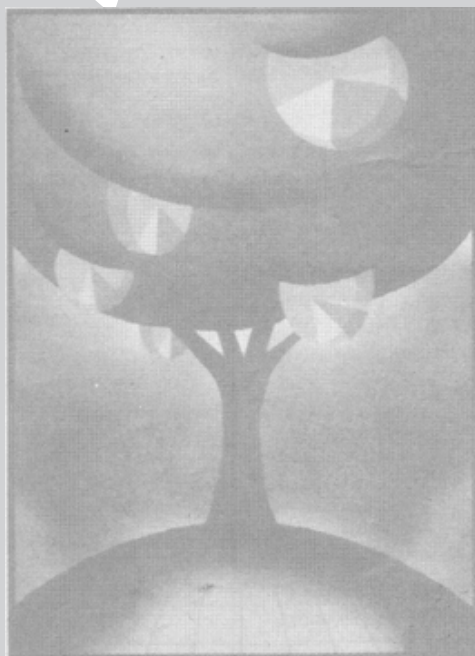


Annual Report 2010

14 Annual Report 2010



totality



Board of Directors

Mr. S. Sreekanth Reddy	Chairman
Mr. M. Jagadeesh	Managing Director
Mr. Satish C.R. Kalva	Director
Mr. S. Krishna Reddy	Director
Mr. N.Satya Swaroop Reddy	Director
Mr. N.Hari Mohan	Director
Mr. K.Rakesh Rao	Director

Auditors

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

Bankers

Axis Bank Ltd.,
Banjara Hills, Hyderabad

HDFC Bank
Lakdikapool Branch, Hyderabad

Registered Office

Plot No: 8-2-472/B/2, Road # 1
Banjara Hills, Hyderabad –500 034

Registrars and Share transfer agents

M/s. Karvy Computershare Pvt. Ltd.,
17-24, Vittal Rao Nagar
Madhapur, Hyderabad-500 081

SAGARSOFT (INDIA) LIMITED
Registered Office:
8-2-472/B/2, Road No.1, Banjara Hills, Hyderabad – 500 034

NOTICE

Notice is hereby given that the 14th Annual General Meeting of the Members of the Company will be held at 11.00 a.m. on Monday, the, 20th September, 2010 at Hotel Golkonda, Masab Tank, Hyderabad-500 028, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2010 and the Balance Sheet as at that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri K.Rakesh Rao, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Shri N.Satya Swaroop Reddy, who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors for the company to hold office from the conclusion of the Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

NOTES:

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of himself/herself and the proxy to be so appointed need not be a Member of the Company. However, proxies in order to be effective must be lodged with the company at its Registered Office not less than 48 hours before the commencement of the Meeting.
2. Register of Members and the Share Transfer Books of the company will remain closed during the period from 10.09.2010 to 20.09.2010 (both days inclusive).
3. Members holding shares in physical form are requested to inform the Company or its Registrars, of the change, if any, in their addresses.
4. Members are also requested to bring the Attendance Slips duly filled in for being handed over at the entrance of the venue for the meeting.

By Order of the Board

Hyderabad
11th August, 2010

Sd/-
S.Sreekanth Reddy
Chairman

Annexure to the Notice of the 14th Annual General Meeting

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

(Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges)

Name of the Directors ->	Shri K.Rakesh Rao	Shri N.Satya Swaroop Reddy
Nature of Directorship	Non-Executive and Independent	Non-Executive and Independent
Date of birth	13-04-1971	2 nd October, 1971
Date of appointment	15.04.2005	29 th January, 2005
Qualification	B.E.,	B.A.
Area of expertise	Business	Business
Other directorships in public limited companies	Nil	Nil
Committee position in other Companies	Nil	Nil
Shares held in Sagarsoft (India) Ltd .	Nil	Nil

DIRECTORS' REPORT

Dear Members

Your Directors hereby present their Fourteenth Annual Report together with the audited accounts of the Company for the year ended 31st March, 2010.

PERFORMANCE

A summarized financial performance of your company during the year 2009-10 is given below:

(Rs.in Lakhs)

DESCRIPTION	Year ended	
	31 st March, 2010	31 st March, 2009
Income from operations	711.89	684.55
Other Income	46.46	52.63
Total Income	758.35	737.18
Total Expenditure	660.71	1060.72
Profit / (Loss) before depreciation, interest and tax	97.64	(323.54)
Depreciation	17.37	13.08
Interest	1.43	1.16
Profit / (Loss) before tax	78.84	(337.78)
Provision for tax (FBT)	0	2.90
Deferred Tax Asset / (Liability) for the year	117.05	(26.94)
Prior period adjustments	0	4.05
Net Profit / (Loss)	195.89	(371.67)

During the year under review, the income had gone up marginally by 4 % due to better revenue from software testing and development activities, which enabled your company to earn a profit of Rs.78.84 lakhs before tax, as against a loss of Rs.337.78 lakhs incurred during the corresponding period of the previous year.

DIVIDEND

In view of the meager profit earned, your Directors regret their inability to recommend any dividend for the year 2009-10.

FUTURE OUTLOOK

As we step into the new decade, world economy is heralding a slow but steady recovery from one of the worst recessions in the past few decades. Business is slowly looking up, with newer opportunities opening up for us, but at the cost of lower rates and lesser margins. It is going to be a challenging phase as costs are expected to raise with higher wage bills and increased attrition levels driven by improving business conditions. Adding to this mix is the highly fluctuating exchange rates and impending discontinuation of fiscal incentives, which has become a challenge. We expect to overcome these present and impending challenges by a slew of measures that we have undertaken tackling the margin pressures and increased costs while continuing on the growth path.

