Undivided Families	33640	0	33640	0.61	34740	0	34740	0.62	0.01
(c-iii)	Clearing Members	1094	0	1094	0.02	1746	0	1746	0.03	0.01
(c-iv)	NBFC	1500	0	1500	0.03	0	0	0	0.00	-0.03
	<b>Sub-Total (B)(2)</b>	<b>1956500</b>	<b>284755</b>	<b>2241255</b>	<b>40.30</b>	<b>1964900</b>	<b>272855</b>	<b>2237755</b>	<b>40.25</b>	<b>-0.06</b>
<b>(B)</b>	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>2369636</b>	<b>284755</b>	<b>2654391</b>	<b>47.74</b>	<b>2378036</b>	<b>272855</b>	<b>2650891</b>	<b>47.68</b>	<b>-0.06</b>
	<b>TOTAL (A)+(B)</b>	<b>5275245</b>	<b>284755</b>	<b>5560000</b>	<b>100.00</b>	<b>5287145</b>	<b>272855</b>	<b>5560000</b>	<b>100.00</b>	<b>0</b>
(C)	Shares held by Custodians for GDRs & ADRs	0	0	0	0	0	0	0	0	0.00
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>5275245</b>	<b>284755</b>	<b>5560000</b>	<b>100.00</b>	<b>5287145</b>	<b>272855</b>	<b>5560000</b>	<b>100.00</b>	<b>0</b>

(ii) Shareholding of promoters

Sl No.	Shareholder's name	Shareholding at the beginning of the year (01-04-2019)			Shareholding at the end of the year (31-03-2020)			% change in share holding during the year
		No. of Shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	No. of Shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	
1	S Sreekanth Reddy	1164450	20.94	Nil	1167950	21.01	Nil	0.06
2	S Rachana	645559	11.61	Nil	645559	11.61	Nil	0
3	Late S Veera Reddy	180200	3.24	Nil	0	0	-	-3.24
4	S Vanajatha	147100	2.65	Nil	147100	2.65	Nil	0
5	Dr.S Anand Reddy	152200	2.74	Nil	152200	2.74	Nil	0
6	P Sucharitha Reddy	105200	1.89	Nil	105200	1.89	Nil	0
7	S Aruna	118400	2.13	Nil	118400	2.13	Nil	0
8	W Malathi	120900	2.17	Nil	120900	2.17	Nil	0
9	N Madhavi	116400	2.09	Nil	116400	2.09	Nil	0
10	M Radhika Reddy	55200	0.99	Nil	55200	0.99	Nil	0
11	P Sudershan Reddy	50000	0.90	Nil	50000	0.90	Nil	0
12	P Rajith Reddy	50000	0.90	Nil	50000	0.90	Nil	0
13	S Siddarth	0	-	-	90100	1.62	Nil	1.62
14	S Aneesh Reddy	0	-	-	90100	1.62	Nil	1.62
	<b>TOTAL</b>	<b>2905609</b>	<b>52.26</b>	<b>Nil</b>	<b>2909109</b>	<b>52.32</b>	<b>Nil</b>	<b>0.06</b>

(iii) Change in Promoters' Shareholding

Sl No.	Description	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of the total shares of the Company	No. of shares	% of the total shares of Company
	At the beginning of the year	2905609	52.26	2905609	52.26
	Acquired *	3500	0.06	2909109	52.32
	Sold *	0	0	2909109	52.32
	At the end of the year			2909109	52.32

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

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

Sl No.	Top 10 Shareholders	Shareholding at the beginning of the year 01-04-2019 *		Shareholding at the end of the year 31-03-2020 **	
		No. of shares	% of the total shares of the Company	No. of shares	% of the total shares of Company
1	The Madhavpura Mercantile Co-op. Bank Ltd.	399836	7.19	399836	7.19
2	Twinvest Financial Services Ltd	251806	4.53	271806	4.89
3	Savyasachi Constructions Pvt Ltd	51900	0.93	57900	1.04
4	Mita D. Doshi	52000	0.93	52000	0.93
5	Rajiv Verma	50500	0.91	50500	0.91
6	Zen Securities Ltd-HSE Clients A/C	45446	0.82	40961	0.74
7	M V S Ananthkrishnan	40800	0.73	40800	0.73
8	Byna Murali	19305	0.34	39905	0.72
9	Vinaychand Dharamchand Shah	25600	0.46	25600	0.46
10	KSS Prasad Raju	25000	0.45	25000	0.45

\* In the list of top 10 as on 1-4-2019.

\*\* In the list of top 10 as on 31-03-2020.

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

Sl. No.	For each of the Directors and KMP	Date	Reason	Shareholding at the beginning of the year 01-04-2019 *		Shareholding at the end of the year 31-03-2020 **	
				No. of shares	% of the total shares of the Company	No. of shares	% of the total shares of the Company
<b>Directors/KMP</b>							
1	S.Sreekanth Reddy	01.04.19	At the beginning of the year	1164450	20.94		
		31.03.20	At the end of the year			1167950	21.01
2	M.Jagadeesh	01.04.19	At the beginning of the year	11400	0.20		
		31.03.20	At the end of the year			11400	0.20
3	K.Pradeep Kumar Reddy	01.04.19	At the beginning of the year	Nil	0		
		31.03.20	At the end of the year			267	0.004



