

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.