

20th Annual Report 2016



S a g a r s o f t TM

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	Director (Operations) & CFO
Shri K. Satish Chander Reddy	Non-Executive Director
Shri K. Prasad	Independent and Non-Executive Director
Shri N. Hari Mohan	Independent and Non-Executive Director
Shri K. Rakesh Rao	Independent and Non-Executive Director
Shri K. Ganesh	Independent and Non-Executive Director
Smt. Neelima Kaushik	Non-Executive Director

Company Secretary

Shri J.Raja Reddy

Auditors

C. Ramachandram & Co.,
Chartered Accountants
3-6-237, Unit 606, Lingapur La Builde Complex,
Himayat Nagar, Hyderabad-500 029.

Bankers

Axis Bank Ltd.,
Banjara Hills Branch, Hyderabad

HDFC Bank
Lakdikapool Branch, Hyderabad

Registered Office

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

Corporate Identity Number

U72200TG1996PLC023823

Registrars and Share transfer agents

M/s. Karvy Computershare Pvt. Ltd.,
Plot No. 31-32, Karvy Selenium,
Tower - B, Gachibowli, Financial District,
Nanakramguda, Hyderabad - 500 032.

SAGARSOFT (INDIA) LIMITED
CIN:U72200TG1996PLC023823

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

NOTICE

Notice is hereby given that the 20th Annual General Meeting of the Members of the Company will be held on Wednesday the 28th day of September, 2016 at 11.30 a.m. at Hotel Golkonda, Masab Tank, Hyderabad - 500 028, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2016 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 year ended 31st March 2016 together with the reports of the Directors and Auditors thereon be and are hereby received, considered, approved and adopted.”
2. To appoint a director in the place of Shri S.Sreekanth Reddy (DIN: 00123889), who retires by rotation and being eligible, offers himself for re-appointment and in this regard to pass the following resolution as an Ordinary Resolution:
“Resolved that Shri S.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.”
3. To appoint a director in the place of Shri K. Satish Chander Reddy (DIN:02412539), who retires by rotation and being eligible, offers himself for re-appointment and in this regard to pass the following resolution as an Ordinary Resolution:
“Resolved that Shri K. Satish Chander Reddy (DIN:02412539) who retires by rotation in accordance with section 152 of the Companies Act, 2013 be and is hereby re-appointed as a director liable to retire by rotation.”
4. To ratify the re-appointment of Auditors and to fix their remuneration and in this regard, to consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:
“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and of the Companies (Audit and Auditors) Rules, 2014, the company hereby ratifies the appointment of M/s. C.Ramachandram & Co., (Firm Registration No.002864S), Chartered Accountants, as auditors of the company to hold office from the conclusion of this Annual General Meeting, till the conclusion of the 21st Annual General Meeting of the Company to be held in the calendar year 2017, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the said Auditors.”

SPECIAL BUSINESS

5. **Appointment of Smt.Neelima Kaushik as an Independent Director of the Company.**
To consider and, if thought fit, to pass with or without modification(s), the following resolution as an “Ordinary Resolution”:
Resolved that pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV to the Companies Act, 2013, Smt.Neelima Kaushik, who was appointed as an Additional Director of the Company by the Board of Directors with effect from 12th November 2015 and who holds office until the date of the AGM, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his mention to propose

Smt.Neelima Kaushik as a candidate for the office of a director of the company, be and is hereby appointed as an Independent Director of the company for a period of five years viz., up to 11th November 2020, not liable to retire by rotation.

6. Reappointment of Shri M.Jagadeesh as Managing Director of the Company.

To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT in accordance with Sec.196, 197 and other applicable provisions of the Companies Act, 2013 as amended or re-enacted from time to time, read with its Schedule V and subject to approvals, if any, as may be required from the Central Government and other authorities concerned, approval be and is hereby accorded to the re-appointment of Shri M.Jagadeesh (DIN: 01590689) as Managing Director of the Company, for a period of three years with effect from 31st October 2015 on the following terms:

Tenure	Three years with effect from 31.10.2015
Salary	Consolidated Salary of Rs.2,00,000/- p.m.
Other Terms	
Nature of Duties	The Managing Director (MD) shall devote his time and attention to the business of the company and, subject to the superintendence, control and directions of the Board of Directors (Board), perform such duties and exercise such powers as may be entrusted/assigned to him by the Board from time to time in the best interest of the company or any other executive body or any committee of such company.
Termination of appointment	The appointment may be terminated by either party giving to the other party six month notice of such termination.

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

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

7. Reappointment of Shri K.Pradeep Kumar Reddy as Executive Director of the Company.

To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT in accordance with Sec.196, 197, 203 and other applicable provisions of the Companies Act, 2013 as amended or re-enacted from time to time, read with its Schedule V and subject to approvals, if any, as may be required from the Central Government and other authorities concerned, approval be and is hereby accorded to the re-appointment of Shri K.Pradeep Kumar Reddy (DIN: 02598624) as a Whole-time director with the designation as Executive Director & CFO of the Company, for a period of three years with effect from 06th November 2015 on the following terms:

Tenure	Three years with effect from 06.11.2015
Salary	Consolidated Salary of Rs.40,00,000/- p.a.
Other Terms	
Nature of Duties	The Executive Director (ED) shall devote his time and attention to the business of the company and perform such duties and exercise

	such powers as may be entrusted/assigned to him by the MD and or by the Board of Directors (Board) from time to time, subject to the superintendence, control and directions of the Board from time to time in the best interest of the company or any other executive body or any committee of such company.
Termination of appointment	The appointment may be terminated by either party giving to the other party six month notice of such termination.

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

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

By Order of the Board of Directors

Sd/-

J Raja Reddy

Company Secretary

August 05, 2016

Registered Office:

Plot No.111, Road No.10

Jubilee Hills

Hyderabad – 500 033, Telangana.

NOTES:

1. The Explanatory Statement in respect of Items No.4 to 7 in the Notice are given in the Annexure-1, which forms part of this Notice.
2. The details required to be given in respect of re-appointment of directors are given in the Annexure-2, which forms part of this Notice.
3. A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint another person as a proxy to attend and vote on his behalf in the meeting and the proxy need not be a member of the company. The instrument appointing the proxy, duly completed and signed must be deposited at the Registered Office of the company not less than forty eight hours before the commencement of the meeting.
4. A person can act as a proxy on behalf of members upto and not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.
5. Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Company a duly certified copy of the Board Resolution authorising their representative(s) to attend and vote on their behalf at the Meeting.
6. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR Code and IFSC Code, mandates, nominations, power of attorney, change of address, change of name, email address, contact numbers etc to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records. Similarly, Members holding their shares in physical form are requested to inform the above changes to the Company or its Registrar and Share Transfer Agents (RTA), M/s.Karvy Computershare Private Limited (Karvy).

7. To promote green initiative, members are requested to register their e-mail addresses through their Depository Participants for sending future communications to them by e-mail. Members holding the shares in physical form may register their e-mail addresses through the RTA, giving reference of their Folio Number.
8. Electronic copy of the Annual Report is being sent to all the members whose e-mail IDs are registered with the Company's RTA/Depository Participants, unless such members have requested for a hard copy of the same. For members, who have not registered their e-mail address, physical copies of the Annual Report are being sent through the permitted mode.
9. The Register of Members and Share Transfer Books of the Company will remain closed during the period from **22nd September 2016 to 28th September, 2016** (both days inclusive) for the purpose of determining members eligible for participation in voting on the resolutions contained in the Notice of AGM.
11. Members may note that the Annual Report for 2015-16 will also be available on the Company's website www.sagarsoft.in for their download.
12. **Voting through Electronic Means:**

Pursuant to Section 108 of the Companies Act, 2013, read with its relevant Rules, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means (Remote e-voting) for all the Resolutions proposed to be passed at the AGM. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on **21st September, 2016**, i.e. the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. The remote e-voting period will commence **at 9.00 a.m. on 24th September, 2016, and will end at 5.00 p.m. on 27th September, 2016**. The Company has appointed B S S & Associates, Company Secretaries (Unique Code of Partnership Firm: P2012AP02600), as the 'Scrutinizer', to scrutinize the e-voting process and voting through ballot in a fair and transparent manner. The Members desiring to vote through remote e-voting may refer to the detailed procedure given hereinafter.

PROCEDURE AND INSTRUCTIONS FOR e-VOTING

- i. Remote e-voting: In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (Karvy) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).
- (A) In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participants (s)]:
 - i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
 - ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
 - iii. After entering these details appropriately, click on "LOGIN".
 - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, 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.

- v. You need to login again with the new credentials.
 - vi. On successful login, the system will prompt you to select the “EVENT” i.e., ‘Sagarsoft (India) Limited’
 - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under “FOR/AGAINST” or alternatively, you may partially enter any number in “FOR” and partially “AGAINST” but the total number in “FOR/AGAINST” taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.
 - viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
 - ix. 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.
 - x. You may then cast your vote by selecting an appropriate option and click on “Submit”.
 - xi. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
 - xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI 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 email bssass99@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format “Corporate **Name_Event No.**”
- (B) In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company/Depository Participants (s)]:
- i. E-Voting Event Number – XXXX (EVEN), User ID and Password is provided in the Attendance Slip.
 - ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.
 - II. Voting at AGM: The Members, who have not cast their vote through Remote e-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. The facility for voting through electronic voting system (‘Insta Poll’) shall be made available at the Meeting. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting; however these Members are not entitled to cast their vote again in the Meeting.

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

OTHER INSTRUCTIONS

- a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com> (Karvy Website) or contact Mr.P.Srikrishna (Unit: Sagarsoft (India) Limited) of Karvy Computershare Private Limited, Karvy

Selenium, Tower B, Plot No.31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at evoting@karvy.com or phone no. 040 – 6716 1500 or call Karvy's toll free No. 1800-3454-001 for any further clarifications.

- b. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- c. The remote e-voting period commences on 24th September, 2016 (9.00 A.M. IST) and ends on 27th September, 2016 (5.00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 21st September, 2016, may cast their votes electronically. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- d. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. 21st September, 2016.
- e. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e., 21st September, 2016, he/she may obtain the User ID and Password in the manner as mentioned below :
 - i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: **MYEPWD** <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399
Example for NSDL:
MYEPWD <SPACE> IN12345612345678
Example for CDSL:
MYEPWD <SPACE> 1402345612345678
Example for Physical:
MYEPWD <SPACE> XXXX1234567890
 - ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - iii. Member may call Karvy's toll free number 1800-3454-001.
 - iv. Member may send an e-mail request to evoting@karvy.com. However, Karvy shall endeavour to send User ID and Password to those new Members whose mail ids are available.
 - v. The results will be declared on or after the AGM. The results along with the Scrutinizer's Report, will also be placed on the website of the Company.