4	K. Satish Chander Reddy	01.04.19	At the beginning of the year	Nil	0		
		31.03.20	At the end of the year			Nil	0
5	K.Prasad	01.04.19	At the beginning of the year	14559	0.26		
		31.03.20	At the end of the year			14559	0.26
6	N.Hari Mohan	01.04.19	At the beginning of the year	51581	0.93		
		31.03.20	At the end of the year			51581	0.93
7	K.Rakesh Rao	01.04.19	At the beginning of the year	Nil	0		
		31.03.20	At the end of the year			Nil	0
8	K.Ganesh	01.04.19	At the beginning of the year	Nil	0		
		31.03.20	At the end of the year			Nil	0
9	Neelima Kaushik	01.04.19	At the beginning of the year	Nil	0		
		31.03.20	At the end of the year			Nil	0
10	J.Raja Reddy	01.04.19	At the beginning of the year	1200	0.02		
		31.03.20	At the end of the year			1200	0.02

## V. INDEBTEDNESS

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

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

**VI. Remuneration of Directors and Key Managerial Personnel**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

(in Rs.)

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

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

**B. Remuneration to other Directors**

(in Rs.)

Sl. No	Particulars of Remuneration	Fee for attending board/committee meetings	Commission	Others, please specify	Total
(1)	<b>Independent directors</b>				
	Shri K.Prasad	60,000	-	-	60,000
	Shri K.Ganesh	55,000	-	-	55,000
	Shri N.Hari Mohan	40,000	-	-	40,000
	Shri K.Rakesh Rao	20,000	-	-	20,000
	Smt.Neelima Kaushik	25,000	-	-	25,000
	<b>Total (1)</b>	<b>2,00,000</b>	<b>-</b>	<b>-</b>	<b>2,00,000</b>
(2)	<b>Other Non-Executive Directors</b>				
	Shri S.Sreekanth Reddy	20,000	-	-	20,000
	Shri K.Satish Chander Reddy	10,000	-	-	10,000
	<b>Total (2)</b>	<b>30,000</b>	<b>-</b>	<b>-</b>	<b>30,000</b>
	<b>Total (B) = (1 + 2)</b>	<b>2,30,000</b>	<b>-</b>	<b>-</b>	<b>2,30,000</b>
	Total Managerial Remuneration	<b>2,30,000</b>	<b>-</b>	<b>-</b>	<b>2,30,000</b>
	Overall Ceiling as per the Act*	-	-	-	-

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

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

(in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	Total Amount
		Company Secretary	
1	<b>Gross Salary</b>		
	a. Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	23,84,976	23,84,976
	b. Value of perquisites u/s.17 (2) of Income-tax Act, 1961	-	-
	c. Profits in lieu of salary under Section 17 (3) of Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission As % of profit	-	-
	- Others, specify	-	-
5	Others, Allowances	-	-
	<b>Total</b>	<b>23,84,976</b>	<b>23,84,976</b>

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

There were no penalties, punishment or compounding of offences during the year ended March 31, 2020.

### Annual Report on CSR Activities

1. A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken is given below and the same is also available on the website of the company, <https://www.sagarsoft.in/community-outreach/>
2. 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:

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

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

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

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

#### 3. The composition of the CSR Committee:

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

4. **Average net profit/(Loss) of the company for last three financial years for the purpose of computation of CSR:** Rs.639.43 lakhs.
5. **Prescribed CSR Expenditure (two per cent of the amount as in Item 3 above):** Rs.12.66 lakhs.
6. **Details of CSR spent during the financial year:**
  - a. Total amount spent for the financial year: Rs.11.61 Lakhs.
  - b. Amount unspent: Rs.1.05 Lakhs.
  - c. Manner in which the amount was spent during the financial year:

Sl. No	CSR Project or Activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where project or programme was undertaken	Amount Outlay (budget) Project or programme wise	Amount spent on the projects or programmes Subheads: (1) Direct Expenditure (2) Overheads	Cumulative Expenditure upto the Reporting Period	Amount Spent: Direct or through implementing agency
1	Preventive health care and promotion for safe drinking water	Preventive health care and promotion of sanitation and making available sage drinking water.	Ananthapur and Prakasam Districts of Andhra Pradesh and Hyderabad, Telangana	10,01,603	10,01,603	15,87,066	Direct
2	Training and educating	Promotion of Education and infrastructure for it.	Ananthapur, Andhra Pradesh and Hyderabad, Telangana	1,58,944	1,58,944	4,75,261	Direct
3	Rural Development	Laying of Roads and related works	CM Relief Fund to Andhra Pradesh and Kerala	-	-	1,53,800	Direct
<b>Total CSR spent</b>				<b>11,60,547</b>	<b>11,60,547</b>	<b>22,16,127</b>	

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

The Company has spent an amount Rs.11.61 Lakhs during the financial year as against an amount of Rs.12.66 Lakhs. The balance amount of Rs.1.05 Lakhs was spent in the month of April, 2020.