SHARE CAPITAL

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

CORPORATE GOVERNANCE

Your Company has complied with the mandatory provisions of the Corporate Governance prescribed in the Clause 49 of the Listing Agreement with the Stock Exchange. A separate report detailing such compliance together with the Certificate from the Auditors in connection therewith is included as part of the Annual Report.

INTERNAL CONTROL SYSTEMS

Your Company has adequate internal control systems. Effectiveness of these systems is being reviewed at periodic intervals for possible improvement.

PARTICULARS OF EMPLOYEES

Particulars required to be furnished in this Report pursuant to Sec.217 (2A) of the Companies Act, 1956 are given in the annexure to this report.

INDUSTRIAL RELATIONS

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

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

The required particulars have been provided in the annexure, which forms part of this Report.

DIRECTORS

In compliance with Section 256 of the Companies Act, 1956, Shri K.Rakesh Rao and Shri N.Satya Swaroop Reddy will be retiring by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

AUDIT COMMITTEE

The Audit Committee of the Board, consisting of the following members and constituted pursuant to Section 292 (A) of the Companies Act, 1956 read with Clause 49 of the Listing Agreement, had met four times during the year ended 31st March, 2010 and, inter-alia, reviewed the financial results of the relative quarters.

Shri S.Krishna Reddy	Chairman of the Committee (Non-executive and independent director)
Shri N.Satya Swaroop Reddy	Member (Non-executive and independent director)
Shri M.Jagadeesh	Member – Managing Director

REMUNERATION COMMITTEE

The Remuneration Committee of the Board, constituted pursuant to Schedule XIII to the Companies Act, 1956 read with Clause 49 of the Listing Agreement has the following Non-Executive Independent Directors as its members:

Shri S.Krishna Reddy	Chairman
Shri N.Satya Swaroop Reddy	Member
Shri N. Hari Mohan	Member

AUDITORS

Shareholders are requested to appoint Auditors to the Company to hold office from the conclusion of the ensuing Annual General Meeting till the next Annual General Meeting and to fix their remuneration. Messrs.C.Ramachandram & Co., Chartered Accountants, the Auditors of your Company hold their office up to the Annual General Meeting and are eligible for re-appointment. They have confirmed that their re-appointment, if approved by the shareholders, would be in accordance with the limits specified in Sub Section (1B) of Section 224 of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, we state:

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material developments;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgment and estimates that 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) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors had prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT

We wish to place on record our appreciation of the valuable co-operation extended by our customers / clients, Bankers, RBI and other State and Central/Government Authorities. We also take this opportunity to place on record our appreciation of the contributions made by the employees at all levels and the last but not least, the continued confidence reposed by you in the Management.

Hyderabad
11th August, 2010

For and on behalf of the Board
Sd/-
S. Sreekanth Reddy
Chairman

Annexure 1

MANAGEMENT DISCUSSION AND ANALYSIS

IT Industry Review

The year 2009-10 was marked by turbulence, with countries around the world especially USA and Europe going into the recession. As per Nasscom, Worldwide technology products and services related spend is estimated to reach USD 1.5 trillion in 2009, a decline of 2.9 per cent over 2008 and IT services is expected to grow by 2.4 per cent in 2010, and 4.2 per cent in 2011 as companies coming out of recession harness the need for information technology to create competitive advantage.

During the year, the sector was affected by these recessionary trends marked by cuts in IT budgets, cancelled closed deals, delayed payments and deals, renegotiated pricing, looking for severe pricing cuts and stretching the dollar by demanding more for less.

As per Nasscom, Key demand indicators in the last two quarters such as increased deal flow, volume growth, stable pricing, and faster decision making have made the industry post good results. Though full recovery is expected in another two quarters, development of new growth levers, improved efficiency and changing demand outlook signifies early signs of recovery.

Sagarsoft Business Strategy

Sagarsoft Business strategy is to diversify beyond core offerings and markets through new business and pricing models, specializing to provide end-to-end service offerings in its portfolio of offerings in custom software development, quality assurance services and continue to sustain, pursue, acquire, develop and nurture strategic long term relationships.

Business overview

Your company has made steady progress last year in acquiring new clients and consolidating the business from existing clients, both on the software development and quality assurance services. The business from the new clients acquired last year is expected to increase and add significant value to the top-line of the company.

Your company has continued to increasing efficiency levels in addition to cautious addition to the head count based on optimal requirements to service projects that your company has got recently. In view of the emerging opportunities, your company is continuing to build teams in various technologies in anticipation of future projects that are in the sales pipe line.

Human Resource and Employees- HR policy

Employees are Sagarsoft's best assets and the Company has have taken every measure to have an excellent work environment. Your company continues to add small numbers of employees marked by caution. We have been able to maintain the attrition rate below 5% due to our good HR policies.

Opportunities

We are getting projects which are of long term in nature and with lot of business viability though with reduced margins. The type of projects has seen a significant change with increasingly challenging works which your company was able to deliver successfully.

Risks and concerns

The immediate concern to the company's growth in the medium terms remains the same as last year with the pressure on the billing rates in Software Services continuing with prevalent economic conditions. The company's strategy of getting into newer long term contracts with new clients and newer avenues of technology outsourcing might mitigate this risk to a large extent.

Outlook

The company expects to broaden its offering's in Software Maintenance and Quality Assurance services and increase its efforts in securing more business by offering value added services leading to improve performance in the current fiscal.