PROCEDURE AND INSTRUCTIONS FOR WEB CHECK-IN/ATTENDANCE REGISTRATION

1. **Web Check- in / Attendance Registration:** Members are requested to tender their attendance slips at the registration counters at the venue of the AGM and seek registration before entering the meeting hall. Alternatively, to facilitate hassle free and quick registration/entry at the venue of the AGM, the Company has provided a Web-Check in facility through Karvy's website. Web Check-in on the Karvy's website enables the Members to register attendance online in advance and generate Attendance Slip without going through the registration formalities at the registration counters.

Procedure of Web Check-in is as under:

- a. Log on to <https://karisma.karvy.com> and click on “Web Check-in for AGM.
 - b. Select the name of the company: Sagarsoft (India) Limited
 - c. Pass through the security credentials viz., DP ID/Client ID/Folio no. entry, PAN No & “CAPTCHA” as directed by the system and click on the submission button.
 - d. The system will validate the credentials. Then click on the “Generate my attendance slip” button that appears on the screen.
 - e. The attendance slip in PDF format will appear on the screen. Select the “PRINT” option for direct printing or download and save for the printing.
 - f. A separate counter will be available for the online registered Members at the AGM Venue for faster and hassle free entry and to avoid standing in the queue.
 - g. After registration, a copy will be returned to the Member.
 - h. The Web Check-in (Online Registration facility) is available for AGM during e-voting Period only i.e., 24th September, 2016 (9.00 A.M. IST) to 27th September, 2016 (5.00 P.M. IST).
 - i. The Members are requested to carry their valid photo identity along with the above attendance slip for verification purpose.
13. The company has appointed B S S & Associates, Practicing Company Secretaries (Unique Code of Partnership Firm: P2012AP02600), as the ‘Scrutinizer’ to scrutinize the voting and remote e-voting process (including the Ballot Form received from the members who do not have access to the e-voting process) in a fair and transparent manner.
14. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the AGM, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than two days of conclusion of the AGM, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same. The result declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.sagarsoft.in immediately.
15. In case a Member is desirous of obtaining a duplicate Ballot Form, he may send an e-mail to einward.ris@karvy.com by mentioning their Folio/DP ID and Client ID No. However, the duly completed Ballot Form should reach the Scrutinizer, B S S & Associates, Company Secretaries, Office: Parameswara Apartments, # 6-3-626, 5th Floor, 5 – A, Anand Nagar, Khairatabad, Hyderabad-500004 not later than 27th September, 2016 (5.00 p.m. IST). Ballot Form received after this date will be treated as invalid.
16. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the company during normal business hours (9.30 a.m. to 6.00 p.m.) on all working days except Saturdays and Sundays, up to the date of the Annual General Meeting of the Company.
17. Section 72 of the Companies Act, 2013 provides for Nomination by the shareholders of the Company and the shareholders are requested to avail this facility.

By Order of the Board of Directors

Sd/-

J Raja Reddy
Company Secretary

August 05, 2016

Registered Office:

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

Annexure 1 to the Notice of the 20th Annual General Meeting

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.4 to 7 of the accompanying Notice dated August 05, 2016.

On Item No.4

M/s. C.Ramachandram & Co., (Firm Registration No. 002864S), Chartered Accountants, Hyderabad were appointed as the statutory auditors of the Company for a period of three years at the Annual General Meeting of the Company held on September 24, 2014.

As per provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by members at every Annual General Meeting.

Accordingly, ratification of the members is being sought for the proposal contained in the Resolution set out at item no. 4 of the Notice.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs is concerned or interested, financially or otherwise in the Resolution at Item No. 4 of the accompanying Notice.

On Item No.5

Smt.Neelima Kaushik was appointed as an Additional Directors by the Board with effect from 12th November, 2015, pursuant to Section 161 of the Companies Act 2013. Pursuant to the said Section, she will hold office up to date of the ensuing AGM. The company has received a notice in writing under the provisions of Section 160 of the Companies Act 2013 from a member proposing her candidature for the office of the independent director to be appointed as such under the provisions of Section of 149 of the Companies Act 2013.

The company has received i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Company's (Appointment and qualification of director) Rules 2014, ii) intimation in Form DIR-8 in terms of Company's (Appointment and Qualification of Directors) Rules 2014 to the effect that, she is not disqualified under Sub-Section 2 of Section 164 of the Companies Act 2013 and iii) a declaration to the effect that she meets with the criteria of independence as provided in Sub Section 6 of Section 149 of the Companies Act 2013.

The resolutions seeks the approval of the members for the appointment of the director as an independent director of the company up to 11th November 2020 pursuant to Section 149 and other applicable provisions of the Companies Act 2013 and the Rules made thereunder and she is not liable to retire by rotation.

As the resolution relates to the appointment of Smt.Neelima Kaushik as an Independent Director, to that extent, she may be deemed to be interested in the resolution.

None of the other directors or Key Managerial Personnel (KMP) or their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution proposed in Item No.5.

On Item No.6

As the tenure of Shri M.Jagadeesh as Managing Director had come to an end on 30th October 2015, with a view to continuing to avail his services, the Board, on the recommendation of its Nomination and Remuneration Committee, has re-appointed him as Managing Director for a period of three years with effect from 31st October 2015 on a remuneration as recommended by the said committee and detailed in the resolution. Shri M.Jagadeesh has been associated with the company since its inception and his business acumen and qualities of leadership have contributed in an immense measure to the growth and stability of the company. The Board is of the firm view that it would be in the interest of the company that he be re-appointed as Managing Director and accordingly it commends the resolution for approval of the Members.

The statement containing information required to be furnished under Section II of Part II of Schedule V to the Companies Act, 2013 is given below:

I General Information			
(1) Nature of Industry	Software		
(2) Date of commencement of commercial production	18.04.1996		
(3) In case of new companies, expected date of commencement activities as per project approved by financial institutions appearing in the prospectus	Not applicable		
(4) Financial performance based on given indicators	Rs. in Lakhs		
	Description	2015-16	2014-15
	Income	1440.16	1162.79
	Profit before Interest Depreciation & Tax	172.09	89.68
	Profit after Tax	68.31	1.26
(5) Export performance and net foreign exchange	Foreign Exchange earned for the year 2015-16 is 19.19 Lakhs dollars		
(6) Foreign investments or collaborators, if any	Foreign Investments held in the company as on 30.06.2016 are as under:		
	Particulars	No. of Equity Shares of Rs.10/- each	
	NRIs	11300	
	Total (0.20% of the paid-up capital)	11300	
	There are no foreign collaborators.		
II Information about the appointee			
(1) Background details	Shri M.Jagadeesh is holding B.E., (Mechanical) and M.B.A., (Marketing & MIS) degrees and has been with the Company since its inception. He has contributed to the company in the area of general administration, marketing and HR. Currently he is looking after the overall day to day affairs of the company, subject to superintendence and control of Board of Directors.		
(2) Past remuneration	The MD was entitled to the following remuneration in his previous tenure:		
	Salary	Consolidated Salary of Rs.2,00,000/- p.m.	
(3) Recognition or awards	-		
(4) Job profile and suitability	The MD devotes his whole time and attention to the business of the company and carries out such duties as may be entrusted to him		

		by the Board of Directors from time to time and exercises such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interest of the company. Currently, as a Managing Director, he is looking after the overall day to day affairs of the company along with other whole-time director of the company.
		<p>Suitability: Shri M.Jagadeesh has been associated with the company since inception. He has helped the company to come out of the difficult situations and has been a part of the organization throughout its business cycle so far. He has been instrumental in the revival of the business of the company and its subsequent growth</p> <p>Under his able leadership, the company, despite the cyclical ups and downs, has had a track record of good performance.</p>
	(5) Remuneration proposed	As detailed in the resolution
	(6) Comparative remuneration profile with respect to Industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The remuneration being proposed to Shri M.Jagadeesh is on par with the remuneration prevailing in the companies of similar size in the software industry and in the event of loss or inadequacy of profit in any financial year during his tenure, the same would be restricted to the ceiling prescribed under Schedule V of the Companies Act, 2013.
	(7) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any	Apart from being the Managing Director of the company and holding 13,900 shares in it in his personal capacity, he does not have any other pecuniary relationship with the company.

III	Other Information	
	(1) Reasons for loss or inadequate profits.	The company did not incur any loss in the year 2015-16 and barring unforeseen circumstances, there is no likelihood of the company incurring any loss during his proposed tenure as the Managing Director.
	(2) Steps taken or proposed to be taken for improvement	
	(3) Expected increase in productivity and profits in measurable terms	The software industry is expected to get further boost in the coming years with the continuous thrust to these sectors. These will hopefully further increase the demand for IT sector and put the performance of the company on a stronger position.

IV	Additional information as required under Secretarial Standard-2 notified under Section 118 (10) of the Companies Act, 2013	
(1) Age	45 years	
(2) Qualification	B.E., (Mechanical) and M.B.A., (Marketing & MIS)	
(3) Experience	20 years	
(4) Date of first appointment on the Board	13.06.2002	
(5) Shareholding in the company	13,900 equity shares (0.25%)	
(6) Relationship with other Directors	Nil	
(7) Number of meetings of the Board attended during the year	5	
(8) Other Directorships	Name of the Company	Nature of Directorship
	Savyasachi Constructions Private Limited, Hyderabad	Director
	Saplica Info Technologies Private Limited, Hyderabad	Director
(9) Membership/Chairmanship of Committees of other Boards	Nil	

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

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

On Item No.7

As the tenure of Shri K.Pradeep Kumar Reddy as Executive Director had come to an end on 05th November 2015, with a view to continuing to avail his services, the Board, on the recommendation of its Nomination and Remuneration Committee, has re-appointed him as Executive Director for a period of three years with effect from 06th November 2015 on a remuneration as recommended by the said committee and detailed in the resolution. Shri K.Pradeep Kumar Reddy has been associated with the company since 1999. The company has immensely benefited from his Technical Knowledge and Leadership qualities. The Board is of the firm view that it would be in the interest of the company that he be re-appointed as Executive Director and accordingly it commends the resolution for approval of the Members.