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

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

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

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

Hyderabad,  
May 27, 2020

## INDEPENDENT AUDITOR'S REPORT

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

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

#### Opinion

We have audited the accompanying standalone financial statements of **M/s Sagarsoft (India) Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income) and the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

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

S. No.	Key Audit Matter	Auditor's Response
1	<b>Adoption of IndAS116 (Accounting for leases)</b> Application of IndAS116, accounting for leases, is effective from financial year 2019-20. Application of the standard is new and complex. Under this model lessee's Right-of-Use (ROU) of the leased asset during the lease period as per contract is accounted for as an	<b>Principal Audit Procedures</b> We have reviewed and assessed all important terms of the lease agreements that have a bearing on the underlying contract. Reviewed calculations made in accounting for leased assets and liabilities. Also, assessed the reasonableness and appropriateness of discount rate applied for arriving at present

<p>asset and payments to be made during the duration of lease as per contract period to lesser is accounted for as a liability by discounting the future lease payments to be made during the lease period. Thus, lease asset and lease liability are reflected in the Balance sheet. Adoption of the standard involves significant judgments and estimates including, determination of the discount rates and the lease term. The standard requires detailed disclosure of the transaction.</p>	<p>value of future lease payments. Further, robustness of accounting and presentation is ascertained by reconciling lease payments as per contract for entire lease period with ROU asset and leased liabilities accounting. Disclosures made are assessed for compliance with IndAS116.</p>
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#### **Emphasis of matter**

We draw your attention to Note 1(M) under the sub-heading dealing with uncertainties thrown up as a consequence of COVID 19 pandemic, management's assessment of impact on financial reporting and future operations of the company and the remedial measure put in place to mitigate adverse effects.

Our opinion is not modified in respect of this matter.

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

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

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

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

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

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

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

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

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

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

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

- a. Identify and assess the risks of material misstatement of the individual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e. Evaluate the overall presentation, structure and content of the individual financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



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

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

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

### Report on Other Legal and Regulatory Requirements

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

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and the Statement of Changes in Equity dealt with in this report are in agreement with the books of account.
- d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. Based on the Written Representation received from the directors as on March 31, 2020, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on March 31, 2020 from being appointed as a director in terms of Sub-section 2 of Section 164 of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and the operating effectiveness of the Company's internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has no pending litigations on its financial position in its financial statements.
  - ii. There is no requirement for any provision as required by any act or Indian Accounting Standards for material foreseeable losses, if any, on long term contracts including derivative contracts.
  - iii. There are no amounts which are required to be transferred to Investor Education and protection fund.

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

**MOHAN REDDY T**  
Partner

Membership No. 239635  
UDIN: 20239635AAAABJ1795

Place: Hyderabad  
Date: May 27, 2020

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

**Annexure referred to in paragraph under 'Report on Other Legal and Regulatory Requirements' section of our report of the Independent Auditor's Report of even date of M/s Sagarsoft (India) Limited, on the financial statements for the year ended March 31, 2020.**

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

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

material statutory dues in arrears as at March 31, 2020 for the period of more than six months from the date they became payable.

- (c) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, and other material statutory dues as applicable which have not been deposited on account of any dispute.
- viii. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.
- ix. The company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the reporting period. The company has not availed any term loans during the financial year.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to information and explanation given to us, the company has provided managerial remuneration in accordance with Section 197 read with schedule V to the Companies Act, 2013.
- xii. In our opinion, the company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable for the company.
- xiii. In our opinion and according to information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 and the details of such transactions have been disclosed in the Ind AS Financial statements of the company as required by applicable Accounting Standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. In our opinion, the company is not required to be registered under section 451A of Reserve Bank of India Act 1934. Thus, paragraph 3(xv) of the Order is not applicable to the company.

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

**MOHAN REDDY T**  
Partner

Place: Hyderabad  
Date: May 27, 2020

Membership No. 239635  
UDIN: 20239635AAAABJ1795

## Annexure - B to the Auditor's Report

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

We have audited the internal financial controls over financial reporting of M/s Sagarsoft (India) Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### Auditors' Responsibility

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

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

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

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

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

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

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

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**MOHAN REDDY T**  
Partner

Place: Hyderabad  
Date: May 27, 2020

Membership No. 239635  
UDIN: 20239635AAAABJ1795

## Balance Sheet as at March 31, 2020

All amounts in Rs.

Particulars	Note	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non Current Assets</b>			
(a) Property, Plant and Equipment	3	3,38,32,400	4,18,75,318
(b) Right of use assets	3.1	2,19,74,938	-
(c) Financial Assets			
(i) Loans and Advances	4	5,63,26,308	63,83,801
(d) Deferred Tax Asset (net)		32,13,601	17,69,947
(e) Advance Income Tax		76,00,000	2,45,00,000
<b>Total Non Current Assets</b>		<b>12,29,47,247</b>	<b>7,45,29,066</b>
<b>Current Assets</b>			
(a) Financial Assets			
(i) Trade Receivables	5	7,64,90,757	9,40,77,797
(ii) Cash and Cash Equivalents	6	5,64,32,714	6,44,63,006
(iii) Other Financial Assets	7	7,30,032	7,50,732
(b) Other Current Assets	8	1,25,15,007	1,80,29,038
<b>Total Current Assets</b>		<b>14,61,68,510</b>	<b>17,73,20,573</b>
<b>TOTAL ASSETS</b>		<b>26,91,15,756</b>	<b>25,18,49,638</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	9	5,56,00,000	5,56,00,000
(b) Other Equity	10	16,78,48,899	15,51,25,296
<b>Total Equity</b>		<b>22,34,48,899</b>	<b>21,07,25,296</b>
<b>Non Current Liabilities</b>			
(a) Financial Liabilities			
Borrowings	11.1	-	10,15,710
(b) Other Non Current Liabilities	11.2	2,42,81,478	-
(c) Long Term Provisions	12	21,03,139	15,29,490
<b>Total Non Current Liabilities</b>		<b>2,63,84,617</b>	<b>25,45,200</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
Trade Payables	13	12,53,161	29,38,316
(b) Other Current Liabilities	14	4,12,791	3,38,258
(c) Provisions	15	1,76,16,289	3,53,02,568
<b>Total Current Liabilities</b>		<b>1,92,82,241</b>	<b>3,85,79,142</b>
<b>Total Liabilities</b>		<b>4,56,66,858</b>	<b>4,11,24,342</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>26,91,15,756</b>	<b>25,18,49,638</b>
Corporate Information and significant accounting policies	1 & 2		

