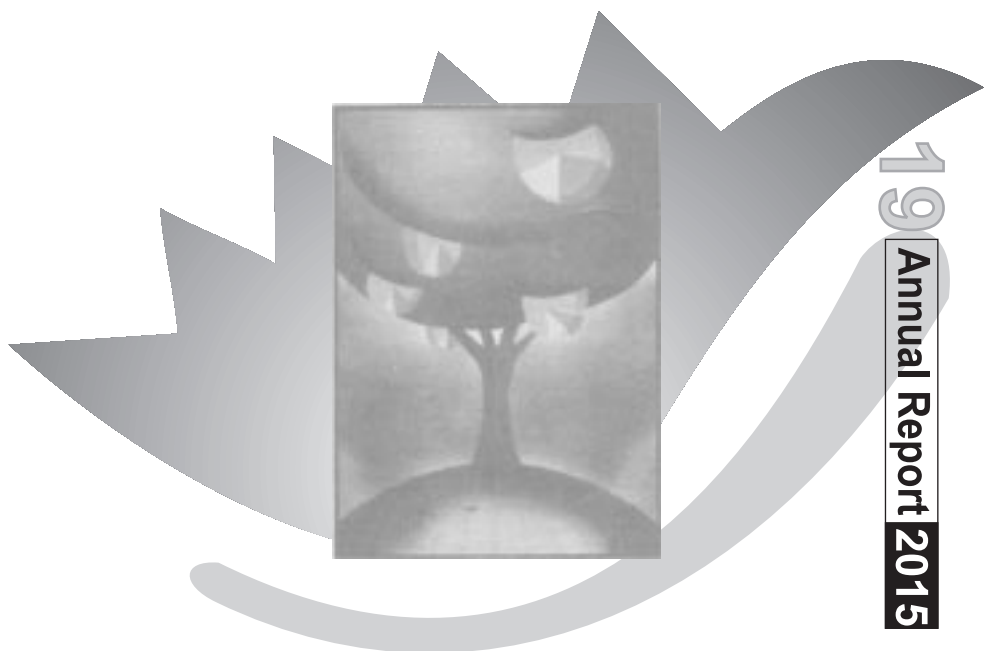


Annual Report 2015



Board of Directors

Shri S. Sreekanth Reddy	Chairman - Non-Executive
Shri M. Jagadeesh	Managing Director
Shri K. Pradeep Kumar Reddy	Director (Operations) & CFO
Shri Satish C.R. Kalva	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

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, Hyderabad

HDFC Bank
Lakdikapool Branch, Hyderabad

Registered Office

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

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:L72200TG1996PLC023823

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

NOTICE

Notice is hereby given that the 19th Annual General Meeting of the Members of the Company will be held on Wednesday, the 23rd day of September, 2015 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 financial year ended 31st March, 2015 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 accounts of the Company containing the Balance Sheet as at and the Statement of Profit and Loss for the year ended 31st March 2015 together with their annexure and the reports of the auditors and directors thereon be and are hereby received, considered, approved and adopted."

2. To appoint a director in the place of Shri M.Jagadeesh (DIN: 01590689), who retires by rotation and being eligible, offers himself for re-appointment and in this regard to pass the following resolution as an Ordinary Resolution:

"Resolved that Shri M.Jagadeesh (DIN: 01590689) 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.Pradeep Kumar Reddy (DIN:02598624), who retires by rotation and being eligible, offers himself for re-appointment and in this regard to pass the following resolution as an Ordinary Resolution:

"Resolved that Shri K.Pradeep Kumar Reddy (DIN:02598624) be and is hereby re-appointed as a director liable to retire by rotation."

4. To ratify the re-appoint 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 20th Annual General Meeting of the Company to be held in the calendar year 2016, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS

5. To approve the alterations in the Memorandum of Association (MoA) of the company and in this regard to consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 4 and 13 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, it is hereby resolved to substitute the Clause II of the MoA with the following:

II. The registered office of the company will be situated in the State of Telangana.

"Resolved Further that pursuant to the provisions of Sections 4 and 13 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there

under, the consent of the company be and is hereby accorded for alteration of the Clause III of the MoA of the company by substituting the heading of Clause III (A) and III (B) in it with the following:

III (A) The objects to be pursued by the company on its incorporation are:

III (B) Matters which are necessary for furtherance of the objects specified in Clause III (A) are:

“Resolved further that the Clause III (C) of the Memorandum of Association of the Company be and is hereby deleted.”