The statement containing information required to be furnished under Section II of Part II of Schedule V to the Companies Act, 2013 is given below:

I General Information			
(1) Nature of Industry	Software		
(2) Date of commencement of commercial production	18.04.1996		
(3) In case of new companies, expected date of commencement activities as per project approved by financial institutions appearing in the prospectus	Not applicable		
(4) Financial performance based on given indicators	Rs. in Lakhs		
	Description	2015-16	2014-15
	Income	1440.16	1162.79
	Profit before Interest Depreciation & Tax	172.09	89.68
	Profit after Tax	68.31	1.26
(5) Export performance and net foreign exchange	Foreign Exchange earned for the year 2015-16 is 19.19 Lakhs dollars		
(6) Foreign investments or collaborators, if any	Foreign Investments held in the company as on 30.06.2016 are as under:		
	Particulars	No. of Equity Shares of Rs.10/- each	
	NRIs	11300	
	Total (0.20% of the paid-up capital)	11300	
	There are no foreign collaborators.		
II Information about the appointee			
(1) Background details	Shri K. Pradeep Kumar Reddy has been with the company since 1999. He holds Bachelor of Technology and Masters in Business Management (Finance & Marketing) degrees. He has contributed in the areas of Project Delivery, Finance, HR, identifying new lines of business, and IT Infrastructure Management. Currently he is the Executive Director & CFO of the Company.		
(2) Past remuneration	The ED was entitled to the following remuneration in his previous tenure:		
	Salary	Consolidated Salary of Rs.40,00,000/- p.a.	
(3) Recognition or awards	-		
(4) Job profile and suitability	The ED devotes his whole time and attention to the business of the company and carries out such duties as may be entrusted to him by the MD and or by the Board from time to		

		time and exercises such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interest of the company. Currently, as a Executive Director & CFO, he is looking after the overall day to day affairs of the company along with MD of the company.
		Suitability: Shri K.Pradeep Kumar Reddy has been associated with the company for the past 17 Years. He has established several practice areas including RPO, Support & Maintenance and was instrumental in expanding company services into new generation services including Social media and Mobile development. He took lead in formulating and implementing operational strategies to institute effective cost controls, staffing reductions and revenue improvements.
	(5) Remuneration proposed	As detailed in the resolution
	(6) Comparative remuneration profile with respect to Industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The remuneration being proposed to Shri K.Pradeep Kumar Reddy is on par with the remuneration prevailing in the companies of similar size in the software industry and in the event of loss or inadequacy of profit in any financial year during his tenure, the same would be restricted to the ceiling prescribed under Schedule V of the Companies Act, 2013.
	(7) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any.	Apart from being the Executive Director & CFO of the company, he does not have any other pecuniary relationship with the company.
III	Other Information	
	(1) Reasons for loss or inadequate profits.	The company did not incur any loss in the year 2015-16 and barring unforeseen circumstances, there is no likelihood of the company incurring any loss during his proposed tenure as the Executive Director & CFO.
	(2) Steps taken or proposed to be taken for improvement	
	(3) Expected increase in productivity and profits in measurable terms	
IV	Additional information as required	The software industry is expected to get further boost in the coming years with the continuous thrust to these sectors. These will hopefully further increase the demand for IT sector and put the performance of the company on a stronger position.

under Secretarial Standard-2 notified under Section 118 (10) of the Companies Act, 2013		
(1) Age	43 years	
(2) Qualification	Bachelor of Technology and Masters in Business Management (Finance & Marketing)	
(3) Experience	19 years	
(4) Date of first appointment on the Board	06.11.2012	
(5) Shareholding in the company	Nil	
(6) Relationship with other Directors	Nil	
(7) Number of meetings of the Board attended during the year	5	
(8) Other Directorships	Name of the Company	Nature of Directorship
	Savyasachi Constructions Private Limited, Hyderabad	Director
	Saplica Info Technologies Private Limited, Hyderabad	Director
(9) Membership/Chairmanship of Committees of other Boards	Nil	

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

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

By Order of the Board of Directors

Sd/-

J Raja Reddy
Company Secretary

August 05, 2016

Registered Office:

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

Annexure 2 to the Notice of the 20th Annual General Meeting

Details of directors seeking re-appointment vide Items No.2, 3, 5, 6 and 7 of the Notice

Name of the Director	Shri.S.Sreekanth Reddy	Shri.K.Satish Chander Reddy	Smt.Neelima Kaushik	Shri M Jagadeesh	Shri K Pradeep Kumar Reddy
Date of birth	27.08.1971	05.12.1963	15.08.1972	26.07.1971	03.05.1973
Experience in specific functional areas	Technocrat and Entrepreneur	Software Engineer	HR Advisory Consultant	Has been on the Board since 31.10.2008 as Managing Director	Has been on the Board since 06.11.2012 as Director (Operations)
Qualification	B.E,(I&P), P.G.Diploma in Cement Technology	B.E., M.S	MBA - HR & Marketing	Bachelor's Degree in Engineering and Masters in Business Administration.	Bachelor's Degree in Technology and Masters in Business Management.
Directorships in other Public Companies	Sagar Cements Ltd BMM Cements Ltd Sagar Power Ltd Sagar priya Housing and Industrial Enterprises Ltd	Nil	Nil	Nil	Nil
Membership of Audit / Shareholders / Investors Grievances Committees of other Public Limited Companies	Nil	Nil	Nil	Nil	Nil
No. of shares held in Sagarsoft (India) Ltd.	11,54,500	Nil	Nil	13,900	Nil
Inter-se relationship with other Directors of the Company	Nil	Nil	Nil	Nil	Nil

By Order of the Board of Directors

Sd/-

J Raja Reddy
Company Secretary

August 05, 2016

Registered Office:

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

DIRECTORS' REPORT

Dear Members

Your Directors are pleased to present their 20th Annual Report of the company along with the audited financial statements for the financial year ended March 31, 2016.

FINANCIAL RESULTS

(Rs.in Lakhs)

Particulars	Year ended	
	31 st March, 2016	31 st March, 2015
Income from operations	1424.12	1142.78
Other Income	16.04	20.01
Total Income	1440.16	1162.79
Total Expenditure	1268.07	1073.11
Profit before depreciation, interest and tax	172.09	89.68
Depreciation	71.25	76.33
Interest	-	-
Profit before tax	100.84	13.35
Provision for Tax	19.92	2.54
Deferred Tax Asset / (liability) for the year	27.57	9.41
MAT credit entitlement	-14.96	-2.54
Tax adjustments for earlier years	-	2.68
Net Profit	68.31	1.26

DIVIDEND

In view of the inadequate profit for the year under review, your Directors regret their inability to recommend any dividend for the year 2015-16.

TRANSFER TO RESERVES

No transfer to reserves is proposed and accordingly the entire balance available in the Profit and Loss Account is retained in it.

FUTURE OUTLOOK

Software and computing technology are transforming businesses in every industry around the world in a very profound and fundamental way. The continued reduction in the unit cost of hardware, the explosion of network bandwidth, advanced software technologies and technology enabled services are fueling the rapid digitization of business processes and information. Traditional business models are being disrupted in every industry with digital and software based business models.

Information Technology Sector witnessed rapid evolution, expansion of verticals and geographic markets, attracting new customer segments, and offering a considerably wider spectrum of solutions. The Indian IT sector continues to be one of the largest employers in the country. The future looks exciting and positive as the IT industry is evolving dramatically in terms of scale and complexity. The sector will leverage collaboration, innovation, technology shifts and build a transformational agenda for India. It will create a market not only in India but globally that will serve as technology differentiator for customers shifting from cost to innovation. The sector will continue to impact India through job creation, foreign exchange, exports and position India as a global partner in Information Technology.

Your Company with its aggressive marketing, is poised to grab the opportunity available in this scenario. Taking an overall view of the above, your Board is cautiously optimistic about the future outlook for your company.

STATE OF THE COMPANY'S AFFAIRS

Discussion on state of Company's affairs has been covered in the Management Discussion and Analysis Report which forms part of Directors Report.

SHARE CAPITAL

There was no change in the share capital of your company during the year under report.

VARIATIONS IN NET WORTH

The Net worth of the Company as at the Financial Year ending on March 31, 2016 is Rs. 10.28 Crores as compared to Rs.9.59 Cores as at the end of previous financial year ended on March 31, 2015.

LISTING STATUS OF THE COMPANY

Following the voluntary de-recognition of Madras Stock Exchange, your company ceased to be a listed company with the said Exchange and the shares of the company have since been placed on the Dissemination Board of National Stock Exchange of India Limited, which has allowed buying and selling of your company's shares on the said platform with effect from 27th March, 2015.

Your directors wish to inform that the company has since submitted an application to BSE Limited, Mumbai seeking direct listing of its equity shares on the said stock exchange and the same is under active consideration by BSE Limited.

RISK MANAGEMENT

The Board of the Company has formed a risk management policy to implement and monitor the risk management plan for the Company. The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions, are systematically addressed through mitigating actions on a continuing basis.

The development and implementation of risk management policy has been covered in the management discussion and analysis, which forms part of this report.

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.

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.

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 had 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 had 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 had prepared the annual accounts on a going concern basis;
- (v) The directors had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- (vi) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The terms of office of Shri.M Jagadeesh and Shri.K.Pradeep Kumar Reddy as Managing Director and Executive Director of the company expired during the year 2015-16 and they have been re-appointed in the respective capacities by your Board based on the recommendation of its Nomination and Remuneration Committee. Shri K.Pradeep Kumar Reddy is also CFO of the Company.

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 are eligible for re-appointment.

In accordance with the provisions of Section 161 of the Companies Act, 2013, Smt.Neelima Kaushik was appointed as additional director of the company with effect from November 12, 2015 and she will hold office up to date of the ensuing AGM. The company has received a notice in writing under the provisions of Section 160 of the Companies Act 2013 from a member proposing her candidature for the office of the independent director to be appointed as such under the provisions of Section of 149 of the Companies Act 2013.

Accordingly, the resolutions seeking the approval of the members for the above said re-appointments have been incorporated in the notice of the annual general meeting of the company.

Excepting Shri.S.Sreekanth Reddy, who is a director in Sagar Cements Limited and BMM Cements Limited, whose transactions with the company have been reported under the related parties disclosure under notes to the accounts and to the extent of shares held by him and Shri Hari Mohan, none of the other non-executive directors has had any pecuniary relationship or transactions with the company, other than the receipt of sitting fee for the meetings of the Board and Committees thereof attended by them.

INDEPENDENT DIRECTORS DECLARATION

The company has received the necessary declaration from each Independent Director in accordance with Section 149 (7) of the Companies Act 2013, that they meets the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act 2013.

MEETING OF INDEPENDENT DIRECTORS

The Independent Directors met on 30th January, 2016, 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 their duties.

NUMBER OF MEETINGS OF THE BOARD

Five Board meetings were held during the financial year 2015-16 and the gap between two consecutive meetings did not exceed one hundred and twenty days. These meetings were held on the following dates: 23rd May, 2015, 10th August, 2015, 26th October, 2015, 12th November, 2015 and 30th January, 2016.

Attendance of directors during financial year 2015-2016

Name of the Director	Number of board meetings during the year 2015-16	
	Held	Attended
S Sreekanth Reddy	5	5
M Jagadeesh	5	5
K Pradeep Kumar Reddy	5	5
N Hari Mohan	5	5
K Rakesh Rao	5	5
K Satish Chander Reddy	5	1
K Prasad	5	5
K Ganesh	5	5
K Neelima*	2	2

*for the period from 12-11-2015 to 31-03-2016

SUB COMMITTEES OF THE BOARD

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

AUDIT COMMITTEE

Composition of Audit Committee

- (1) K.Prasad - Chairman
- (2) K.Ganesh - Member
- (3) M.Jagadeesh - Member

The Audit Committee which met four time during the year 2015-16, held its meetings on 23rd May, 2015, 10th August, 2015, 12th November, 2015 and 30th January, 2016.

Attendance of members during financial year 2015-2016

Name of the Member	Number of Audit Committee meetings during the year 2015-16	
	Held	Attended
K Prasad	4	4
K Ganesh	2	2
M Jagadeesh	4	4

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee which met once on 26th October, 2015 during the year 2015-16.

Attendance of members during financial year 2015-2016

Name of the Member	Number of Nomination & Remuneration Committee meetings during the year 2015-16	
	Held	Attended
K Prasad	1	1
N Hari Mohan	1	1
K Ganesh	1	1

STAKE HOLDERS RELATIONSHIP COMMITTEE

The need for convening a meeting of the Committee was not felt during the year 2015-16.

Composition of Committee

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

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 adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Board functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, contribution at the meetings and otherwise, independent judgment, governance issues etc.

AUDITORS

Pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. C.Ramachandram & Co., Chartered Accountants were appointed as statutory auditors of the company from the conclusion of 18th Annual General Meeting of the company held on 24th September, 2014 till the conclusion of the 21st Annual General Meeting to be held in the year 2017 subject to ratification of their appointment at every Annual General Meeting. Accordingly Shareholders approval is sought at the ensuing Annual General Meeting to enable the said audit firm to hold their office from the conclusion of the ensuing Annual General Meeting up to the conclusion of the next Annual General Meeting.

AUDITORS' REPORT AND SECRETARIAL AUDITORS' REPORT

AUDITORS' REPORT

The auditors' report does not contain any qualifications, reservations or 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 forms part of this report. The Secretarial auditors' report does not contain any qualifications, reservations or adverse remarks.

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 and the same forms part of this report.

All related party transactions that are 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 made by the company with 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 were placed before the Audit Committee and Board which approved the same.

EXTRACT OF ANNUAL RETURN

As provided under Section 92 (3) of the Act, an extract of annual return is given in Annexure-3 in the prescribed Form MGT-9, which forms part of this report.

CORPORATE SOCIAL RESPONSIBILITY

Provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility are presently not applicable to the Company.

CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of business of the Company. There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

MATERIAL CHANGES AND COMMITMENTS

There are no Material Changes and Commitments 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) and 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules are given in the Annexure 4 which forms part of this report:

- 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
Non-Executive Directors*	-
Executive Directors	
Shri M.Jagadeesh, Managing Director	4.44
Shri K.Pradeep Kumar Reddy, Director (Operations)	7.40

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

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

Director, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Shri. S.Sreekanth Reddy	These Directors were not paid any Remuneration, other than sitting fee.
Shri. K.Satish Chander Reddy	
Shri.K.Prasad	
Shri.N.Hari Mohan	
Shri.K.Rakesh Rao	
Shri.K.Ganesh	
Smt.Neelima Kaushik	
Shri. M.Jagadeesh, Managing Director	Nil
Shri. K.Pradeep Kumar Reddy, Director (Operations) & CFO.	Nil
Shri.J.Raja Reddy, Company Secretary	8%

- c. The percentage increase in the median remuneration of employees in the financial year: 7.29%.
- d. The number of permanent employees on the rolls of Company: 137.
- e. The explanation on the relationship between average increase in remuneration and Company performance:
On an average, employees received an annual increase of around 10% in India.
In order to ensure that remuneration reflects Company performance, the performance of the company is also one of the parameter for fixing the remuneration to the employees.
- f. Comparison of the remuneration of the key managerial personnel against the performance of the Company:

Aggregate remuneration of key managerial personnel (KMP) in FY16 (Lakhs)	78.26
Revenue (Lakhs)	1440.16
Remuneration of KMPs (as % of revenue)	5.43
Profit before Tax (PBT) (Lakhs)	100.84
Remuneration of KMP (as % of PBT)	77.60

- g. Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year:
The Shares of the company are currently placed on the Dissemination Board of National Stock Exchange of India Limited and not listed on any Stock Exchange.
- h. Percentage increase over decrease in the market quotations of the shares of the company, comparison to the rate at which the company came out with the last public offer:
The Shares of the company are currently placed on the Dissemination Board of National Stock Exchange of India Limited and not listed on any Stock Exchange.
- i. Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
The average annual increase was around 10% for personnel other than managerial personnel.
Increase in the managerial remuneration for the year was Nil.

- j. Comparison of each remuneration of the key managerial personnel against the performance of the Company:

Particulars	Managing Director	Chief Financial Officer	Company Secretary
Remuneration in FY16 (Lakhs)	24.00	40.00	14.26
Revenue (Lakhs)	1440.16		
Remuneration as % of revenue	1.67	2.78	0.99
Profit before Tax (PBT) (Lakhs)	100.84		
Remuneration (as % of PBT)	23.80	39.67	14.14

- k. The key parameters for any variable component of remuneration availed by the directors: Nil.
- l. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: **None**.
- m. 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.

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.

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 properties and insurable interests of the Company have been adequately insured at the reinstatement values.

INDUSTRIAL RELATIONS

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

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 including during the year are stated below:

- 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.
- iii. Usage of energy efficient illumination fixtures.

(Rs.in lakhs)

Research and Development	None	
Technology absorption, Adoption and Innovation	Nil	
Foreign Exchange Earning and Outgo	2015-16	2014-15
Foreign Exchange earned	1229.96	1036.27
Foreign Exchange outflow	13.82	11.24

INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

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

ACKNOWLEDGEMENT

Your Directors appreciate and value the contributions made by the employees at all levels.

Your Directors also take this opportunity to express the gratitude to all the Investors, Clients / Customers, Vendors, Bankers, Regulatory and Government Authorities and Business associates for their continuous support and cooperation extended to the Company.

For and on behalf of the Board

Hyderabad
August 05, 2016

Sd/-
S.Sreekanth Reddy
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

IT INDUSTRY REVIEW

Emerging markets and developing economies grew 4%, a year-on-year for the fifth consecutive year though the global economic activity remained subdued. IT services registered a small decline of 0.2% year-on-year while package implementation grew 0.2% over the prior year. In terms of the drivers of growth, the relentless quest for efficiency continued in fiscal 2016, with management teams taking a more strategic approach to structural cost take out. Digital technology adoption progressed apace, with early projects delivering better than anticipated outcomes and resulting in larger and more ambitious digital re-imagination programmes taking wing. In 2015, with world output slowing down further to 3.1%, Steep falls in oil prices, continued weakness in commodity prices and deep recessions in some large emerging market economies more than offset strong growth in India.

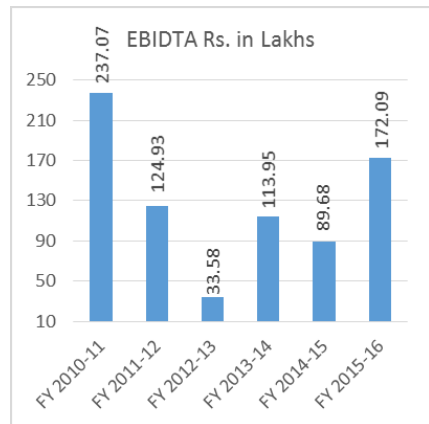
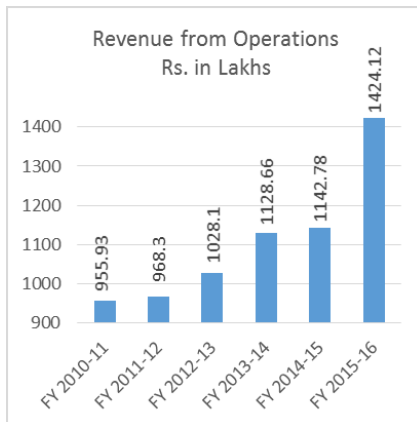
From an IT perspective, the renewal translates to harnessing the efficiency of distributed cloud computing, enabling legacy systems for mobile and sensor access, extracting value out of digitized data, keeping systems relevant and optimizing the costs of building and running technology systems. There is a increased need for highly skilled technology professionals in the markets in which we operate and in the industries to which we provide services.

OVERALL PERFORMANCE

During the year, your company earned a revenue of Rs.1424.12 Lakhs as against Rs.1142.78 Lakhs in the previous year which was higher by 24.61% over the last year. Earnings before interest, tax, depreciation and amortization (EBITDA) was Rs.172.09 Lakhs against EBITDA of Rs.89.68 Lakhs in 2014-15. Profit after tax (PAT) for the year was Rs.68.31 Lakhs as against PAT of Rs.1.26 Lakhs in the previous year.

PERFORMANCE HIGHLIGHTS

Revenue Trend



BUSINESS STRATEGY

Sagarsoft is focusing more on their core business objective, such as revenue growth, profitability and asset efficiency. The company's strategy for long term growth continues to be strengthened with existing clients relationships through a customer centric approach and continually expanding its market by investing in new geographies and newer businesses and services.

New areas such as mobile, social, cloud and analytics is increasingly driving technology spending, and will emerge as mainstays as this decade progresses further. Changing economic business conditions, evolving consumer preferences, rapid technological innovation and adoption and globalization are creating an increasingly competitive market environment that is driving corporations to transform the manner in which they operate.

BUSINESS OVERVIEW

Sagarsoft is a provider of business IT services, consulting, technology and next generation services. The company provided business and technology solutions and technology related services to corporations and made decent progress last year in consolidating business from existing clients across all service areas including new service lines and in acquiring new clients in Mobile and open source technologies. The business from new clients acquired last year is expected to increase and add significant value and better margins.

With a sharp focus on customers' business future, your company continues to offer a range of technology and technology related services through its innovate delivery centers and talented professionals. Focus on operational excellence and increasing efficiency levels by building teams in various technologies in anticipation of future projects. The focus is more on optimization and productivity within the existing employee along with skill enhancement and enrichment.

HUMAN RESOURCE AND EMPLOYEES- HR POLICY

Your company continues to enjoy cordial relationship with all its personnel and is committed to provide an environment which gives today's diverse, multi-generational and mobile workforce the confidence to realise their potential and provide world class solutions to the customers. This positive and inspiring environment fosters innovation, stimulates performance culture and motivates employees to develop themselves personally and professionally. The human resource (HR) function of the Company is focused around providing its employees a meaningful and compelling environment.

Your company consists of women workforce and the women managers have an opportunity to hone their skill for career advancement and leadership roles. The managerial employees are also sensitized to the aspects of diversity and inclusion through various workshops.

SEXUAL HARASSMENT

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

AWARDS AND RECOGNITIONS

Your company has maintained ISO/IEC 27001:2013 Certification for Information Security Management System (ISMS) for its Software Development & Software Support services and support functions that include System Administration, Administration & Facilities, Human Resource & Training.

Your company has initiated the process of CMMI Level 3 Certification.

OPPORTUNITIES AND THREATS

We believe our strengths give us the competitive advantage to position ourselves as the leading solution and service Provider Company.

We are working towards enabling radical transformation of key sectors in India to reduce costs, increase access, enhance efficiency and enable innovation in the sector. We will look at garnering opportunities for the industry to further catalyze this phenomenal growth.

RISKS AND CONCERNS

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. Organization formed a Security Management Group with representatives from all functional team and a representative of the senior management team leads the group. Steering Committee meets at least once in 6 months to identify the risks throughout the organization.

Based on severity level of the risk, corrective action is identified and implemented with prior approval from the risk owners and Top Management, where applicable. Controls have been 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 shall be present.

OUTLOOK

Information Technology has journeyed from hardware, to enterprise software, to digital solutions and becoming an integral part of every industry along with the world which is rapidly changing, with socio economic, business and technological megatrends presenting an altered business landscape. This evolving landscape presents our industry with rapid growth prospects. India is now becoming home to a new breed of startup companies focused on high growth areas such as mobility, e-commerce and other vertical specific solutions – creating new markets and driving innovation.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The company's internal control systems are adequate to meet its present operations. The Board of Directors is fully satisfied with the adequacy of the internal control system in force in all major areas of operations of the company. However these are reviewed periodically to ensure that they continue to be adequate to meet the increasing operations. Audit Committee also assists the board in monitoring the integrity of the financial statements, external auditor qualifications, if any, performance of the internal audit function and external auditors and company's compliance with regulatory requirements.

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.

Form No. MR-3

Secretarial Audit Report

For the Financial Year ended March 31, 2016

[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 for the financial year ended on March 31, 2016 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 has, during the audit period covering the financial year ended on March 31, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period 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, 2009; **(Not applicable to the Company during the audit period)**
 - d. Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/ Securities Exchange Board of India (Share Based Employee Benefit) 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) The Listing Agreement. **(Not applicable to the Company during the audit period)**

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 are adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable general laws.

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

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

Adequate notice was given to all Directors to schedule the Meetings of the Board and its Committees. Agenda and detailed notes on agenda 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 and no dissenting views have been recorded.

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:

- i. At the Annual General Meeting held on September 23, 2015, the members had approved alteration and deletion of certain clauses in Memorandum and Articles of Association of the Company to bring them in line with the Companies Act, 2013.

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

S.Srikanth
Partner

Place: Hyderabad
Date: 04-08-2016

ACS No.: 22119
C P No.: 7999

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

'Annexure A'

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

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is 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: 04-08-2016

ACS No.: 22119
C P No.: 7999

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 arms 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 2015-16.

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 2015-16.

On behalf of the Board of Directors

Hyderabad
August 05, 2016

S.Sreekanth Reddy
Chairman

Form No.MGT-9
**Extract of Annual Return
as on the financial year ended on March 31, 2016**

[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	:	U72200TG1996PLC023823
ii.	Registration Date	:	17 th 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	:	Presently the shares of the company are placed on the dissemination board of National Stock Exchange of India Limited.
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Karvy Computershare (P) Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District Hyderabad -500032. Tel : 040-67162222 Fax : 040-23001153 e-mail: einward.ris@karvy.com Toll Free No: 1800-3454-001 mailmanager@karvy.com Website: karvycomputershare.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	Software Development and Consultancy Services	892.2	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 ²									
1 Indian									
(a) Individuals/ Hindu Undivided Family	1154130	1689700	2843830	51.15	2843830	-	2843830	51.15	Nil
(b) Central Government/ State Government(s)									
(c) Bodies Corporate									
(d) Financial Institutions/ Banks									
(e) Any Others(Specify)									
Sub Total(A)(1)	1154130	1689700	2843830	51.15	2843830	-	2843830	51.15	Nil
2 Foreign									
a Individuals (Non-Residents Individuals/ Foreign Individuals)									
b Bodies Corporate									
c Institutions									
d Qualified Foreign Investor									
e Any Others(Specify)									
Sub Total(A)(2)									
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	1154130	1689700	2843830	51.15	2843830	-	2843830	51.15	Nil
(B) Public shareholding									
1 Institutions									
(a) Mutual Funds/ UTI									
(b) Financial Institutions/ Banks	413300	0	413300	7.43	413300	0	413300	7.43	Nil

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									
(g)	Foreign Venture Capital Investors									
(h)	Qualified Foreign Investor									
(i)	Any Other (specify)									
	Sub-Total (B)(1)	413300	0	413300	7.43	413300	0	413300	7.43	Nil
B 2	Non-institutions									
(a)	Bodies Corporate	494137	0	494137	8.89	525337	0	525337	9.45	0.56
(b)	Individuals									
I	i. Individual shareholders holding nominal share capital up to Rs 1 lakh	970942	355255	1326197	23.85	945242	355355	1300597	23.39	-0.46
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	424011	20000	444011	7.98	417411	20000	437411	7.87	-0.11
(c)	NRIs	10300	0	10300	0.18	11300	0	11300	0.20	0.02
(c-i)	Foreign Corporate Body									
(c-ii)	Hindu Undivided Families	28225	0	28225	0.51	28225	0	28225	0.51	Nil
(c-iii)	Clearing Members									
	Sub-Total (B)(2)	1927615	375255	2302870	41.42	1927515	375355	2302870	41.42	Nil
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	2340915	375255	2716170	48.85	2340815	375355	2716170	48.85	Nil
	TOTAL (A)+(B)	3495045	2064955	5560000	100.00	5184645	375355	5560000	100.00	Nil
(C)	Shares held by Custodians for GDRs & ADRs	0	0	0	0	0	0	0	0	0.00
	GRAND TOTAL (A)+(B)+(C)	3495045	2064955	5560000	100.00	5184645	375355	5560000	100.00	Nil

(ii) Shareholding of promoters

Sl No.	Shareholder's name	Shareholding at the beginning of the year (01-04-2015)			Shareholding at the end of the year (31-03-2016)			% 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	Sreekanth Reddy, S	1149500	20.67	Nil	1154500	20.76	Nil	0.09
2	Rachana Sammidi	593730	10.68	Nil	593730	10.68	Nil	0
3	Veera Reddy, S	180200	3.00	Nil	180200	3.00	Nil	0
4	Vanajatha, S	147100	3.00	Nil	147100	3.00	Nil	0
5	Anand Reddy Sammidi	152200	3.00	Nil	152200	3.00	Nil	0
6	P Sucharitha Reddy	105200	1.89	Nil	105200	1.89	Nil	0
7	Aruna, S	118400	2.00	Nil	118400	2.00	Nil	0
8	Malathi, W	110900	2.00	Nil	120900	2.17	Nil	0.17
9	Madhavi, N	110700	2.00	Nil	116400	2.09	Nil	0.09
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	Reddy, W.R.	10000	0.18	Nil	0	0	Nil	-0.18
14	Suresh Reddy, N	5700	0.09	Nil	0	0	Nil	-0.09
15	Ranganayakamma	2500	0.04	Nil	0	0	Nil	-0.04
16	Raghava Reddy, N	2500	0.04	Nil	0	0	Nil	-0.04
	TOTAL	2843830	51.15		2843830	51.15	Nil	

(iii) Change in Promoters' Shareholding

Sl No.		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	2843830	51.15	2843830	51.15
	Acquired	20700	0.37		
	Sold	-20700	-0.37		
	At the end of the year	2843830	51.15	2843830	51.15

(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 01-04-2015 *		Shareholding at the end of the year 31-03-2016 **	
		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.	400000	7.19	400000	7.19
2	Twinvest Financial Services Ltd.	238306	4.29	238306	4.29
3	Savyasachi Constructions Pvt Ltd.	23700	0.43	51900	0.93
4	Rajiv Verma	50500	0.91	50500	0.91
5	Gayatry Advisory Services Pvt Ltd	42387	0.76	42387	0.76
6	Mita D. Doshi	41600	0.75	41600	0.75
7	M V S Ananthkrishnan	40800	0.73	40800	0.73
8	Zen Securities Ltd-HSE Clients A/C	40061	0.72	40061	0.72
9	Zen Securities Ltd	29285	0.53	29285	0.53
10	K S S Prasad Raju	24711	0.44	24711	0.44

* In the list of top 10 as on 1-4-2015.

