



ANNUAL
REPORT
2021



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Board of Directors

Shri S. Sreekanth Reddy

Chairman - Non-Executive

Shri M. Jagadeesh

Managing Director

Shri K. Pradeep Kumar Reddy

Executive Director & CFO

Shri K. Satish Chander Reddy

Non-Executive Director

Shri K. Prasad

Independent Director

Shri N. Hari Mohan

Independent Director

Shri K. Rakesh Rao

Independent Director

Shri K. Ganesh

Independent Director

Smt. Neelima Kaushik

Independent Director

Company Secretary

Shri J.Raja Reddy

Auditors

M/s. T Mohan & Associates

(Formerly Lakshmi & Associates)

Chartered Accountants (FR No.012482S)

3-6-237, Flat #602, 603

Lingapur La Builde Complex

Himayat Nagar, Hyderabad-500 029

Bankers

Axis Bank Ltd.,

Banjara Hills Branch, Hyderabad

HDFC Bank Ltd.,

Lakdikapool Branch, Hyderabad

Registered Office

Plot No.111, Road No.10

Jubilee Hills, Hyderabad –500 033

Corporate Identity Number

L72200TG1996PLC023823

Registrars and Share transfer agents

M/s. KFin Technologies Private Limited

Plot No. 31-32, Selenium Building

Tower - B, Gachibowli, Financial District

Nanakramguda, Serilingampally Mandal

Hyderabad - 500 032. Telangana

SAGARSOFT (INDIA) LIMITED

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

CIN: L72200TG1996PLC023823

NOTICE

Notice is hereby given that the 25th Annual General Meeting of the Members of Sagarsoft (India) Limited will be held on Wednesday, the 7th day of July, 2021 at 4.00 p.m. through Video Conference ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2021 together with the Reports of the Directors and Auditors thereon and in this regard to pass the following resolution as an ordinary resolution:

"RESOLVED THAT the audited financial statements of the Company for the financial year ended 31st March 2021 together with the reports of the Directors and Auditors thereon be and are hereby received, considered, approved and adopted."

2. To declare dividend of Rs.2.50 per share (25%) on the equity shares of the company for the financial year ended 31st March, 2021 and in this regard to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT a dividend of Rs.2.50 per share (25%) on the 55,60,000 equity shares of Rs.10/- each of the company for the financial year ended 31st March, 2021 be and is hereby declared.

3. To re-appoint the retiring Director 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) who retires by rotation in accordance with section 152 of the Companies Act, 2013 be and is hereby re-appointed as a director liable to retire by rotation."

4. To re-appoint the retiring Director Shri K.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) who retires by rotation in accordance with section 152 of the Companies Act, 2013 be and is hereby re-appointed as a director liable to retire by rotation."

SPECIAL BUSINESS

5. **Increase in the Authorised Share Capital.**

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re- enactment thereof) and the Rules framed thereunder, consent of the members of the Company be and is hereby accorded for increase in the Authorised Share Capital of the Company from existing Rs. 7,00,00,000 (Rupees Seven crores Only) divided into 70,00,000 (Seventy Lakhs Only) Equity Shares of Rs.10/- (Rupees Ten Only) each to Rs.10,00,00,000/- (Rupees Ten Crores Only) divided into 1,00,00,000 (One Crore only) Equity Shares of Rs.10/- (Rupees Ten Only) each ranking pari passu in all respects with the existing Equity Shares of the Company as per the Memorandum and Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board of Directors of the Company ("the Board", which expression shall also include a Committee thereof) and/or Company Secretary of the company, be and are hereby authorized severally to sign and submit the necessary e-forms with the Registrar of Companies, Hyderabad and to do all such acts, deeds, matters and things, including delegation of all or any of its powers herein conferred, to its Directors, Company Secretary or any other Executive(s) of the Company.

6. **Amendment to the Memorandum of Association consequent to the proposed increase in the Authorised Share Capital.**

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution.