Internal Control systems and their adequacy

The company's internal control systems are adequate to meet its present operations. However these are reviewed periodically to ensure that they continue to be adequate to meet the increasing operations.

Annexure 2

Particulars of Employees as required under Section 217(2A) of the Companies Act, 1956

Name of the Employee	Shri M.Jagadeesh
Designation	Managing Director
Age	39 years
Remuneration received (Rs.)	24,00,000/-
Nature of employment	Contractual
Nature of duties	General Management
Qualification	B.E., MBA
Experience (years)	14 years
Date of Commencement of Employment	13-06-2002
Last Employment held	Nil

Annexure to the Directors' Report

FORM B

[Pursuant to Rule 2 of the companies (Disclosure of particulars in the report of Board of Directors) Rule, 1998]

Form for disclosure of particulars with respect to technology absorption

A	Research and development	:	None
B	Technology absorption, adoption and innovation	:	Nil
C	Foreign exchange earning and outgo		
	Foreign exchange earned	:	Rs. 74243452
	Foreign exchange out go	:	Rs.2.94 lakhs

C.Ramachandram & Co.,

3-6-237, Unit 606, Chartered Accountants
Lingapur La Bulde Complex,
Himayat Nagar, Hyderabad-500 029

AUDITORS' REPORT

To
The Members
Sagarsoft (India) Ltd.,
Hyderabad.

1. We have audited the attached Balance Sheet of Sagarsoft (India) Limited as at 31st March, 2010, the Profit and Loss Account for the year ended on that date annexed thereto and the cash flow statement for the year ended on that date. These financial statements are the responsibility of the management of the company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose 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 and Profit and Loss Account dealt with by this report are in agreement with the books of account.
 - d. In our opinion, these financial statements have been prepared in compliance with the applicable accounting standards referred to in Section 211 (3C) of the Companies Act, 1956.
 - e. Based on the representations made by all the Directors of the Company as on March 31, 2010 and taken on record by the Board of Directors of the Company and in accordance with the information and explanations as made available, the Directors of the Company do not, prima facie, have any disqualification as referred to in Clause (g) of Sub Section (I) to Section 274 of the Companies Act, 1956.

In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
- ii. in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
- iii. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **C.Ramachandram & Co.,**
Chartered Accountants

Place: Hyderabad
Date: 26.05.2010

C.Ramachandram
Partner
Membership No: 25834

ANNEXURE TO THE AUDITORS' REPORT

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
(c) In our opinion, the company has not disposed off substantial part of fixed assets during the year and the going concern status of the company is not affected.
2. The Clause 2 of paragraph 4 of the Companies (Auditors' Report) Order, 2003 is not applicable in case of the company for the current year.
3. (a) The company has not granted any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained U/s.301 of the Companies Act 1956.
(b) The Company has not taken any loans, secured or unsecured to companies, firms or other parties covered in the register maintained U/s.301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal system.
5. (a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered in to the register in pursuance of Section 301 of Act, have been so entered.
(b) In our opinion and according to the information and explanations given to us, the company has not entered any transactions that need to be entered into the register in pursuance of Section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lakhs in respect of any party during the year.
6. The company has not accepted any deposits from the public within the meaning of Section 58 A and 58 AA or any other relevant provisions of the Companies Act, 1956 and the Rules framed there under.
7. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
8. We are informed that the central government has not prescribed the maintenance of the cost records under Section 209 1 (d) of the Companies Act, 1956 for the products of the company.
9. (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, employees state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities. There are no amounts that need to be deposited in investor education and protection fund by the Company during the current year. At the last day of the financial year, there was no amount outstanding in respect of any statutory due which was due for more than six months from the date they became payable.
(b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
10. In our opinion, the accumulated losses of the company are not more than 50% of its net worth and it has not incurred any cash losses during the year ended on that date.
11. According to the records of the company examined by us and the information and explanation given to us, the company has not defaulted in repayment of dues to any Financial Institutions or Banks as at the balance sheet date.
12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. In our opinion, the company is not a chit fund or a nidhi mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
15. In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. The company has not raised any new term loan during the year.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment.
18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The company has not issued any debentures during the year.
20. The company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year, that causes the financial statements to be materially misstated.

For C.Ramachandram & Co.,
Chartered Accountants

Place: Hyderabad
Date: 26.05.2010

C.Ramachandram
Partner
Membership No: 25834

		In Rs.	
Balance Sheet as at March 31,	Schedule	2010	2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share capital	1	55600000	55600000
Reserves and surplus	2	45600000	45600000
LOAN FUNDS			
Vehicle Loans from Banks		629780	1177479
Total		101829780	102377479
APPLICATION OF FUNDS			
FIXED ASSETS			
	3		
Gross Block		73740741	70230381
Less: Depreciation		55921053	54183957
Net book value		17819688	16046424
INVESTMENTS	4	2775917	2775917
CURRENT ASSETS, LOANS AND ADVANCES			
Sundry debtors	5	3141383	880314
Cash and bank balances	6	15678981	3682933
Loans and advances	7	25002366	34653036
		43822730	39216283
Less: Current Liabilities	8	11723906	13045134
Net Current Assets		32098824	26171149
Deferred tax assets		20260123	8555085
Profit and Loss account		28875228	48463951
MISCELLANEOUS EXPENDITURE	9	-	364953
(to the extent not written-off or adjusted)			
Total		101829780	102377479
SIGNIFICANT ACCOUNTING POLICIES AND	11		
NOTES ON ACCOUNTS			

The schedules referred to above and the notes thereon form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date

As per our report of even date
For **C.Ramachandram & Co.**
Chartered Accountants