** In the list of top 10 as on 31-03-2016.

(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 01-04-2015 *		Shareholding at the end of the year 31-03-2016 **	
				No. of shares	% of the total shares of the Company	No. of shares	% of the total shares of the Company
1	Directors						
1	S.Sreekanth Reddy	01.04.15	At the beginning of the year	1149500	20.67		
		31.03.16	At the end of the year			1154500	20.76
2	M.Jagadeesh	01.04.15	At the beginning of the year	13900	0.25		
		31.03.16	At the end of the year			13900	0.25
3	K.Pradeep Kumar Reddy	01.04.15	At the beginning of the year	Nil			
		31.03.16	Bought during the year			Nil	Nil

4	K. Satish Chander Reddy	01.04.15	At the beginning of the year	Nil			
		31.03.16	Bought during the year			Nil	Nil
5	K.Prasad	01.04.15	At the beginning of the year	2800	0.05		
		31.03.16	At the end of the year			2800	0.05
6	N.Hari Mohan	01.04.15	At the beginning of the year	51581	0.93		
		31.03.16	At the end of the year			51581	0.93
7	K.Rakesh Rao	01.04.15	Date of appointment	Nil			
		31.03.16	At the end of the year			Nil	Nil
8	K.Ganesh	01.04.15	At the beginning of the year	Nil			
		31.03.16	At the end of the year			Nil	Nil
9	Neelima Kaushik	01.04.15	At the beginning of the year	Nil			
		31.03.16	At the end of the year			Nil	Nil
10	J.Raja Reddy	01.04.15	At the beginning of the year	2200	0.03		
		31.03.16	At the end of the year			2200	0.03

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
		Total (i + ii + iii)	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
		Total (i + ii + iii)	Nil	Nil	Nil	Nil

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

Sl. No	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Shri M.Jagadeesh (Managing Director)	Shri K.Pradeep Kumar Reddy (Director, Operations & CFO)	
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17 (1) of the Income-tax Act, 1961	24,00,000	40,00,000	64,00,000
	(b) Value of perquisites u/s.17 (2) of Income-come Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17 (3) of Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit	-	-	-
	- others, specify (arrears relating to previous year)	-	-	-
5	Total (A)	24,00,000	40,00,000	64,00,000
	Ceiling as per the Act (As minimum remuneration)	24,00,000	40,00,000	64,00,000

B. Remuneration to other Directors

Sl. No	Particulars of Remuneration	Name of Director				Total Amount
		Shri K. Prasad	Shri K. Ganesh	Shri N.Hari Mohan	Shri K. Rakesh Rao	
1	Independent directors					
	- Fee for attending board/committee meetings	32,000	28,000	18,000	16,000	94,000
	- Commission					
	- Others, please specify					
	Total (1)	32,000	28,000	18,000	16,000	94,000
2.	Other Non-Executive Directors	Shri S. Sreekanth Reddy	Shri K. Satish Chander Reddy	Smt. Neelima Kaushik		Total Amount
	- Fee for attending board/committee meetings	16,000	5,000	10,000		31,000
	- Commission					
	- Others, please specify					
	Total (2)	16,000	5,000	10,000		31,000
	Total (B) = (1+2)	46,000	33,000	28,000	16,000	1,25,000
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	Total Amount
		Company Secretary	
1	Gross Salary		
	a. Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	14,25,600	14,25,600
	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	Sweet Equity	-	-
4	Commission As % of profit	-	-
	- Others, specify	-	-
5	Others, Allowances	-	-
	Total	14,25,600	14,25,600

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

There were no penalties, punishment or compounding of offences during the year ended March 31, 2016.

Annexure - 4

Particulars of employees as required under Section 197 of the Companies Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name of the Employee	Shri M.Jagadeesh	Shri K.Pradeep Kumar Reddy
Designation	Managing Director	Director (Operations) & CFO
Age	45	43
Remuneration received (Rs.)	24,00,000	40,00,000
Nature of employment	Contractual	Contractual
Nature of duties	General Management	General Management
Qualification	Bachelor's Degree in Engineering and Masters in Business Administration.	Bachelor's Degree in Technology and Masters in Business Management.
Experience (Years)	20	19
Date of Commencement of Employment	13.06.2002	06.11.2012
Last Employment held	Nil	Aditya Birla Group

INDEPENDENT AUDITORS' REPORT

To
The Members of
Sagarsoft (India) Limited
Hyderabad

Report on the Financial Statements

We have audited the accompanying financial statements of M/s. Sagarsoft (India) Limited, ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- (b) In the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

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, and the Cash Flow Statement dealt with in this report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the 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, 2016, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on March 31, 2016 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"; and
- (g) 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 does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long term contracts including derivative contracts from which there were any material foreseeable losses;
 - iii. There are no amounts which are required to be transferred to Investor Education and protection fund.

For C. Ramachandram & Co.,
Chartered Accountants
(FRN: 002864S)

C. Ramachandram
Partner

Membership No: 25834

Place: Hyderabad
Date : May 28, 2016

Annexure A to the Auditors' Report

Annexure referred to in paragraph under 'Report on Other Legal and Regulatory Requirements' section of our report of the Independent Auditor's Report of even date of Sagarsoft (India) Limited , on the financial statements for the year ended March 31, 2016

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 has maintained 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 a service company, primarily 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 one 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.

The company has also given advance to the company, covered in the register maintained under section 189 of the Act, and in our opinion and to the best of our examination, the terms are not prejudicial to the interests of the company.
- 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 Central Government has not prescribed the maintenance of cost records to the company under section 148(1) of the Act. Thus, paragraph 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 Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, income tax, and other material statutory dues as applicable with the appropriate authorities.

- (b) 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. In our opinion and according to information and explanations given to us, the Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year.
- 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. During the year, no fraud by employees or officers of the company has been noticed.
- 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 Financial statements of the company as required by applicable Accounting Standards.
- xiv. According to information and explanation given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to information and explanation given to us, the company has not entered into non cash transactions with directors or any persons connected with him. Thus, paragraph 3(xv) of the Order is not applicable to the company.
- xvi. In our opinion, the company is not required to be registered under section 45IA of Reserve Bank of India Act 1934. Thus, paragraph 3(xvi) of the Order is not applicable to the company.

For **C. Ramachandram & Co.**,
Chartered Accountants
(FRNo: 002864S)

C. Ramachandram
Partner

Membership No: 25834

Place: Hyderabad
Date : May 28, 2016

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Sagarsoft (India) Limited ("the Company") as of March 31, 2016 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, 2016, 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 **C. Ramachandram & Co.,**
Chartered Accountants
(FRNo: 002864S)

C. Ramachandram
Partner
Membership No: 25834

Place: Hyderabad
Date : May 28, 2016

BALANCE SHEET

Amount in Rs.

PARTICULARS	NOTES	AS AT 31.03.2016	AS AT 31.03.2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	3	5,56,00,000	5,56,00,000
(b) Reserves and Surplus	4	4,71,77,309	4,03,45,886
(2) Non Current liabilities			
Long Term Borrowings	5	9,51,577	-
(3) Current liabilities			
(a) Trade Payables	6	7,43,726	10,20,554
(c) Other Current Liabilities	7	2,01,172	57,977
(d) Short Term Provisions	8	61,52,672	70,97,570
Total		11,08,26,455	10,03,76,214
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
Tangible Assets	9	2,93,27,906	3,18,52,474
(b) Deferred Tax Assets (Net)		81,31,064	1,08,88,185
(c) Long Term Loans and Advances	10	1,14,35,096	1,84,76,282
		4,88,94,066	6,12,16,941
(2) Current Assets			
(a) Trade Receivables	11	2,07,53,586	1,54,90,468
(b) Cash and Cash Equivalents	12	2,08,39,438	1,72,56,033
(c) Short Term Loans and Advances	13	1,93,40,393	62,88,915
(d) Other Current Assets	14	9,98,972	6,19,32,389
Total		11,08,26,455	10,03,76,214

SIGNIFICANT ACCOUNTING
POLICIES AND
NOTES ON ACCOUNTS

1 & 2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on Behalf of the Board

For **C.RAMACHANDRAM & CO.**,
Chartered Accountants
(FRNo: 002864S)

M JAGADEESH
Managing Director

C.RAMACHANDRAM
Partner
Membership No. 25834

K PRADEEP KUMAR REDDY
Director (Operations) & CFO

Place : Hyderabad
Date : May 28, 2016

J RAJA REDDY
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

Particulars	Notes	Amount in Rs.	
		31.03.2016	31.03.2015
I. Revenue From Operations	15	14,24,12,060	11,42,78,066
Other Income	16	16,04,248	20,01,075
Total Revenue		14,40,16,308	11,62,79,141
II. Expenses:			
Employee Benefit Expenses	17	9,75,27,446	8,70,27,276
Depreciation	9	71,25,064	76,33,243
Other expenses	18	2,92,79,540	2,02,83,843
Total Expenses		13,39,32,049	11,49,44,362
III. Profit before tax (I -II)		1,00,84,258	13,34,779
IV. Tax Expenses:			
(1) Current Tax		19,92,286	2,54,342
(2) Deferred Tax Liability / (Asset)		27,57,121	9,40,743
(3) Tax adjustment for Earlier Years		-	2,67,581
(4) MAT Credit Entitlement		(14,96,572)	(2,54,342)
Total Tax Expenses		32,52,834	12,08,324
V. Profit for the year (III-IV)		68,31,424	1,26,455
VI. Earning per share			
VII. (Equity shares, par value Rs.10 each)		1.23	0.02
Basic and Diluted			

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on Behalf of the Board

For **C.RAMACHANDRAM & CO.**,
Chartered Accountants
(FRNo: 002864S)

M JAGADEESH
Managing Director

C.RAMACHANDRAM
Partner
Membership No. 25834

K PRADEEP KUMAR REDDY
Director (Operations) & CFO

Place : Hyderabad
Date : May 28, 2016

J RAJA REDDY
Company Secretary

Amount in Rs.

Cash Flow Statement for the year ended	31.03.2016	31.03.2015
Cash flow from operating activities		
Net profit before tax and extraordinary items	1,00,84,258	13,34,779
Adjustment for:		
Provision for Income Tax	(19,92,286)	(2,54,342)
Non Operating Expenses/Items		
Profit on sale of investment	-	-
Loss on sale of Fixed Asset	-	-
Depreciation	71,25,064	76,33,243
Tax Adjustments for Earlier years	14,96,572	(13,239)
Operating profit before working capital changes	1,67,13,609	87,00,441
Adjustment for:		
Sundry debtors	(52,63,118)	(23,87,789)
Loans and advances	(68,85,407)	(12,91,154)
Other Current Liabilities & Provisions	34,86,624	(9,03,303)
Trade payables	(8,19,382)	(1,39,397)
Cash generated from operation	72,32,325	39,78,798
Cash flow before extraordinary items	72,32,325	39,78,798
Extraordinary items	-	-
Net cash from operating activities	72,32,325	39,78,798
Cash flow from investing activities		
Sale of Fixed Assets	-	-
Purchase of fixed assets and Adjustments	(46,00,496)	(25,08,135)
Sale of Investment	-	-
Net cash flow from investing activities	(46,00,496)	(25,08,135)
Cash flow from financing activities		
Proceeds from long term borrowings	10,00,000	-
Repayment of vehicle Loans	48,423	-
Net cash from in financing activities	9,51,577	-
Net increase in cash and cash equivalents	35,83,406	14,70,663
Cash and equivalents as at 01-04-2015	1,72,56,033	1,57,85,370
Cash and equivalents as at 31-03-2016	2,08,39,438	1,72,56,033

The accompanying notes are an integral part of the financial statements

As per our report of even date

 For **C.RAMACHANDRAM & CO.,**
 Chartered Accountants
 (FRNo: 002864S)

C.RAMACHANDRAM
 Partner
 Membership No. 25834

 Place : Hyderabad
 Date : May 28, 2016

For and on Behalf of the Board

M JAGADEESH
 Managing Director

K PRADEEP KUMAR REDDY
 Director (Operations) & CFO

J RAJA REDDY
 Company Secretary

Notes to the financial statements for the year ended 31st March, 2016

1. SIGNIFICANT ACCOUNTING POLICIES

1) **Basis of preparation of financial statements:**

Financial statements are prepared in accordance with the Generally Accepted Accounting Principles in India under the historical cost convention on accrual basis and in compliance with all the mandatory accounting standards as notified under section 133 of the Companies Act 2013, read with the rule 7 of the Companies Act (Accounts) Rules.