RESOLVED THAT pursuant to the provisions of Sections 13 and other applicable provisions, if any, of the Companies Act, 2013, read with applicable Rules made there under, including any statutory

amendment(s) or modification(s) thereto or enactment(s) or re-enactment(s) thereof for the time being in force and pursuant to the applicable provisions of the Articles of Association of the company, the existing Clause V of the Memorandum of Association of the Company be and is hereby deleted, and in its place, the following Clause V be substituted:

- V. *The Authorised Share Capital of the Company is Rs. 10,00,00,000/- (Rupees Ten Crores only) divided into 1,00,00,000 (One Crore Only) Equity Shares of Rs.10/- (Rupees Ten Only) each.*

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board of Directors of the Company ("the Board", which expression shall also include a Committee thereof), and/or Company Secretary of the company, be and are hereby authorized severally to sign and submit the necessary e-forms with the Registrar of Companies, Hyderabad and to do all such acts, deeds, matters and things, including delegation of all or any of its powers herein conferred, to its Directors, Company Secretary or any other Executive(s) of the Company.

7. Amendment to the Articles of Association consequent to the proposed increase in the Authorised Share Capital.

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

RESOLVED THAT pursuant to the provisions of Sections 14 and other applicable provisions, if any, of the Companies Act, 2013, read with applicable Rules made there under, including any statutory amendment(s) or modification(s) thereto or enactment(s) or re-enactment(s) thereof for the time being in force and pursuant to the applicable provisions of the Articles of Association of the company, the existing Article 3 of the Articles of Association of the Company be and is hereby deleted, and in its place, the following Article 3 be substituted:

3. *The Authorised Share Capital of the Company is Rs. 10,00,00,000/- (Rupees Ten Crores Only) divided into 1,00,00,000 (One Crore Only) Equity Shares of Rs.10/- (Rupees Ten Only) each to be increased, reduced or otherwise dealt with in accordance with the provisions of the Companies Act, 2013.*

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board of Directors of the Company ("the Board", which expression shall also include a Committee thereof), and/or Company Secretary of the company, be and are hereby authorized severally to sign and submit the necessary e-forms with the Registrar of Companies, Hyderabad and to do all such acts, deeds, matters and things, including delegation of all or any of its powers herein conferred, to its Directors, Company Secretary or any other Executive(s) of the Company.

8. Transactions with Related Parties under Section 188 of the Companies Act, 2013.

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 and the rules made there under including any modification or amendments or clarifications thereon, if any, and pursuant to the Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, and pursuant to the Policy of the Company on Related Party Transactions, Consent of the members be and is hereby accorded to enter into the Material Related party transactions, as detailed in the Explanatory Statement to this resolution, in the ordinary course of business at arms' length basis.

RESOLVED FURTHER THAT the Board be and is hereby authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to the above resolution and to do all such acts, deeds, things as may be necessary in its absolute discretion deem necessary, proper, desirable and to finalize any documents and writings related thereto.

9. Acquisition of IT CATS LLC USA by issue of Equity Shares on a preferential basis to the owner of IT CATS LLC as consideration other than cash.

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

"RESOLVED THAT pursuant to the provisions of Section 179 (3), 186, 62 (1) (c) and 42 of the Companies

Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, Companies (Prospectus and Allotment of Securities) Rules, 2014 and any other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification or re-enactment thereof for the time being in force), the Memorandum and Articles of Association of the Company, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (the SEBI (ICDR) Regulations), the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as amended (the "SEBI (SAST) Regulations"), Foreign Exchange Management Act, 1999 ("FEMA") read with "Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004 and Foreign Exchange Management (Non-Debt Instrument) Regulations, 2019" and the applicable regulations made thereunder (including any statutory modifications, amendments thereto or re-enactment thereof ("FEMA Regulations") and subject to all other applicable laws, rules, regulations, circulars, guidelines and such approvals, permissions, sanctions and consents as may be necessary or required from regulatory or other