“Resolved Further that pursuant to the provisions of Section 4, 13 and other applicable provisions, if any, of the Companies Act, 2013, consent of the company be and is hereby accorded to alter the Clause IV of the Memorandum of Association of the company by substituting the said Clause IV with the following:

IV. “The liability of the members of the company is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.”

“Resolved Further that pursuant to the provisions of Section 4, 13 and other applicable provisions, if any, of the Companies Act, 2013, consent of the company be and is hereby accorded to substitute the existing Clause V of the Memorandum of Association with the following:

V. The Authorised Share Capital of the Company is Rs.7,00,00,000 (Rupees Seven Crores only) divided into 70,00,000 (Seventy Lakhs Only) Equity Shares of Rs.10/- each.

“Resolved Further that for the purpose of giving effect to the aforesaid resolutions, the Board of Directors of the company be and is hereby authorized to take such steps and to do all such other acts and deeds as it may deem fit and appropriate and as may be necessary to settle any question, difficulty or doubt that may arise in regard to the said resolutions.”

6. To approve the alteration of Articles of Association (AoA) of the company and in this regard to consider and, if thought fit, to pass, the following resolution as a Special Resolution:

Resolved that pursuant to the provisions of Section 5, 14 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force) the regulations contained in the existing Articles of Association of the company be and are hereby altered by substituting its present Articles No.1 to 192 with a new set of Articles 1 to 120 as per the draft submitted to this meeting.”

“Resolved Further that the Board of Directors of the company be and are hereby authorized to do all such acts, deeds, matters and things as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board of Directors

Hyderabad
10th August, 2015

Sd/-
J Raja Reddy
Company Secretary

NOTES:

1. The Explanatory Statement in respect of Items No.4 to 6 in the Notice are given in the Annexure-1, which forms part of this Notice.
2. The details for the Item No.2 and 3 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 physical form are requested to inform about the change in their addresses immediately 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 address 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 **17th September, 2015 to 23rd September, 2015** (both days inclusive).
11. Members may note that the Annual Report for 2014-15 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. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on **16th September, 2015**, 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 20th September, 2015, and will end at 5.00 p.m. on 22nd September, 2015**. The Company has appointed B S S & Associates, Company Secretaries, 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 for e-voting:

I. The Company has engaged the services of Karvy Computershare Private Limited (Karvy) for facilitating e-voting for AGM. The instructions for e-voting are as under:

- (a) In case of Members receiving an e-mail from Karvy :
 - (i) Launch an internet browser and open <https://evoting.karvy.com>.
 - (ii) Enter the login credentials (i.e. User ID and password). The Event No.+ Folio No. or DP ID- Client ID will be your User 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 the above details click on - Login.
 - (iv) Password change menu will appear. Change the Password with a new Password of your choice. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.) The system will also prompt you to update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential. You need to login again with the new credentials.
 - (v) On successful login, the system will prompt you to select the E-Voting Event.
 - (vi) Select the EVENT of Sagarsoft (India) Limited and click on - Submit.
 - (vii) Now you are ready for e-voting as 'Cast Vote' page opens.
 - (viii) Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'OK' when prompted.
 - (ix) Upon confirmation, the message 'Vote cast successfully' will be displayed.
 - (x) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xi) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, along with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by an e-mail at bssass99@gmail.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO."

(b) In case of Shareholders receiving physical copy of the Notice of AGM and Attendance Slip

- (i) INITIAL PASSWORD IS PROVIDED, AS FOLLOWS, AT THE BOTTOM OF THE ATTENDANCE SLIP.

EVENT		
(E-Voting Event Number)	USER ID	PASSWORD
—	—	—

- (ii) Please follow all steps from Sr. No. (i) to Sr. No. (xi) above, to cast vote.

- II. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of Karvy's e-voting website <https://evoting.karvy.com>.
- III. If you are already registered with Karvy for e-voting then you can use your existing User ID and Password for casting vote.
- IV. The voting rights shall be as per the number of equity share held by the Member(s) as on **16th September, 2015**. Members are eligible to cast vote electronically only if they are holding shares as on that date.
- V. The Companies (Management and Administration) Amendment Rules, 2015 provides that the electronic voting period shall close at 5.00 p.m. on the date preceding the date of AGM. Accordingly, the voting period shall commence at **9.00 a.m. on 20th September, 2015** and will end at **5.00 p.m. on 22nd September, 2015**. The e-voting module shall be disabled by **Karvy at 5.00 p.m. on 22nd September, 2015**.
- VI. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.