See accompanying notes to the financial statements

As per our report of even date

For **T MOHAN & ASSOCIATES**

Chartered Accountants (FRNo.012482S)

**MOHAN REDDY T**

Partner

Membership No. 239635

Place : Hyderabad

Date : May 27, 2020

For and on Behalf of the Board

**M JAGADEESH**

Managing Director

DIN. 01590689

**K PRADEEP KUMAR REDDY**

Executive Director & CFO

DIN. 02598624

**J RAJA REDDY**

Company Secretary

M.No. A31113

## Statement of Profit and Loss for the year ended March 31, 2020

All amounts in Rs.

Particulars	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>I. Revenue from operations</b>	<b>16</b>	<b>36,73,21,562</b>	40,96,98,083
<b>II. Other income</b>	<b>17</b>	<b>81,01,166</b>	87,44,894
<b>III. Total income</b>		<b>37,54,22,728</b>	<b>41,84,42,977</b>
<b>IV. Expenses</b>			
Employee Benefits Expenses	18	27,52,11,579	25,93,09,365
Depreciation	3	1,80,71,282	99,91,566
Other Expenses	19	5,15,72,394	6,09,26,151
<b>Total Expense</b>		<b>34,48,55,255</b>	<b>33,02,27,082</b>
<b>V. Profit before tax (I-II)</b>		<b>3,05,67,473</b>	<b>8,82,15,895</b>
<b>VI. Tax expense</b>	<b>20</b>		
(a) Current tax		84,63,990	2,56,18,744
(b) Deferred tax		(12,50,056)	2,89,945
<b>Total Tax Expense</b>		<b>72,13,934</b>	<b>2,59,08,689</b>
<b>VII. Profit after tax</b>		<b>2,33,53,539</b>	<b>6,23,07,206</b>
<b>VIII. Other comprehensive income</b>			
A. (i) items that will not be classified to profit & loss		-	-
(a) remeasurment of the defined benefit plans		(7,69,223)	25,03,487
(b) equity instruments through other comprehensive Income		-	-
(ii) income tax relating to items that will not be reclassified to profit or loss		1,93,598	(6,96,470)
		<b>(5,75,625)</b>	<b>18,07,017</b>
<b>IX. Total comprehensive income for the year</b>		<b>2,27,77,914</b>	<b>6,41,14,223</b>
<b>X. Earnings per share (of Rs.10) each in Rs.</b>			
Basic		4.10	11.53
Diluted		4.10	11.53
Corporate Information and significant accounting policies	<b>1 &amp; 2</b>		

See accompanying notes to the financial statements

As per our report of even date  
For **T MOHAN & ASSOCIATES**  
Chartered Accountants (FRNo.012482S)

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

Place : Hyderabad  
Date : May 27, 2020

For and on Behalf of the Board  
**M JAGADEESH**  
Managing Director  
DIN. 01590689

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

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



## Statement of changes in equity for the year ended March 31, 2020

### A. Equity Share Capital

Particulars	Amount
Balance as at April 1, 2018	5,56,00,000
Changes in equity share capital during the year	-
Balance as at March 31, 2019	5,56,00,000
Changes in equity share capital during the year	-
Balance as at March 31, 2020	5,56,00,000

### B. Other Equity

Particulars	Reserves and Surplus		Items of other comprehensive income		Total other Equity
	Securities premium account	Retained Earnings	Equity instruments through other comprehensive income	Other items of Other comprehensive income	
Balance as at April 01, 2018	4,56,00,000	7,08,21,069	-	(19,49,906)	11,44,71,163
Profit for the year	-	6,23,07,206	-	-	6,23,07,206
Other comprehensive income for the year	-	-	-	18,07,017	18,07,017
Less: Dividend (Including of Dividend Tax)		(2,34,60,089)			(2,34,60,089)
Balance as at March 31, 2019	4,56,00,000	10,96,68,186	-	(1,42,889)	15,51,25,297
Profit for the year	-	2,33,53,539	-	-	2,33,53,539
Other comprehensive income for the year	-	-	-	(5,75,625)	(5,75,625)
Less: Dividend (Including of Dividend Tax)	-	(1,00,54,312)			(1,00,54,312)
Balance as at March 31, 2020	4,56,00,000	12,29,67,413	-	(7,18,514)	16,78,48,899

See accompanying notes to the financial statements

As per our report of even date

For **T MOHAN & ASSOCIATES**

Chartered Accountants (FRNo.012482S)

**MOHAN REDDY T**

Partner

Membership No. 239635

Place : Hyderabad

Date : May 27, 2020

For and on Behalf of the Board

**M JAGADEESH**

Managing Director

DIN. 01590689

**K PRADEEP KUMAR REDDY**

Executive Director & CFO

DIN. 02598624

**J RAJA REDDY**

Company Secretary

M.No. A31113

### Cash Flow Statement for the year ended March 31, 2020

All amounts in Rs.

Cash flow statement for the year ended	31.03.2020	31.03.2019
<b>Cash flow from operating activities</b>		
Net profit before tax and extraordinary items	3,05,67,473	8,82,15,895
<b>Adjustment for: Non operating expenses/items</b>		
Provision for Tax	(72,13,934)	(2,59,08,689)
Tax Adjustments for Earlier years	-	-
<b>Non Operating Expenses/Items</b>		
Depreciation for PPE	1,07,46,303	99,91,566
Depreciation for Leased assets	73,24,979	
Provision for employee benefits	(5,75,625)	18,07,017
Financial Charges under lease agreement	24,06,273	-
<b>Operating profit before working capital changes</b>	<b>4,32,55,468</b>	<b>7,41,05,789</b>
<b>Adjustment for:</b>		
Sundry debtors	1,75,87,040	(1,22,51,534)
Other Financial Assets	2,10,48,570	(1,24,69,779)
Trade Payables	(16,85,156)	(25,17,623)
Other Financial Liabilities	(1,70,38,097)	20,05,591
<b>Cash generated from operation</b>	<b>6,31,67,826</b>	<b>4,88,72,444</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets and Adjustments	(27,03,385)	(38,65,718)
Deposits made	(5,00,00,000)	-
<b>Net cash flow from investing activities</b>	<b>(5,27,03,385)</b>	<b>(38,65,718)</b>
<b>Cash flow from financing activities</b>		
Repayment of Vehicle Loan	(10,15,710)	(4,48,549)
Repayment of Dividend	(1,00,54,312)	(2,34,60,089)
Repayment of Lease liabilities	(74,24,712)	-
<b>Net cash from in financing activities</b>	<b>(1,84,94,734)</b>	<b>(2,39,08,638)</b>
Net increase in cash and cash equivalents	(80,30,293)	2,10,98,088
Cash and equivalents as at 01-04-2019	6,44,63,006	4,33,64,918
<b>Cash and equivalents as at 31-03-2020</b>	<b>5,64,32,714</b>	<b>6,44,63,006</b>

The accompanying notes are an integral part of the financial statements

As per our report of even date  
For **T MOHAN & ASSOCIATES**  
Chartered Accountants (FRNo.012482S)

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

Place : Hyderabad  
Date : May 27, 2020

For and on Behalf of the Board  
**M JAGADEESH**  
Managing Director  
DIN. 01590689

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

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

## Notes forming part of the Financial Statements for the year ended 31.03.2020

### 1. CORPORATE INFORMATION & SIGNIFICANT ACCOUNTING POLICIES

#### (A) Corporate Information

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

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

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

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

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

#### (C) Use of estimates

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

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

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

#### (D) Revenue Recognition

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

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

#### (E) Foreign Currency Transactions:

Foreign currency transactions are initially recorded at the exchange rates prevailing on the transaction date. All revenues denominated in foreign currency are translated at the exchange rate prevailing on the date of inward remittance. The consequent

exchange gains/ losses arising there from are transferred to the statement of profit and loss. All foreign currency denominated monetary assets are translated at the exchange rate prevailing at the Balance Sheet date and the exchange gains/losses resulting there from are transferred to the statement of profit and loss.

#### **(F) Employee Benefits**

##### **Short term benefits:**

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

##### **Gratuity:**

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

##### **Employee Leave Encashment:**

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

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

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

#### **(G) Taxes on income**

##### **Current Tax**

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

##### **Deferred Tax**

Deferred tax charge or credit reflects the tax effects due to timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

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

MAT credit entitlement represents the amounts paid in a year under Section 115JB of the Income Tax Act 1961 (IT Act) which is in excess of the tax payable, computed on the basis of normal provisions of the IT Act. Such excess amount can be carried

forward to set off in future periods in accordance with the relevant provisions of the IT Act. Since such credit represents a resource controlled by the Company as a result of past events and there is evidence as at the reporting date that the Company will pay normal income tax during the specified period, when such credit would be adjusted, the same has been disclosed as "MAT credit entitlement", in the balance sheet with a corresponding credit to the profit and loss account, as a separate line item.

**(H) Earnings per share:**

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

**(I) Property, Plant and Equipment**

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

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

**(J) Cash flow statements**

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

**(K) Financial Instruments**

**(i) Initial Recognition**

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

**(ii) Subsequent Measurement**

- a. Financial Assets carried at amortized cost: a financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- b. Financial assets at fair value through other comprehensive income: A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial

assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair.

- c. Financial assets at fair value through profit or loss: A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.
- d. Financial liabilities: Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Note: the above measurements are applied wherever applicable

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

a. Financial assets:

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

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

b. Financial liabilities:

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

Note: the above principles are applied wherever applicable

**Provisions**

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

**(L) Impairment of assets**

a. Financial assets:

Financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk

from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

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

b. Non-financial assets:

Intangible assets and property, plant and equipment

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

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation).

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

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

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

**(N) Leases**

Company's lease assets consist of buildings

Identifying of lease

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

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

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

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

### Recognition

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

### Measurement

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

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

### Presentation

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

## 2.1 Related Party disclosure

S.No	Nature of Relationship	Name of the Parties
1.	Key Management Personnel	<ol style="list-style-type: none"> <li>1. Shri S.Sreekanth Reddy</li> <li>2. Shri M Jagadeesh</li> <li>3. Shri K.Pradeep Kumar Reddy</li> </ol>
2.	Enterprises where key managerial personnel along with their relatives exercise significant influence	<ol style="list-style-type: none"> <li>1. Sagar Priya Housing and Industrial Enterprises Limited</li> <li>2. Savyasachi Constructions Pvt Ltd</li> <li>3. Sapplica Info Technologies Pvt Ltd</li> <li>4. Sagar Cements Limited</li> <li>5. Sagar Cements (R) Limited</li> <li>6. RV Consulting Services Pvt Ltd</li> <li>7. Sagar Power Limited</li> <li>8. Sagarsoft Inc</li> <li>9. Dr. S Anand Reddy</li> <li>10. Smt. S Vanajatha</li> </ol>



Transaction with related parties during the year ended 31<sup>st</sup> March, 2020

Rs.in Lakhs

Nature of Transaction	Key Management Personal	Enterprises where key managerial personnel along with their relatives exercise significant influence	Balance as on 31.03.2020
<b>Remuneration Paid</b>			
1. Shri M Jagadeesh	48.00		—
2. Shri K Pradeep Kumar Reddy	48.00		—
<b>Loan &amp; Advances</b>			
1. RV Consulting Services Pvt. Ltd.		501.74	501.74
<b>Rent Paid</b>			
1. Dr. S Anand Reddy		64.60	—
2. Smt. S Vanajatha		64.60	—
3. Shri S Sreekanth Reddy		64.60	—
<b>Trade Receivables</b>			
Sagarsoft Inc.		3514.95	637.45
<b>Consultancy Services</b>			
1. Sagar Cements Limited		28.32	2.16 Dr.
2. Sagar Cements (R) Limited		14.16	1.08 Dr.
<b>Maintenance Charges paid</b>			
Savyasachi Constructions Pvt Ltd		42.38	3.47 Cr

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

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

Amount in Rs.

Description	Year ended Gratuity	
	March 31, 2020	March 31, 2019
Defined benefit obligation at the beginning of the year	1,22,70,261	1,16,30,643
Current service cost	29,33,214	23,97,178
Interest cost	9,21,911	9,00,170
Actuarial (gain) / loss	(9,00,369)	(25,53,225)
Benefits paid	(4,38,274)	(4,72,169)
Defined benefit obligation at the year end	1,63,92,992	1,22,70,261

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

Amount in Rs.

Description	Year ended Gratuity	
	March 31, 2020	March 31, 2019
Fair value of plan assets at the beginning of the Year	1,31,33,176	93,88,229
Expected return on plan assets	11,30,510	8,42,457
Actuarial gain / (loss)	(83,905)	(3,46,079)
Employer contribution	37,27,743	37,20,738
Benefits paid	(4,38,274)	(4,72,169)
Fair value of plan asset at the year end	1,74,69,250	1,31,33,176

c) Reconciliation of fair value of assets and obligations:

Amount in Rs.

Description	Year ended Gratuity	
	March 31, 2020	March 31, 2019
Fair value of plan assets	1,74,69,250	1,31,33,176
Present value of obligations	1,63,92,992	1,22,70,261
Amount to be recognized in the Balance sheet	(10,76,257)	(8,62,915)

d) Expenses recognized during the year:

Amount in Rs.

Description	Year ended Gratuity	
	March 31, 2020	March 31, 2019
Current service cost	29,33,214	23,97,178
Interest cost	9,21,911	9,00,170
Expected return on plan assets	(11,30,510)	(8,42,457)
Actuarial (gain) / loss	7,89,785	(18,39,482)
Net cost	35,14,400	6,15,409

e) Reconciliation of Leave Encashment:

Amount in Rs.

Description	Year ended Leave Encashment	
	March 31, 2020	March 31, 2019
Present Value of Obligation as at the end of the year	25,09,529	18,26,354
Value of fund as at the end of the year Funded Status	(25,09,529)	-
Unrecognized Actuarial (gains)/Losses		(18,26,354)
Net Asset/(Liability) Recognized in Balance Sheet	(25,09,529)	-
		(18,26,354)

f) Investment details:

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

g) Actuarial assumptions

Mortality table (LIC) 2012-14 (ultimate)

Discounting rate – 6.81%

Expected rate of return on plan asset – 7.65%

Rate of escalation in salary – 5%

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

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

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

In Rs.

S.No	Geographic Segments	2019-20	2018-19
01	Exports	36,19,14,410	40,09,34,683
02	Domestic	54,07,152	87,63,400
	Total	36,73,21,562	40,96,98,083

- 2.6. The Company has during the year sent out letters seeking confirmations from its suppliers whether they fall under the category of micro, small and medium enterprises as mentioned under the Micro, Small and Medium Enterprises Development Act, 2006. Based on the information available with the Company, the Company believes that it does not have any outstanding dues to micro, small and medium enterprises. Further, the Company has not paid any interest to the micro, small and medium enterprises.
- 2.7. Balances due to or due from the parties are subject to confirmation.
- 2.8. Figures of previous year have been regrouped / reclassified wherever necessary to conform to the current year's presentation / classification.
- 2.9. Figures are rounded off to nearest rupee.

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As per our report of even date

For **T MOHAN & ASSOCIATES**

Chartered Accountants (FRNo.012482S)

**MOHAN REDDY T**

Partner

Membership No. 239635

Place : Hyderabad

Date : May 27, 2020

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For and on Behalf of the Board

**M JAGADEESH**

Managing Director

DIN. 01590689

**K PRADEEP KUMAR REDDY**

Executive Director & CFO

DIN. 02598624

**J RAJA REDDY**

Company Secretary

M.No. A31113

**3. Property, Plant & Equipment**

All figures in Rs.