2) **Use of estimates:**

The preparation of the financial statements in conformity with GAAP involves the use of judgements, estimates and assumptions which affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported income and expenses for the reporting period.

3) **Fixed Assets:**

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

4) **Depreciation:**

Depreciation on fixed assets is charged under straight line method after considering the useful life and residual value of the assets in accordance with schedule II of the Companies Act, 2013.

Scrap @ 5% of original cost has been considered. Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed. Individual assets costing less than Rs.5,000/- are depreciated in full in the year of acquisition.

5) **Revenue Recognition:**

Revenue from Software services consists primarily of revenue earned from services performed on a time and material basis. The related revenue is recognized as and when the services are performed.

Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

6) **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 therefrom are transferred to the statement of profit and loss.

7) **Taxes on Income:**

Current Tax

Provision for current Income Tax is being made as per the normal provisions of Income Tax Act, 1961 as are in force for the financial year 2015-16.

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.

Deferred tax asset (Net of deferred tax liability as computed under Accounting Standard – 22) as on 31st March 2016 amounted to Rs.81,31,064/-.

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.

8) Cash flow statement

Cash flows are reported using the indirect method, where by profit 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.

9) 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.

10) 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 AS 15 and is not funded.

Provident fund:

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

11) Impairment of Assets:

The carrying value of assets/cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting period is no longer exists or may have decreased, such reversal of impairment loss is recognized in the statement of profit and loss.

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

13) Contingent Liabilities: Nil (Previous Year: Nil)

14) Auditors' Remuneration:

Amount in Rs.

Particulars	2015-16	2014-15
For Statutory Audit	70,000	50,000
For Tax Audit	30,000	30,000
Total	1,00,000	80,000

15) a) As required by Accounting Standard AS 18, the related parties disclosure issued by the Institute of Chartered Accountants of India is as follows:

S.No	Nature of Relationship	Name of the Parties
1.	Key Management Personnel	1. S.Sreekanth Reddy* 2. M Jagadeesh 3. K.Pradeep Kumar Reddy
2	Enterprises where key managerial personnel along with their relatives exercise significant influence	1. Sagar Priya Housing and Industrial Enterprises Limited 2. Savyasachi Constructions Pvt Ltd 3. Sapplica Info Technologies Pvt Ltd 4. Sagar Cements Limited 5. BMM Cements Limited 6. RV Consulting Services Pvt Ltd 7. Sagar Power Limited 8. S Anand Reddy 9. S.Sreekanth Reddy 10. S Vanajatha

*Holding more than 20% shares

b) Transaction with related parties during the year ended 31st March, 2016

Rs.in Lakhs

Nature of Transaction	Key Management Personal	Enterprises where key managerial personnel along with their relatives exercise significant influence	Balance as on 31.03.2016
Remuneration Paid			
1. M Jagadeesh	24.00		-
2. K Pradeep Kumar Reddy	40.00		-
Loan & Advances			
1. Sagar Priya Housing and Industrial Enterprises Limited		15.00	35.00 Dr.
2. RV Consulting Services Pvt. Ltd.		100.00	100.00 Dr.
Rent Paid			
1. S Anand Reddy		25.72	-
2. S Vanajatha		25.72	-
3. S Sreekanth Reddy		7.83	-
Consultancy Services			
1. Sapplica Info Technologies Pvt Ltd		91.84	30.09 Dr.
2. Sagar Cements Limited		45.00	2.65 Dr.
3. BMM Cements Limited		17.17	1.11 Dr.
Maintenance Charges paid			
Savyasachi Constructions Pvt Ltd		13.37	-
Payment of Electricity Charges to Sagar Cement Limited			
		5.72	-

16) The disclosures required under Accounting Standard 15 "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2006, are given below:

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

Amount in Rs.

Description	Year ended Gratuity	
	March 31, 2016	March 31, 2015
Defined benefit obligation at the beginning of the year	4360660	2802898
Current service cost	895386	832841
Interest cost	340131	255064
Actuarial (gain) / loss	314363	710324
Benefits paid	(133323)	(240467)
Defined benefit obligation at the year end	5777217	4360660

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

Amount in Rs.

Description	Year ended Gratuity	
	March 31, 2016	March 31, 2015
Fair value of plan assets at the beginning of the Year	3699337	2394316
Expected return on plan assets	55345	205283
Actuarial gain / (loss)	-	-
Employer contribution	859892	1340205
Benefits paid	(133323)	(240467)
Fair value of plan asset at the year end	4357509	3699337

c) Reconciliation of fair value of assets and obligations:

Amount in Rs.

Description	Year ended Gratuity	
	March 31, 2016	March 31, 2015
Fair value of plan assets	4357509	3699337
Present value of obligations	5777217	4360660
Amount to be recognized in the Balance sheet	(1419708)	(661323)

d) Expenses recognized during the year:

Amount in Rs.

Description	Year ended Gratuity	
	March 31, 2016	March 31, 2015
Current service cost	895386	832841
Interest cost	340131	255064
Expected return on plan assets	(55345)	(205283)
Actuarial (gain) / loss	314363	710324
Net cost	1618277	1592946

e) Reconciliation of Leave Encashment:

Amount in Rs.

Description	Year ended	
	March 31, 2016	March 31, 2015
Present Value of Obligation as at the end of the year	1243923	959973
Value of fund as at the end of the year		-
Funded Status	(1243923)	(959973)
Unrecognized Actuarial (gains)/Losses		-
Net Asset/(Liability) Recognized in Balance Sheet	(1243923)	(959973)

f) Investment details:

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

g) Actuarial assumptions

Mortality table (LIC) 2008-10 (ultimate)

Discounting rate – 7.80%

Expected rate of return on plan asset – 9%

Rate of escalation in salary – 5%

- 17) 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	2015-16	2014-15
01	Exports	12,57,72,060	10,32,21,842
02	Domestic	1,66,40,000	1,10,56,224
	Total	14,24,12,060	11,42,78,066

- 18) 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.
- 19) Balances due to or due from the parties are subject to confirmation.
- 20) Figures of previous year have been regrouped / reclassified wherever necessary to conform to the current year's presentation / classification.
- 21) Figures are rounded off to nearest rupee.

As per our report of even date attached

For and on Behalf of the Board

For **C.RAMACHANDRAM & CO.,**
Chartered Accountants
(FRNo: 002864S)

M JAGADEESH
Managing Director

C.RAMACHANDRAM
Partner
Membership No. 25834

K PRADEEP KUMAR REDDY
Director (Operations) & CFO

Place : Hyderabad
Date : May 28, 2016

J RAJA REDDY
Company Secretary

2. NOTES FORMING PART OF THE BALANCE SHEET AS AT

Particulars	31.03.2016 Rs.	31.03.2015 Rs.
NOTE-3		
SHARE CAPITAL		
AUTHORISED:		
70,00,000 Equity Shares of Rs.10/- each	7,00,00,000	7,00,00,000
ISSUED, SUBSCRIBED AND PAID UP		
55,60,000 equity shares of Rs.10/- each fully paid up	5,56,00,000	5,56,00,000
Total	5,56,00,000	5,56,00,000

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

Equity Shares	31-Mar-16 No. of Shares	31-Mar-15 No. of Shares
At the beginning of the period	55,60,000	55,60,000
During the period Issue	-	-
At the end of the Period	55,60,000	55,60,000

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. Disclosure pursuant to Note No. 6(A) (g) of Part I of Schedule III to the Companies Act, 2013 (if more than 5%)

Name of Shareholder	As at 31 March 2016		As at 31 March 2015	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Sreekanth Reddy Sammidi	11,54,500	20.76	11,49,500	20.67
Rachana S	5,93,730	10.68	5,93,730	10.68
The Madhavpura Mercantile Co-op. Bank	4,00,000	7.19	4,00,000	7.19

Particulars	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
NOTE-4		
RESERVES AND SURPLUS		
Share Premium Account	4,56,00,000	4,56,00,000
Profit & Loss Account (Opening Balance)	(52,54,115)	(29,41,476)
Adjustment for additional Depreciation	-	(24,39,094)
Add: Profit for the Period	68,31,424	1,26,455
Closing Balance	15,77,309	(52,54,115)
	4,71,77,309	4,03,45,886

Particulars	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
NOTE-5		
LONG TERM BORROWINGS		
Hire purchase Vehicle Loan from HDFC Bank	9,51,577	-
	9,51,577	-
NOTE-6		
TRADE PAYABLES		
Trade Payables	7,43,726	10,20,554
	7,43,726	10,20,554
NOTE-7		
OTHER CURRENT LIABILITES		
Accrued salaries and benefits	2,01,172	57,977
	2,01,172	57,977
NOTE-8		
SHORT TERM PROVISIONS		
Provision for Employee Benefits		
Provision for Gratuity	14,19,708	6,61,323
Leave Encashment	12,43,923	9,59,973
Provision for Expenses	8,82,907	7,29,417
TDS Payable	6,13,848	7,46,742
Provision For Income Tax	19,92,286	2,54,342
	61,52,672	33,51,797

NOTE - 9
FIXED ASSETS

In Rs.

Particulars	ORIGINAL COST				DEPRECIATION				NET BLOCK	
	As at 01.04.2015	Additions during the Period	Deductions during the Period	As at 31.03.2016	As at 01.04.2015	For the year	Adjustments	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
Tangible										
Fixed Assets										
Computers	6,14,59,376	20,61,500	-	6,35,20,876	5,82,58,067	12,34,343	-	5,94,92,410	40,28,466	32,01,309
Office Equipment	1,88,56,603	5,24,701	-	1,93,81,304	91,86,133	30,29,094	-	1,22,15,227	71,66,077	96,70,470
Furnitures & Fixtures	2,45,59,425	-	-	2,45,59,425	74,79,286	22,64,324	-	97,43,610	1,48,15,815	1,70,80,139
Vehicles	42,04,120	20,14,295	-	62,18,415	23,03,564	5,97,302	-	29,00,866	33,17,549	19,00,556
Total	10,90,79,524	46,00,496	-	11,36,80,020	7,72,27,050	71,25,064	-	8,43,52,114	2,93,27,906	3,18,52,474
Previous year	10,65,71,389	25,08,135	-	10,90,79,524	6,60,64,005	40,11,152	21,86,187	6,60,64,005	4,05,07,384	4,68,33,115

Particulars	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
NOTE-10		
LONG TERM LOANS & ADVANCES		
Advance to Others	54,58,264	1,01,76,251
Advance to Related parties	35,00,000	50,00,000
Deposits	24,76,832	33,00,031
	1,14,35,096	1,84,76,282
NOTE-11		
TRADE RECEIVABLES		
Outstanding over six months	32,15,824	32,15,824
Other Debts	1,75,37,762	1,22,74,644
	2,07,53,586	1,54,90,468
NOTE-12		
CASH & CASH EQUIVALENTS		
Cash in Hand	1,13,239	44,596
Balance with Banks - In Current Account	81,54,552	1,51,43,924
- In Fixed Deposit Account	1,25,71,647	20,67,513
	2,08,39,438	1,72,56,033
NOTE-13		
SHORT TERM LOANS AND ADVANCES		
Other Loans and Advances	1,09,13,483	20,45,414
Advance to Related Parties	2,00,000	2,05,739
Balance with Income Tax Authorities	82,26,909	40,37,762
	1,93,40,393	62,88,915
NOTE-14		
OTHER CURRENT ASSETS		
Interest Receivable	7,43,607	-
Service Tax Input Credit	2,55,365	1,23,857
	9,98,972	1,23,857
NOTE-15		
REVENUE FROM OPERATIONS		
Revenue from Software development	14,24,12,060	11,42,78,066
	14,24,12,060	11,42,78,066
NOTE-16		
OTHER INCOME		
Foreign Exchange Fluctuation Gain	-	3,28,182
Interest Income	16,04,248	13,29,705
Other Income	-	3,43,188
	16,04,248	20,01,075

Particulars	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
NOTE-17		
EXPENSES		
EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages and other benefits	9,19,39,205	8,28,70,890
Welfare Expenses	39,29,856	25,63,440
Gratuity	16,58,385	15,92,946
	9,75,27,446	8,70,27,276
NOTE-18		
OTHER EXPENSES		
Communication Expenses		
Postage and Telephone Charges	5,68,889	4,28,894
Internet Charges	3,01,520	6,44,332
	8,70,409	10,73,226
Travel Expenses		
Overseas travel expenses	33,25,349	11,32,752
Travelling and Conveyance	12,78,690	4,22,365
	46,04,039	15,55,117
Other Expenses		
Vehicle Hire Charges	21,21,433	29,62,947
Electricity Charges	5,71,955	14,44,587
Vehicle Maintenance	8,38,554	4,52,608
Printing and Stationery	3,84,170	1,51,517
Office Maintenance	43,79,732	35,05,316
Auditors Remuneration	1,00,000	50,000
Rent	57,00,000	60,81,760
Rates and Taxes	35,271	7,500
Interest and Bank Charges	76,263	73,652
Professional and Consultancy charges	36,07,725	24,78,903
Advertisement charges	42,131	1,61,070
Donations	20,116	1,50,796
Insurance	1,02,503	69,565
Foreign Exchange Fluctuation Loss	22,968	-
General Expenses	7,13,750	65,279
Debit Balances written off	50,88,521	-
	2,38,05,092	1,76,55,500
Other Expenses Total	2,92,79,540	2,02,83,843

As per our report of even date attached

For **C.RAMACHANDRAM & CO.,**
Chartered Accountants
(FRNo.: 002864S)

C.RAMACHANDRAM
Partner
Membership No. 25834
Place : Hyderabad
Date : May 28, 2016

For and on Behalf of the Board

M JAGADEESH
Managing Director

K PRADEEP KUMAR REDDY
Director (Operations) & CFO

J RAJA REDDY
Company Secretary

NOTES

NOTES

SAGARSOFT (INDIA) LIMITED

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

CIN – U72200TG1996PLC023823

Tel.No.: +91-40-67191000, Fax No.: +91-40-23543811

E-mail: info@sagarsoft.in Website: www.sagarsoft.in

ATTENDANCE SLIP

20TH ANNUAL GENERAL MEETING ON WEDNESDAY, THE 28th SEPTEMBER, 2016 AT 11.30 A.M. at Hotel Golkonda, Masab Tank, Hyderabad-500 028

Folio No.	DP ID No.	Client ID No.
-----------	-----------	---------------

I/We hereby record my/our present at the Twentieth Annual General Meeting of the Company at Hotel Golkonda, Masab Tank, Hyderabad, at 11.30 a.m. on Wednesday, the 28th September, 2016.

Name of the Member : _____ Signature : _____

Name of the Proxyholder : _____ Signature : _____

- Notes:**
1. Only Member / Proxyholder can attend the Meeting.
 2. Please complete the Folio No./DP ID No., Client ID No. and name of the Member / Proxyholder, sign this Attendance Slip and handit over, duly signed at the entrance of the Meeting hall.
 3. A Member / Proxyholder attending the meeting should bring his/her copy of the Annual Report for reference at the meeting.

SAGARSOFT (INDIA) LIMITED

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

CIN – U72200TG1996PLC023823

Tel.No.: +91-40-67191000, Fax No.: +91-40-23543811

E-mail: info@sagarsoft.in Website: www.sagarsoft.in

PROXY FORM

(Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member (s) : _____

Registered address : _____

E-mail Id : _____

Folio No. / Client ID No. : _____ DP ID No. _____

I/We, being the member(s) holding _____ shares of Sagarsoft (India) Limited, hereby appoint:

1. Name: _____ Email ID: _____
Address: _____

_____ Signature _____ or failing him;

2. Name: _____ Email ID: _____
Address: _____

_____ Signature _____ or failing him;

3. Name: _____ Email ID: _____
Address: _____

_____ Signature _____

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twentieth Annual General Meeting of the Company to be held on Wednesday, the 28th September, 2016 at 11.30 a.m. at Hotel Golkonda, Masab Tank, Hyderabad-500 028 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Description of Resolution
1	Adoption of Statement of Profit and Loss, Balance Sheet, Reports of Board of Directors and Auditors thereon for the year ended 31st March, 2016.
2.	Appointment of a Director in the place of Shri S.Sreekanth Reddy who is liable to retire by rotation and being eligible offers himself for re-appointment.
3.	Appointment of a Director in the place of Shri K.Satish Chander Reddy who is liable to retire by rotation and being eligible offers himself for re-appointment.
4	Ratification of appointment of Auditors.
5.	Appointment of Smt.Neelima Kaushik as an Independent Director
6.	Re-appointment of Shri M.Jagadeesh as Managing Director and payment of Remuneration to him.
7.	Re-appointment of Shri K.Pradeep Kumar Reddy as Executive Director and payment of Remuneration to him.

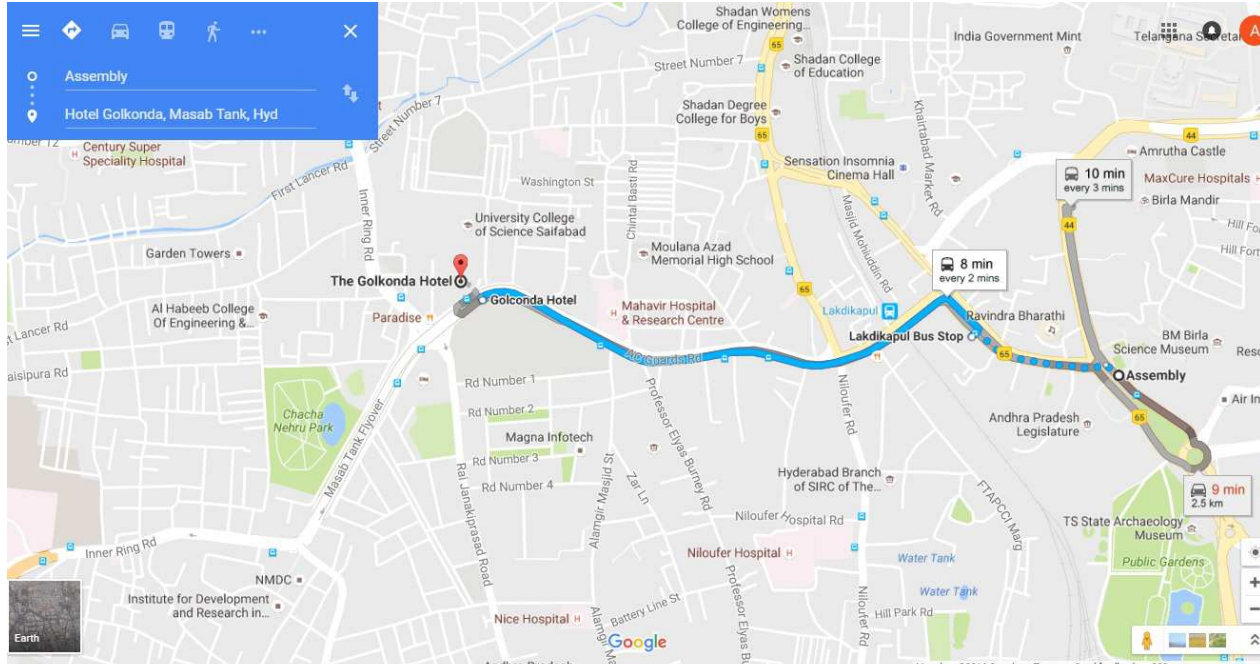
Signed this _____ day of _____ 2016

Please affix Re.1/- Revenue Stamp
--

Signature of shareholder _____ Signature of Proxyholder(s) _____

- Note:**
1. This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at Plot No.111, Road No.10, Jubilee Hills, Hyderabad-500 033, not less than 48 hours before the commencement of the Meeting.
 2. A proxy need not be a member of the Company.
 3. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 20th Annual General Meeting of the Company.

ROUTE MAP FOR AGM





Sagarsoft (India) Limited

Plot No. 111, Road No. 10, Jubilee Hills

Hyderabad - 500 033

Ph : +91-40-67191000

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