appropriate authority whether in India or abroad and on such terms and conditions which may be accepted and decided by the Board in its absolute discretion, and pursuant to the resolutions passed by the Board on 22nd May, 2021 approving the acquisition of 100% capital in IT CATS LLC, USA by issue of equity shares on Preferential Allotment basis in consideration of such acquisition to the owner of IT CATS LLC, USA, consent of the members of the Company be and is hereby accorded to the Board to acquire 100% capital in IT CATS LLC, a limited liability company incorporated under the laws of United States of America ("IT CATS"); and create, offer, issue and allot, on preferential basis 6,32,238 (Six Lakhs Thirty Two Thousand Two Hundred Thirty Eight Only) fully paid-up equity shares of the Company, having face value of Rs.10/- (Rupees Ten only) each (hereinafter referred as the "Swap Shares") at an issue price of Rs.254/- (Rupees Two Hundred and Fifty Four only) per equity share including a premium of Rs. 244/- (Rupees Two Hundred and Forty Four only) per share to the owner of IT CATS LLC, as set out in the table below ("Proposed Allottee") as consideration other than cash for an aggregate amount of Rs.16.06 Crores in terms of the definitive agreements as executed (hereinafter referred to as the "Share Swap Agreement")

Proposed Allottee

S.No	Name of the proposed allottee	PAN	Nationality	No of shares
1	Mr.Kalva Satish Chander Reddy	AVXPk7636C	USA	6,32,238

RESOLVED FURTHER THAT the Equity Shares to be issued and allotted pursuant to this resolution shall be subject to the provisions of Memorandum of Association and Articles of Association of the Company and shall rank pari passu with the existing Equity Shares of the Company in all respects including entitlement to dividend.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to determine, vary, modify, alter any of the terms and conditions of the issue including reduction of the size of the issue, as it may deem expedient.

RESOLVED FURTHER THAT the issue price of the Equity Shares shall not be less than the price to be arrived at in accordance with the provisions of Chapter V of the "SEBI (ICDR) Regulations" and the FEMA Regulations as applicable.

RESOLVED FURTHER THAT "Relevant Date" for the purpose of determining the issue price of the Equity Shares under Regulation 161 of the "SEBI (ICDR) Regulations" is June 7, 2021 the date which is 30 days prior to the date of shareholders meeting concerned for approving the Preferential Issue.

RESOLVED FURTHER THAT the allotment of Equity Shares pursuant to this resolution shall be made in dematerialized form within 15 (fifteen) days from the date of receipt of approval of the shareholders or any approval from any regulatory authority / the Central Government, whichever is later or as specified under Regulation 170 of the "SEBI (ICDR) Regulations".

RESOLVED FURTHER THAT the equity shares to be issued shall be subject to lock-in as per the applicable provisions of the SEBI (ICDR) Regulations.

RESOLVED FURTHER THAT the equity shares so offered, issued and allotted will be listed on the stock exchange where the existing equity shares of the Company are listed, subject to the receipt of necessary regulatory permissions and approvals as the case maybe.

RESOLVED FURTHER THAT the equity shares being offered, issued and allotted to the Proposed Allottee, are being issued for consideration other than cash, in full discharge of the purchase consideration of Rs.16.06 Crores for the acquisition of 100% capital of IT CATS LLC.

RESOLVED FURTHER THAT the draft of the private placement offer letter in Form PAS- 4 in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014 as tabled before the meeting be and is hereby approved and the Board is hereby authorized to issue the offer letter to the Proposed Allottee after passing this resolution and after completing requisite filings with Registrar of Companies.

RESOLVED FURTHER THAT the Company do record the name of the Investor and maintain such record of private placement offer of the Subscription Shares in Form PAS- 5 under the Companies (Prospectus and Allotment of Securities) Rules, 2014.

RESOLVED FURTHER THAT for the purpose of giving effect to above resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable or expedient for the purpose of the issue or allotment of the shares and listing thereof with the Stock Exchange, appoint bankers, consultants or advisors and to resolve and settle any questions and difficulties that may arise in the proposed issue, offer and allotment of the said securities, sign all such documents and undertakings as may be required and to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit, without being required to seek any further consent or approval of the shareholders.

RESOLVED FURTHER THAT the Board of Directors and/or Company Secretary of the company be and are hereby authorized severally to sign and submit the necessary e-forms with the Registrar of Companies, Hyderabad and to delegate all or any of the powers herein conferred by this resolution to any Committee of Directors or any one or more Directors/Officials of the Company to give effect to this resolution."