For and on behalf of the Board
S. Sreekanth Reddy
Chairman

C. Ramachandram
Partner
Membership No.25834

M.Jagadeesh
Managing Director

Place : Hyderabad
Date : 26.05.2010

		In Rs.	
Profit and Loss Account for the year ended March 31,	Schedule	2010	2009
INCOME			
Income from operation		71188892	68454547
Other income		4646340	5263200
Total		75835232	73717747
EXPENDITURE			
Administration and other expenses	10	65706442	105701197
Financial Charges		143054	116412
Depreciation	3	1737098	1307663
Miscellaneous expenditure		364953	370432
Total		67951547	107495704
Profit/ (Loss) for the year		7883685	(33777957)
Provision for tax		0	0
Fringe benefit tax		0	290416
Deferred Tax		11705038	2693720
Prior Period Adjustments		0	404920
		19588723	(37167013)
Brought forward losses from previous year		(48463951)	(11296939)
Balance carried to balance sheet		(28875228)	(48463952)
EARNING PER SHARE			
(Equity shares, par value Rs.10 each)			
Basic and Diluted	11	3.52	(6.68)

SIGNIFICANT ACCOUNTING POLICIES AND

NOTES ON ACCOUNTS

The schedules referred to above and the notes thereon form an integral part of the Profit and Loss Account.

This is the Profit and Loss Account referred to in our report of even date

As per our report of even date

For and on behalf of the Board

For **C.Ramachandram & Co.**
Chartered Accountants

S. Sreekanth Reddy
Chairman

C. Ramachandram
Partner
Membership No.25834

M.Jagadeesh
Managing Director

Place : Hyderabad
Date : 26.05.2010

		In Rs.						
Schedules to the Balance Sheet as at March 31,		2010	2009					
1. SHARE CAPITAL								
AUTHORISED								
70,00,000 equity shares of Rs 10/- each		<u>70000000</u>	<u>70000000</u>					
ISSUED, SUBSCRIBED AND PAID UP								
55,60,000 equity shares of Rs 10/- each fully paid up		55600000	55600000					
Total		55600000	55600000					
2. RESERVES AND SURPLUS								
Share premium account		45600000	45600000					
Total		45600000	45600000					
3. Fixed Assets								
		In Rs.						
Assets	Original cost			Depreciation			Net Book value	
	Cost as at April 1st, 2009	Additions	Cost as at March 31, 2010	As at April 1st, 2009	For the year	As at March 31st, 2010	As at March 31, 2010	As at March 31, 2009
Computers	54558418	1159450	55717868	50092673	617191	50709864	5008004	4465745
Office equipment	5087119	803489	5890608	1857889	266320	2124209	3766399	3229230
Furniture and Fixtures	6656533	1505590	8162123	1816430	477412	2293842	5868281	4840103
Vehicles	3928311	41831	3970142	416965	376173	793138	3177004	3511346
Total	70230381	3510360	73740741	54183957	1737096	55921053	17819688	16046424
Previous Year	67688748	2541633	70230381	52876294	1307663	54183957	16046424	14812454
				In Rs.				
				2010		2009		
4. INVESTMENTS								
Long - term investments at cost								
Sagarsoft inc.								2775917
Total								2775917
5. SUNDRY DEBTORS								
Unsecured, considered good								
Debts over six months								0
Other debts								3141383
Total								880314
6. CASH AND BANK BALANCES								
Cash on hand								16011
Balance with scheduled banks								283241
- in current account								15662970
Total								3399692
								15678981
								3682933

	In Rs.	
Schedules to the Balance Sheet as at March 31,	2010	2009
7. LOANS AND ADVANCES		
Unsecured, considered good		
Advances recoverable in cash or in kind for value to be received		
Deposits	26710	26710
Other advances	24975656	34626326
Total	25002366	34653036
8. CURRENT LIABILITIES AND PROVISIONS		
Sundry creditors	0	3474629
(Due to Small scale industries : Nil)		
Advance from Customers	10017514	7996715
Creditors for expenses	1706392	1573790
Total	11723906	13045134
9. MISCELLANEOUS EXPENDITURE		
(to the extent not written off)		
Public issue expenses	0	364953
Total	-	364953
		In Rs.
Schedules to the Profit and Loss Account for the year ended March 31,	2010	2009
10. ADMINISTRATION AND OTHER EXPENSES		
Salaries and other benefits	41216283	33406638
Traveling and conveyance	6811047	3860502
Rent	5305264	3641035
Communication expenses	1735486	1758032
Professional charges	1371037	1962879
Printing and stationery	313555	195260
Office maintenance	5428870	3114769
Directors' remuneration	2400000	1650000
Auditors' remuneration	55150	22060
Bank charges	7229	8547
Bad debts written off	0	53047365
Foreign exchange fluctuation	0	2149225
General expenses	1062521	884885
Total	65706442	105701197

SCHEDULE-11

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

I. SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Convention:

The Company follows the Mercantile System of Accounting. The Accounts are prepared on historical cost basis and as a going concern. Accounting policies, not referred to specifically otherwise, are consistent with generally accepted accounting policies.

2. Fixed Assets:

Fixed Assets are stated at cost less accumulated depreciation.

3. Depreciation:

Depreciation on Fixed Assets has been provided on pro-rata basis at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956, on straight-line method.

4. Revenue Recognition:

Revenue from professional 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.

Amounts received or billed in advance of services performed are recorded as unearned revenue. Unbilled revenue, included in debtors, represents amounts recognized based on services performed in advance of billing in accordance with contract terms.