PARTICULARS	As at	As at
	March 31, 2020	March 31, 2019
Computers	31,06,973	70,65,467
Office Equipment	43,43,923	54,28,861
Furnitures & Fixtures	2,26,89,541	2,48,87,392
Vehicles	36,91,963	44,93,598
<b>TOTAL</b>	<b>3,38,32,400</b>	<b>4,18,75,318</b>

**For the Year 2019-20**

PARTICULARS	Gross Block				Depreciation				Net block	
	Opening balance 01.04.2019	Additions	Disposals	Balance as at 31st March, 2020	As on 01.04.2019	For the year	Eliminated on disposal of assets	Balance as at 31st March, 2020	As at 31st March, 2020	As at 31st March, 2019
Computers	7,39,83,283	3,42,614	-	7,43,25,897	6,69,17,816	43,01,108	-	7,12,18,924	31,06,973	70,65,467
Office Equipment	2,51,43,376	3,10,771	-	2,54,54,147	1,97,14,515	13,95,709	-	2,11,10,224	43,43,923	54,28,861
Furnitures & Fixtures	4,45,98,462	20,50,000	-	4,66,48,462	1,97,11,070	42,47,851	-	2,39,58,921	2,26,89,541	2,48,87,392
Vehicles	84,05,060	-	-	84,05,060	39,11,462	8,01,635	-	47,13,097	36,91,963	44,93,598
<b>TOTAL</b>	<b>15,21,30,181</b>	<b>27,03,385</b>	<b>-</b>	<b>15,48,33,566</b>	<b>11,02,54,863</b>	<b>1,07,46,303</b>	<b>-</b>	<b>12,10,01,166</b>	<b>3,38,32,400</b>	<b>4,18,75,318</b>
Carrying value as on 31.03.2019	14,82,64,463	38,65,718	-	15,21,30,181	10,02,63,297	99,91,566	-	11,02,54,863	4,18,75,318	4,80,01,166

**3.1 Right of Use of assets**

All figures in Rs.

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Initial recognition of ROU asset (Buildings) Lease deed commences from 1st April, 2019	2,92,99,917	-
Less: Depreciation	73,24,979	-
<b>Balance as on 31.03.2020</b>	<b>2,19,74,938</b>	<b>-</b>
<b>Financial Charges (Refer other expenses in statement of P&amp;L)</b>	<b>24,06,273</b>	<b>-</b>
<b>Total cash outflows for leases (Refer cash flow investing activities in CFS)</b>	<b>74,24,712</b>	<b>-</b>
<b>Expenses relating to short term lease of less than 12 months</b>	<b>91,60,288</b>	<b>-</b>

All figures in Rs.

PARTICULARS	As at			
	March 31, 2020	March 31, 2019		
<b>4. Financial Assets</b>				
<b>Loans and Advances</b>				
<b>Non current</b>				
Loans and Advances	5,63,26,308	63,83,801		
<b>Total</b>	<b>5,63,26,308</b>	<b>63,83,801</b>		
<b>5. Trade Receivables</b>				
Unsecured considered good	7,76,20,872	9,48,49,386		
Less: Expected Credit Loss	11,30,115	7,71,589		
<b>Total</b>	<b>7,64,90,757</b>	<b>9,40,77,797</b>		
<b>6. Cash and Cash equivalents</b>				
(a) Cash in hand	9,870	20,973		
(b) Deposits with banks				
- Maturity less than 12 months	3,50,00,000	5,00,00,000		
(c) Balance with banks - in current accounts	1,91,07,264	1,31,36,761		
(d) Balance with banks - in unpaid dividend account	23,15,580	13,05,272		
<b>Total</b>	<b>5,64,32,714</b>	<b>6,44,63,006</b>		
<b>7. Other Financial Assets</b>				
Deposits	3,26,832	3,26,832		
Prepaid Rent	4,03,200	4,23,900		
<b>Total</b>	<b>7,30,032</b>	<b>7,50,732</b>		
<b>8. Other Current Assets</b>				
(a) Interest Receivable	7,42,259	6,92,699		
(b) GST input	70,77,256	1,25,08,656		
(c) Balance with Tax authorities	22,07,971	26,03,898		
(d) Others	24,87,521	22,23,785		
<b>Total</b>	<b>1,25,15,007</b>	<b>1,80,29,038</b>		
<b>9. Equity Share Capital</b>				
Particulars	As at		As at	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	No. of Shares	Amount	No. of Shares	Amount
AUTHORISED :				
70,00,000 Equity Shares of Rs. 10/- each	70,00,000	7,00,00,000	70,00,000	7,00,00,000
<b>Total</b>	<b>70,00,000</b>	<b>7,00,00,000</b>	<b>70,00,000</b>	<b>7,00,00,000</b>
(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period				
Opening Balance	55,60,000	5,56,00,000	55,60,000	5,56,00,000
Shares issued during the year	-	-	-	-
Closing Balance	55,60,000	5,56,00,000	55,60,000	5,56,00,000

(b) Terms/rights attached to equity shares

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

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Sreekanth Reddy Sammidi	1167950	21.01	1164450	20.94
Rachana Sammidi	645559	11.61	645559	11.61
The Madhavpura Mercantile Co-op Bank	399836	7.19	399836	7.19

**10. Other Equity**

All figures in Rs.

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Share premium account	4,56,00,000	4,56,00,000
Retained earnings	12,22,48,899	10,95,25,296
<b>Total</b>	<b>16,78,48,899</b>	<b>15,51,25,296</b>
<b>Movement in other equity is as follows:</b>		
<b>Securities Premium Account</b>	<b>4,56,00,000</b>	4,56,00,000
<b>Retained earnings</b>		
Opening balance	10,95,25,297	6,88,71,163
Profit for the year	2,33,53,539	6,23,07,206
Other comprehensive income	(5,75,625)	18,07,017
	<b>13,23,03,211</b>	<b>13,29,85,385</b>
Less: Dividend for the year 2017-18	-	1,39,00,000
Interim Dividend for the year 2018-19	-	55,60,000
Tax on above Dividends	-	40,00,089
Less: Dividend for the year 2018-19	83,40,000	-
Tax on above Dividends	17,14,312	-
<b>Closing balance</b>	<b>12,22,48,899</b>	<b>10,95,25,296</b>
<b>11.1 Financial Liabilities</b>		
Non Current		
Vehicle Loans	-	10,15,710
<b>Total Non current Liabilities</b>	<b>-</b>	<b>10,15,710</b>
<b>11.2 Other Non Current Liabilities</b>		
Lease Liability	2,42,81,478	-
<b>Total Other Non current Liabilities</b>	<b>2,42,81,478</b>	<b>-</b>
<b>12. Long Term Provisions</b>		
Non Current		
Provision for Leave Encasment	21,03,139	15,29,490
<b>Total</b>	<b>21,03,139</b>	<b>15,29,490</b>

All figures in Rs.

PARTICULARS	As at March 31, 2020	As at March 31, 2019
<b>13. Trade Payables</b>		
Trade Payables	12,53,161	29,38,316
<b>Total</b>	<b>12,53,161</b>	<b>29,38,316</b>
<b>14. Other Current Liabilities</b>		
Accrued salaries and benefits	4,12,791	3,38,258
<b>Total Current Liabilities</b>	<b>4,12,791</b>	<b>3,38,258</b>
<b>15. Provisions</b>		
Provision for expenses	26,84,624	40,24,802
Short term Provision for Leave Encashment	4,06,390	2,96,864
Unclaimed Dividend	23,15,580	13,05,272
TDS Payable	37,45,705	40,56,886
Provision for income tax	84,63,990	2,56,18,744
<b>Total</b>	<b>1,76,16,289</b>	<b>3,53,02,568</b>

All figures in Rs.

PARTICULARS	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>16. Revenue from Operations</b>		
Revenue from Software development	36,73,21,562	40,96,98,083
<b>Total Revenue from operations</b>	<b>36,73,21,562</b>	<b>40,96,98,083</b>
<b>17. Other Income</b>		
Interest income	43,96,290	28,51,541
interest income on financial assets carried at amortized cost	6,27,305	6,24,701
Foreign Exchange Fluctuation Gain	30,77,571	52,68,652
<b>Total Revenue from operations</b>	<b>81,01,166</b>	<b>87,44,894</b>
<b>18. Employee benefit expenses</b>		
Salaries, Wages and other benefits	26,58,79,312	24,91,14,907
Welfare Expenses	66,07,652	77,39,567
Gratuity	27,24,615	24,54,891
<b>Total</b>	<b>27,52,11,579</b>	<b>25,93,09,365</b>

All figures in Rs.

PARTICULARS	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>19. Other Expenses</b>		
Postage and Telephone charges	6,85,333	6,53,402
Internet Charges	8,52,073	10,91,611
Overseas Travel expenses	1,09,12,505	72,07,324
Travelling and Conveyance	8,55,322	19,97,587
Vehicle Hire Charges	35,78,424	43,28,308
Electricity Charges	16,31,946	16,79,714
Vehicle Maintenance	5,54,107	3,16,084
Printing and Stationery	3,93,878	4,15,973
Office Maintenance	55,46,957	54,41,639
Auditors Remuneration	1,75,000	1,50,000
Rent	97,85,788	1,74,88,900
Rates and Taxes	6,36,159	11,73,878
Interest and Bank Charges	2,57,122	2,66,628
Professional and Consultancy charges	1,13,26,506	1,63,30,384
Advertisement charges	1,05,616	72,471
Donations and Contributions	11,60,547	10,55,580
Insurance	1,35,056	2,48,215
General Expenses	2,15,257	2,36,864
Expected Credit Loss	3,58,526	7,71,589
Financial Charges on Leased asset	24,06,273	-
<b>Total</b>	<b>5,15,72,394</b>	<b>6,09,26,151</b>
<b>20. Tax Expense</b>		
(a) Income tax recognised in the statement of profit and loss in respect of current year	84,63,990	2,56,18,744
(b) Deferred Tax in respect of current year	(12,50,056)	2,89,945
<b>Total Tax expense</b>	<b>72,13,934</b>	<b>2,59,08,689</b>

See accompanying notes to the financial statements For and on Behalf of the Board

 As per our report of even date  
 For **T MOHAN & ASSOCIATES**  
 Chartered Accountants (FRNo.012482S)

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

 Place : Hyderabad  
 Date : May 27, 2020

 For and on Behalf of the Board  
**M JAGADEESH**  
 Managing Director  
 DIN. 01590689

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

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





**Sagarsoft (India) Limited**

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