The facility for voting, either through electronic voting system or ballot or polling paper will also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting or by ballot form shall be able to exercise their right at the meeting.
- VII. The members who have cast their vote by e-voting may also attend the meeting but shall not be entitled to cast their vote again.
- VIII. Members who have acquired shares after the dispatch of the Annual Report and before the book closure, may approach the RTA for issuance of the User ID and Password for exercising their right to vote by electronic means.
 - a. If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS : MYEPWD <space> 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> XXX1234567
 - b. If e-mail 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.
 - c. Member may call Karvy's toll free number 1-800-3454-001
 - d. Member may send an e-mail request to evoting@karvy.com
 - e. 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.
- IX. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy, on all the resolutions set forth in this Notice. In order to enable its Members, who do not have the access to e-voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, the company is enclosing a Ballot Form with the Notice. Instructions for Ballot Form are given at the back of

the said form and instructions for e-voting are given here in below. Resolution(s) passed by Members through Ballot Forms or e-voting is/are deemed to have been passed as if they have been passed at the AGM.

- X. The company has appointed B S S & Associates, Practicing Company Secretaries, 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.
 - XI. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by the Chairman, who shall declare the result of the voting forthwith. The result of the voting along with the Scrutinizer's report will also be posted on the company's website www.sagarsoft.in after the declaration of results by the Chairman or a person authorized by the Chairman.
- 13. Members can opt for only one mode of voting, i.e., either by Ballot Form or e-voting. In case members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Ballot Form shall be treated as invalid.
 - 14. 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-500 004 not later than 22nd September, 2015 (5.00 p.m. IST). Ballot Form received after this date will be treated as invalid.
 - 15. 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.
 - 16. 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**

Hyderabad
10th August, 2015

Sd/-
J Raja Reddy
Company Secretary

Annexure 1 to the Notice of the 19th 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 6 of the accompanying Notice dated 10th August 2015.

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.

The Board commends the Resolution at Item No. 4 for approval by the Members.

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.

This explanatory statement is provided though strictly not required as per Section 102 of the Act.

On Item No.5

The company was incorporated on 17th April, 1996 under the provisions of the Companies Act, 1956 and is deemed to exist within the purview of the present Companies Act, 2013. As the existing Memorandum of Association (MoA) is based on the provisions of the Companies Act, 1956, with the coming in to force of the present Companies Act, 2013, the existing MoA of the company require alteration or deletions to facilitate their alignment with the provisions of the new Companies Act, 2013.

Further, the State of Andhra Pradesh was bifurcated on 2nd June, 2014 in to the State(s) of Andhra Pradesh and Telangana. The registered office of the Company falls in the state of Telangana. Accordingly, Clause II of the MoA is sought to be amended to indicate that the Registered Office of the company will be situated in the State of Telangana.

The headings of the Clause III A and III B of the existing MoA need to be altered in line with Section 4 (1) (c) of the Companies Act, 2013.

"The other objects" of the Company in the present Clause III (C) are sought to be deleted to comply with the Companies Act, 2013, which has no provision for stating "the other objects."

Likewise, Clause IV of the MoA, which states that "the liability of the Members of the company is limited", needs to be reworded in line with the Section 4 of the Companies Act, 2013 as proposed in the resolution.

Similarly, the Capital Clause in the Memorandum of Association needs to be altered to bring the same in line with Schedule I, Table A of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel (KMP) or their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution as proposed in Item No.5 excepting to the extent of the respective offices held by them in the company.

On Item No.6

The existing Articles of Association (AoA) are based on the Companies Act, 1956. Several regulations in the existing AoA contain references to specific Sections of the Companies Act, 1956 which are no longer in force and to that extent are no longer in conformity with the new Companies Act, 2013. Several regulations of the existing AoA of the company therefore require alteration or deletion.

Accordingly, it is proposed to alter the existing AoA by substituting present Articles from 1 to 192 with a new set of Articles from 1 to 120 set out in Item No.6 of the Notice.

None of the Directors or Key Managerial Personnel (KMP) or their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution as proposed in Item No.6 excepting to the extent of the respective offices held by them in the company.

A copy of the proposed new set of Memorandum and Articles of Association of the company with proposed alterations has been posted on the company's website www.sagarsoft.in and would be available for inspection by the members at the registered office of the company on all working days except public holidays between 11.00 a.m. to 5.00 p.m. up to and including the date of Annual General Meeting. A hard copy of the MoA and AoA will also be furnished to the members on request.

The Board commends the Resolutions for approval by the members.

By Order of the Board

Hyderabad
10th August, 2015

Sd/-
J Raja Reddy
Company Secretary