5. Foreign currency transactions:

Transactions in foreign currency are recorded at exchange rates prevailing on the date of transaction and exchange differences arising on settlement of foreign currency transactions are dealt with in Profit and Loss Account. Foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the Balance sheet date.

6. Employee retirement 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.

For 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 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.

Provident fund is administered through Regional Provident Fund Commissioner and the contributions to the above said fund are charged against revenue.

7. Miscellaneous expenditure:

Preliminary and public issue expenses are being amortized over a period of ten years.

8. Taxes on Income:

Provision for current Income Tax is being made as per the normal provisions of Income Tax Act, 1961.

The company has adopted the Accounting Standard-22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. Deferred tax is recognized on timing differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities have been computed on the timing differences applying enacted tax rates.

II. NOTES ON ACCOUNTS

1. Estimated amount of contracts remaining to be executed on capital account and provided for is Rs.Nil (Previous Year: Nil)
2. Contingent Liabilities: Nil (Previous Year: Nil)
3. Directors' Remuneration:

Particulars	2009-10 Rupees	2008-09 Rupees
Remuneration to Whole time director	2400000	1650000
Total	2400000	1650000

4. Auditors' Remuneration:

Particulars	2009-10 Rupees	2008-09 Rupees
For Audit	55,150	22,060
Total	55,150	22,060

5. Deferred tax asset (Net of deferred tax liability as computed under Accounting Standard – 22) as on 31st March, 2010 amounted to Rs.2,02,60,122/-.
6. 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.

In Rs

Description	Year ended 31 st March 2010 Gratuity	Year ended 31 st March 2009 Gratuity
Defined benefit obligation at the beginning of the Year	632651	693946
Current service cost	471248	186785
Interest cost	50612	67565
Actuarial (gain) / loss	(50612)	(315645)
Benefits paid	0	0
Defined benefit obligation at the year end	1103899	632651

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

In Rs.

Description	Year ended 31 st March 2010 Gratuity	Year ended 31 st March 2009 Gratuity
Fair value of plan assets at the beginning of the Year	737551	247600
Expected return on plan assets	66380	50475
Actuarial gain / (loss)	1089	(118556)
Employer contribution	399950	558032
Benefits paid	0	0
Fair value of plan asset at the year end	1204970	737551

c) Reconciliation of fair value of assets and obligations

In Rs.

Description	Year ended 31 st March 2010 Gratuity	Year ended 31 st March 2009 Gratuity
Fair value of plan assets as at 31 st March 2010	1204973	737551
Present value of obligations as at 31 st March 2010	(1103899)	783262
Amount recognized in the Balance sheet	101074	(45711)

d) Expenses recognized during the year

In Rs.

Description	Year ended 31 st March 2010 Gratuity	Year ended 31 st March 2009 Gratuity
Current service cost	471248	186785
Interest cost	50612	67565
Expected return on plan assets	(66380)	(50475)
Actuarial (gain) / loss	(49523)	435201
Net cost	405957	639076

e) Investment details

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

f) Actuarial assumptions

Mortality table (LIC) 1994-96 (ultimate)

Discounting rate - 8%

Expected rate of return on plan asset – 9%

Rate of escalation in salary – 5%

7. As the company was engaged only in software development during the year pertaining to a single country, segment wise reporting is not applicable.
8. 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.
9. Balances due to or due from the parties are subject to confirmation.
10. As required by Accounting Standards As - 18, the related parties disclosure issued by the Institute of Chartered Accountants of India are as follows:

Related Party Transaction	Associate Companies	Subsidiary Companies	Company in which Directors are interested	Companies in which Directors are interested in individual capacity
Related Parties	Sagar Soft Inc.	-	-	-
Nature of Transaction	Software		Development Service	
Transaction during the Year (Rs.in lakhs)	442.30	-	-	-
Remuneration to MD (Rs. in lakhs)	-	-	-	24.00
Commission to MD (Rs. in lakhs)	-	-	-	-
Dividend to MD (Rs. in lakhs)	-	-	-	-
Outstanding as on 31st March, 2010 (Rs. in lakhs) Debit/(Credit)	100.18	-	-	-

11. Additional information pursuant to the provisions of Paragraph 3, 4C & 4D of Part II of Schedule of the Companies Act, 1956
(As certified by the management)

Particulars	Year ended 31-03-2010		Year ended 31-03-2009	
	Quantity	Value (Rs.)	Quantity	Value (Rs.)
a) Turnover	NA	71188892	NA	68454547
b) Capacity	NA	NA	NA	NA
c) Opening Stock	NA	Nil	NA	Nil
d) Closing Stock	NA	Nil	NA	Nil
e) Value of Imports:				
i. Capital Goods		Nil		Nil
ii. Components and Spare parts		Nil		Nil
f) Expenditure in Foreign Currency:				
i. On account of Travelling Expenses		Nil		Nil
ii. On account of salaries		Nil		Nil
iii. On account of capital goods		Nil		Nil
g) Value of Imported and Indigenous Raw Materials, Spare Parts and Other Materials		Nil		Nil
h) Earnings in Foreign Currencies		75835232		73717747

12. Figures of previous year have been regrouped / reclassified wherever necessary to conform to the current year's presentation / classification.
13. Figures are rounded off to be nearest rupee

SIGNATURES FOR SCHEDULES 1 to 11

As per our report of even date

For and on behalf of the Board

For C.Ramachandram & Co.
Chartered Accountants

S. Sreekanth Reddy
Chairman

C. Ramachandram
Partner
Membership No.25834

M.Jagadeesh
Managing Director

Place : Hyderabad
Date : 26.05.2010

	In Rs.	
Cash Flow statement for the year	2010	2009
Cash Flow from operating activities		
Net profit before tax and extraordinary items	7883685	(34068373)
Adjustment for:		
Dividend received	(3054560)	(5263200)
Depreciation	1737098	1307663
Miscellaneous expenses	364953	370432
Operating profit before working capital changes	6931176	(37653478)
Adjustment for:		
Sundry debtors	(2261069)	52167051
Loans and advances	9650670	(17607694)
Trade payables	(1321228)	62262
Cash generated from operation	12999549	(3031859)
Cash flow before extraordinary items	12999549	(3031859)
Extraordinary items	0	(404920)
Net cash from operating activities	12999549	(3436779)
Cash flow from investing activities		
Fixed assets	3510360	2541633
Investments	0	0
Dividend received	3054560	5263200
Net cash flow from investing activities	(455800)	2721567
Cash flow from financing activities		
Proceeds from long term borrowings	0	577336
Repayment of long term borrowings	547699	395738
Net cash used in financing activities	(547699)	181598
Net increase in cash and cash equivalent	11996050	(533614)
Cash and equivalent as at 01-04-2009	3682932	4216547
Cash and equivalent as at 31-03-2010	15678982	3682933

As per our report of even date

For and on behalf of the Board

For C.Ramachandram & Co.

S. Sreekanth Reddy

Chartered Accountants

Chairman

C. Ramachandram

M.Jagadeesh

Partner

Managing Director

Membership No.25834

Place : Hyderabad

Date : 26.05.2010

Balance sheet abstract and company's general business profile	in Rs.
Registration details	
Registration No.	01-23823
State code	01
Balance Sheet Date	31-Mar-10
Capital raised during the year	
	in Rs.
Public issue	-
Rights issue	-
Bonus issue	-
Private placement	-
Position of mobilization and deployment of funds	
Total liabilities	101829780
Total assets	101829780
Sources of funds	
Paid-up capital	55600000
Reserves and surplus	45600000
Loan Funds	629780
Application of funds	
Net fixed assets	17819688
Investments	2775917
Net current assets	32098824
Deferred tax asset	20260123
Miscellaneous expenditure	0
Accumulated losses	28875228
Performance of company	
Turnover	75835232
Total expenditure	67951547
Profit / (Loss) before tax	7883685
Profit / (Loss) after tax	19588723
Earning per share	3.52
Dividend rate	0
Generic names of principle products/services of the company	
Item Code No.(ITC code)	Not applicable
Product description	Computer Software and Hardware

Report on Corporate Governance

1. Company's philosophy on Code of Governance:

Sagarsoft believes that adherence to good corporate practice leads to transparency in its operations and improvement in the quality of its relations with all its stakeholders.

2. Board of Directors

Composition:

The Board of Directors has an optimum combination of Executive and Non-Executive Directors and its composition is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges. All the Directors have made the requisite disclosures regarding Committee positions held by them in other Companies.

Meetings held

The Board met five times on the following dates during the financial year 2009-10:

25-05-2009, 30-06-2009, 28-07-2009, 30-10-2009, 29-01-2010

Board Procedure

Board Meetings are fixed taking into consideration the business requirements and statutory compliance. The Agenda is circulated in advance to the Board members, to enable them to take appropriate decisions at the meetings.

Code of Conduct

The Company has adopted a Code of Conduct for all its Directors and Senior Executives and the same is available on the Company's website.

Category and Attendance of Directors:

The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the financial year 2009-10 and at the last Annual General Meeting as also the number of Directorships and Committee position held by them in other public limited companies are as follows:

SI No.	Name of the Director	Category of Directorship	No. of Board Meetings attended	Whether attended the last AGM held on 17-09-2009	No of membership of the Boards		No. of Committee Memberships	
					As Member	As Chairman	As Chairman	As Member
1	Shri S.Sreekanth Reddy	Chairman – Non-Executive and Non-Independent	4	Yes	7	1	-	-
2	Shri M.Jagadeesh	Managing Director	5	Yes	1	-	-	1
3	Shri S.Krishna Reddy	Independent and Non-Executive	5	Yes	1	-	2	-
4	Shri Satish C.R. Kalva	Non-Executive	-	No	1	-	-	-
5	Shri N. Satya Swaroop Reddy	Independent & Non-Executive Director	5	Yes	1	-	-	1
6	Shri N.Hari Mohan	Independent & Non-Executive Director	5	Yes	2	-	-	1
7	Shri K. Rakesh Rao	Independent & Non-Executive Director	3	Yes	1	-	-	-

Note: Only Public Limited Companies and their Audit Committee and Investors' Grievance Committee have been considered for the above purpose.

Shareholding of Non-Executive Directors

Shri S.Krishna Reddy, a non-executive director of the Company was holding 7800 shares in the company as on 31st March 2010. None of the other Non-Executive Directors was holding any shares in the Company as on 31st March, 2010.

3. Audit Committee:

Composition as on 31st March, 2010

Shri S.Krishna Reddy – Chairman (Non-Executive and independent director)

Shri N.Satya Swaroop Reddy – Member (-do-)

Shri M.Jagadeesh – Member (Whole time Director)

Shri S.Krishna Reddy, Chairman of the Committee, is a post-graduate in commerce and has sufficient experience in the field of finance. The composition of the Committee is in conformity with Clause 49 of the Listing Agreement.

Terms of reference

Terms of reference of the Audit Committee include all items listed in Clause 49(II)(D) of the Listing Agreement.

Meetings held:

The Audit Committee held four meetings, on 30-06-2009, 28-07-2009, 30-10-2009 and on 29-01-2010 during the financial year 2009-10.

Attendance

Name of the Director	No. of meetings attended
Shri S.Krishna Reddy	4
Shri M.Jagadeesh	4
Shri Satya Swaroop Reddy	4

4. Remuneration Committee:

Pursuant to Schedule XIII to the Companies Act, 1956 read with Clause 49 of the Listing Agreement, the Board has constituted a Remuneration Committee, which presently consists of Shri S. Krishna Reddy, Shri N.Satya Swaroop Reddy and Shri N.Hari Mohan, with terms of reference as mentioned in the said Clause. Shri S. Krishna Reddy, Chairman of the Committee, was present at the last Annual General Meeting.

Remuneration policy

Non-Executive Directors

Non-Executive Directors are not paid any remuneration excepting by way of sitting fee of Rs.1500/- per meeting for attending the meetings of the Board and Committees thereof. Details of sitting fee paid are given below:

Sl.No.	Name of the Director	Sitting Fee (Rs.)
1	Shri S.Krishna Reddy	6,750
2	Shri N.Satya Swaroop Reddy	6,750
3	Shri N.Hari Mohan	3,750
4	Shri K.Rakesh Rao	2,250
	Total	19,500

Managing Director and Whole time Directors

The Managing Director is paid a consolidated remuneration of Rs.2,00,000/- per month.

5. Shareholders' / Investors' Grievances Committee:

The Investors Grievances Committee of the Board consists of the following non-executive independent directors as its members:

Shri S.Krishna Reddy	Chairman
Shr N.Hari Mohan	Member

Based on the information obtained from the Registrars, there were no complaints received from the investors during the financial year 2009-10. In view of this the Committee did not hold any meeting during the said financial year.

6. General Body Meetings:

The details of the time, venue and the date of the last three Annual General Meetings of the Company are given below:

AGM	Date	Time	Venue
13 th AGM	17 th September, 2009	11.00 a.m.	Hotel Golkonda, Masab Tank Hyderabad-500 028
12 th AGM	24 th September, 2008	11.00 a.m.	Hotel Golkonda, Masab Tank Hyderabad-500 028
11 th AGM	24 th September, 2007	3.30 p.m.	Hotel Golkonda, Masab Tank Hyderabad-500 028

Details of Special Resolutions passed in the above said Annual General Meetings:

One Special Resolution was passed at the 13th Annual General Meeting seeking the approval of shareholders for the appointment of Shri M.Jagadeesh as Managing Director for a period of 3 years with effect from 31st October, 2008 at a consolidated remuneration of Rs.2,00,000/- per month. One Special Resolution was passed at the 12th Annual General Meeting seeking approval of shareholders for the increase in the remuneration to Shri M.Jagadeesh, the then Executive Director from Rs.75,000/- p.m. to Rs.2,00,000/- p.m.

Details of Special Resolution passed through Postal Ballot held:

No Special Resolution was passed at the last (13th) Annual General Meeting through Postal Ballot.

No Resolution, either Special or Ordinary is proposed to be passed through Postal Ballot at the ensuing 14th AGM. Whenever it is proposed to pass any resolution through Postal Ballot, Company will duly follow the procedure prescribed under the Companies (Passing of the Resolution by: Postal Ballot) Rules, 2001 read with other applicable Sections / Rules in force.

7. Disclosures:

i. Related Party Transactions:

There were no related party transactions during the financial year 2009-10 other than what has been reported in the Notes on Accounts for the said year.

There were no materially significant transactions with Directors, their relatives or the Management that may have potential conflict with the interests of the Company at large. The Register of Contracts containing transactions, in which Directors are deemed to be interested, is placed before each meeting of the Board.

ii. Statutory compliance, Penalties and Strictures

There was no instance of non-compliance by the Company on any matter related to capital market during the last three years or any penalties or strictures on the Company by the Stock Exchange, SEBI or other statutory authorities relating to capital market.

iii. Whistle Blower Policy

The Company does not have a 'Whistle Blower Policy'. However, no personnel have been denied access to the Audit Committee of the Company.

iv. Compliance with Mandatory requirements and adoption of Non-Mandatory requirements.

The Company has implemented the mandatory requirements of Clause 49 of the Listing Agreement.

Regarding non-mandatory requirements, the Company has constituted a Remuneration Committee pursuant to Clause 49 of the Listing Agreement read with Schedule XIII to the Companies Act, 1956, to recommend a suitable remuneration to the Board members.

8. Means of Communication:

Quarterly results

As part of compliance with Clause 41 of the Listing Agreement, the Company furnishes the quarterly financial results, to the Stock Exchanges followed by publication in the newspaper.

Newspapers in which the results are published:

Quarterly results are invariably published in Andhra Prabha and Financial Express.

Presentation made to Institutional Investors and Financial Analysts:

During the year 2009-10, the Company had not made any presentation to the institutional investors or analysts, as no occasion arose for it.

'The Management Discussion and Analysis Report' forms part of the Annual Report.

- 9. General Shareholder information :**
- I. Annual General Meeting :**
 - Date & Time : At 11.00 a.m. on Monday, the 20th September, 2010
 - Venue : Hotel Golkonda, Masab Tank, Hyderabad – 500 028
 - ii. Financial Year :** April to March
 - iii. Book Closure Dates :** From 10th September, 2010 to 20th September, 2010
 - iv. Dividend payment date :** No dividend is recommended for declaration at the meeting.
 - v. Listing on Stock Exchanges :** Shares have been listed on Bangalore Stock Exchange Limited
 - vi. Stock Code :** 40671
 - vii. Market price details :** There were no quotations for the company's shares during the year ended 31st March, 2010.
 - viii. Registrar & Transfer Agents :** Karvy Computershare Private Limited
17-24, Vittal Rao Nagar
Madhapur, Hyderabad-500 081
Tel: 91 40 23420815 - 28
Fax: 91 40 23420814 / 23420857
Website: karvycomputershare.com

ix. Share Transfer System

All proposals for transfer of shares in physical form are scrutinized by the Share Transfer Agents of the Company and, subject to the same being found to be in order, are approved.

x. Distribution of shareholding and shareholding pattern as on 31st March, 2010 is given below:

Shareholding pattern as on 31st March, 2010:

Description	Holders	Shares	%
Promoter Group	16	2436300	43.82
Banks	2	413300	7.43
Bodies Corporate	59	584510	10.51
Public - Individuals holding in excess of 10000 shares	28	670823	12.07
Public - Individuals holding 10000 and less shares	2094	1444967	25.99
NRIs	7	10100	0.18
Total	2206	5560000	100.00

Distribution of shareholding as on 31st March, 2010:

Category	Shares	%	No. of Holders	%
50 and less	1838	0	68	3
51 to 100	75644	1	758	34
101 to 200	55120	1	281	13
201 to 300	33305	1	116	5
301 to 500	132199	2	306	14
501 to 1000	252888	5	317	14
1001 to 5000	675605	12	259	12
5001 to 10000	335827	6	48	2
10001 to 20000	306819	6	22	1
20001 to 50000	513624	9	15	1
50001 to 100000	216471	4	4	0
More than 100000	2960660	53	12	1
Total ---->	5560000	100	2206	100

xi. Dematerialization of Shares and liquidity

Trading in the shares of the Company has to be in the electronic form only. The Company has a subsisting agreement with NSDL and CDSL for the purpose.

The ISIN number for the company's shares is : INE184B01012.

Shares representing 63 % of the share capital were kept in dematerialized form as on 31st March, 2010

xii. Details of outstanding GDR / ADR / Warrants or any other convertible instruments:

The Company has not issued any GDR or ADR; nor there are any other instruments pending conversion.

xiii. Development Centre

Cyber Towers
10th Floor
Q4, A2, HITECH City
Madhapur
Hyderabad – 500 081
Tel: 040 – 66772426
Fax: 040 - 23114607

xiv. Address for correspondence

Sagarsoft (India) Limited
Regd. Office
8-2-472/B/2, Road No.1, Banjara Hills
Hyderabad – 500033
Tel: 040 – 23351571
Fax: 040 - 23356573

For and on behalf of the Board

Hyderabad
11th August , 2010

S. Sreekanth Reddy
Chairman

DECLARATION

I, M.Jagadeesh, Managing Director of Sagarsoft (India) Limited, hereby declare that all the members of the Board of Directors and the Senior management personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2010.

For Sagarsoft (India) Limited

Hyderabad
11th August, 2010

Sd/-
M.Jagadeesh
Managing Director

CERTIFICATE

To

The Members of
Sagar Cements Limited
Hyderabad

We have examined the compliance of conditions of Corporate Governance by Sagarsoft (India) Limited, for the year ended on 31st March, 2010, as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchange.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of the information and according to the explanation given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For **C.Ramachandram & Co.**,
Chartered Accountants

Place: Hyderabad
Date: 11.08.2010

C.Ramachandram
Partner
Membership No: 25834

Sagarsoft (India) Limited
 Regd.Office: 8-2-472/B/2, Road No.1, Banjara Hills, Hyderabad-500 034

FOURTEENTH ANNUAL GENERAL MEETING

ADMISSION SLIP

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company. I hereby record my presence at the Fourteenth Annual General Meeting of the Company to be held at Hotel Golkonda, Masab Tank, Hyderabad-500 028, on Monday, the 20th September, 2010 at 11.00 a.m.

Name of the Member (IN BLOCK LETTERS) _____

Name of the Proxy (IN BLOCK LETTERS) _____
 (To be filled in if the proxy attends instead of the Member)

Registered Folio No. : _____

No.of Shares : _____

Signature of the Shareholder / Proxy

NOTE: Please bring this attendance slip with you, duly filled in and hand over the same at the entrance of the Meeting Hall.

SAGARSOFT (INDIA) LIMITED
 Regd.Office: 8-2-472/B/2, Road No.1, Banjara Hills, Hyderabad-500 034

FOURTEENTH ANNUAL GENERAL MEETING

PROXY FORM

I/We _____ of _____ being a Member / Members of Sagarsoft (India) Limited, hereby appoint _____ of _____ or failing him / her _____ of _____ as my / our proxy to vote for me / us on my / our behalf at the Fourteenth Annual General Meeting of the Company to be held on Monday, the 20th September, 2010 at 11.00 a.m. at Hotel Golkonda, Masab Tank, Hyderabad-500 028 and at any adjournment thereof.

Signed this _____ day of _____ 2010

Regd. Folio No. _____

No.of Shares _____

Please affix
 Rs. 1/-
 Revenue
 Stamp

Signature of the Shareholder

N.B.: A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy so appointed need not be a Member of the Company. The Proxy in order to be effective must be received by the Company at its Registered Office not less than 48 hours before the commencement of the meeting

BOOK POST
UNDER CERTIFICATE OF POSTING



Plot No. 8-2-472/B/2,
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Hyderabad - 500 034
Ph : +91-40-23351571 / 6572
Fax : +91-40-23356573
Internet : www.sagarsoft.com