10. Issue of Equity Shares on Preferential basis.

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

"RESOLVED THAT pursuant to the provisions of Sections 62(1)(c), 42 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read with Companies (Share Capital and Debentures) Rules, 2014, Companies (Prospectus and Allotment of Securities) Rules, 2014 and the relevant rules framed there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with the provisions of the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, ("SEBI (ICDR) Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"),

the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SEBI (SAST) Regulations") as amended and subject to the approval(s), consent(s), permission(s) and/ or sanction(s), if any, of any statutory/ regulatory authorities, Stock Exchange(s), SEBI, institutions or bodies, as may be required and subject to such terms and condition(s), alteration(s), correction(s), change(s) and/or modification(s) as may be prescribed by any of them while granting such approval(s), consent(s), permission(s), approval(s), or sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'the Board' which terms shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its power including the powers conferred by this Resolution), consent of the Members of the Company be and is hereby accorded to the Board to create, offer, issue and allot, in one or more tranches up to 2,00,000 equity shares of Rs. 10/- each at a price

not below Rs.254/- (Rupees Two Hundred Fifty Four Only) per equity share or such other price not below the price as may be determined in accordance with the provisions of Chapter V of SEBI (ICDR) Regulations, aggregating to Rs.5.08 Crores for cash, to the below

mentioned entities ("Proposed Allottees"), on such terms and conditions as the Board may, in its absolute discretion think fit and in such form and in accordance with applicable laws and without requiring any further approval or consent from the members:

S.No	Name of the proposed allottee	Promoter/Non Promoter	No of shares
1	R V Consulting Services Private Limited	Promoter Group	1,00,000
2	Sapplica Info Technologies Private Limited	Non Promoter	1,00,000

RESOLVED FURTHER THAT the aforesaid issue of the Equity Shares shall be on the following terms & conditions:

- a. The equity shares shall be issued and allotted by the Company to the Proposed Allottees in dematerialised form within period of 15 (fifteen) days from the date of passing of this Special Resolution provided that where the issue and allotment of the said equity shares is pending on account of pendency of any approval for such issue and allotment by any regulatory authority or the Central Government, the issue and allotment shall be completed within a period of 15 (fifteen) days from the date of such approval;
- b. The equity shares to be offered, issued and allotted shall rank pari passu with the existing equity shares of the Company in all respects including entitlement to the dividend, if any;
- c. The 'Relevant Date' in relation to this preferential issue of Equity Shares as per the provision of Regulation 161 of SEBI (ICDR) Regulations, would be June 7, 2021.
- d. In accordance with the provisions of Regulation 167 of SEBI (ICDR) Regulations, the pre-preferential allotment shareholding, if any, of the Proposed Allottees shall be locked-in for a period mentioned therein.
- e. The equity shares to be offered, issued and allotted shall be subject to lock-in as provided under the applicable provisions of SEBI (ICDR) Regulations;
- f. The equity shares so offered, issued and allotted will be listed on Stock Exchange where the present equity shares of the Company are listed, subject to the receipt of necessary regulatory permissions and approvals as the case may be;

RESOLVED FURTHER THAT the monies received by the Company towards allotment of equity shares shall be kept in a separate bank account opened by the company for this purpose and shall be utilized in accordance with the provisions of Companies Act, 2013.

RESOLVED FURTHER THAT the draft of the private placement offer letter in Form PAS- 4 in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014 as tabled before the meeting be and is hereby approved and the Board is hereby authorized to issue the offer letter to the Proposed Allottees after passing this resolution and after completing requisite filings with Registrar of Companies.

RESOLVED FURTHER THAT the Company do record the name of the Investors and maintain such record of private placement offer of the Subscription Shares in Form PAS- 5 under the Companies (Prospectus and Allotment of Securities) Rules, 2014.

RESOLVED FURTHER THAT all or any of the powers conferred on the Company and the Board of Directors vide this Resolution may be exercised by the Board or a Committee of the Board (with power to delegate to any Officer of the Company), as the Board or the Committee, for the purpose of giving effect to this Resolution, may in its absolute discretion deem necessary, desirable or expedient, including the Listing Application to the Stock Exchange filing of requisite forms with Registrar of Companies and to resolve and settle any questions and difficulties that may arise in the proposed offer, issue and allotment of aforesaid securities, utilization of issue proceeds, signing of all deeds and documents as may be required and to do all acts, deeds and things in connection therewith and incidental thereto without being required to seek any further consent or approval of the Members of the Company or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution."