

SAGAR SYSTECH LIMITED

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CONTENTS

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Board Report	1
Annexure A - MGT-9	10
Annexure B - Secretarial Audit Report	18
Annexure C - Management Analysis Report	21
Declaration on Code of Conduct	23
Independent Auditors' Report	24
Balance Sheet	33
Statement of Profit & Loss	34
Cash Flow Statement	35
Notes forming Part of Accounts	36
Notice & Proxy Form	43

Board of Directors:

Mr. Mukesh Babu
Mr. K. Chandrasekhar
Mr. Benny Itty
Ms. Dipali Shah

Main Bankers:

HDFC Bank Ltd
ICICI Bank Ltd

Statutory Auditors :

Chaitanya C. Dalal & Co
Chartered Accountants
111, Maker Chambers III
223, Nariman Point,
Mumbai - 400021.

Secretarial Auditor :

V.V. Chakradeo & Co. ,
Company Secretaries
B-301, Matoshree Residency CHS Ltd.
65, Prarthana Samaj Road, Vile Parle - East
Mumbai - 400057.

Registered Office

12A/1, New Sion Co-op.Hsg. Soc. Ltd.
Sion - West,
Mumbai - 400 022.

BOARD REPORT

Dear Members,

Your Directors have pleasure in submitting their Thirty Second Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2016.

1. FINANCIAL RESULTS

The Company's financial performance for the year under review along with previous year figures are given hereunder:

Particulars	Current Year Amount Rs.	Previous Year Amount Rs.
Income From Operations	-	-
Other Income	605,940	675,678
Total Income	605,940	675,678
Profit before Interest, Depreciation & Tax	143,131	456,123
Less : Interest	-	-
Profit Before Depreciation	143,131	456,123
Less : Depreciation	-	-
Profit After Depreciation and Interest	143,131	456,123
Less: Current Income Tax	-	-
Less: Previous year Adjustment of Income Tax	-	-
Less: Deferred Tax	-	(28,749)
Net Profit After Taxation	143,131	484,872
Balance carried to Balance Sheet	143,131	484,872
Earning Per Share (Basic/Diluted)	0.45	1.52

3. DIVIDEND

No dividend has been declared for Financial Year 2015-16.

4. PERFORMANCE REVIEW

Your Company earned a net profit of Rs. 1,43,131 for the financial year ended 31st March, 2016 as compared to previous year's net profit of Rs. 4,84,872. There was no Depreciation provision required. Provision for taxation during the year is NIL as compared to Rs.28,749 for provision of Deferred Tax Liabilities in previous year.

5. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its Responsibility Statement:—

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are 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 and loss of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis; and

(e) the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

6. PUBLIC DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review within the meaning of Section 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules 2014. There are no outstanding deposits at the end of the year.

7. SHARE CAPITAL

There was no change in the paid up Equity Share Capital during the Financial Year 2015-16. The Company has not allotted Shares under Employee Stock Option Scheme of the Company during the Financial Year.

8. BOARD OF DIRECTORS

As on 31st March, 2016 the Company's Board comprises of four Directors, one of whom is Executive Director, two of whom are Non-Executive Director (including the Women Director) and one of whom is Non-Executive Independent Director.

Pursuant to Section 152(6) of the Companies Act, 2013, Mr K. Chandrasekhar will retire by rotation at the ensuing AGM and is eligible for re-appointment.

9. DECLARATION OF INDEPENDENT DIRECTORS

The Board has received the declaration from all the Independent Directors as per Section 149(7) of the Companies Act, 2013 and the Board is satisfied that all the independent Directors meet the criterion of Independence as mentioned in Section 147(6) of the Companies Act, 2013.

10. COMPANY'S POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

The policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013. There has been no change in the policy since the last fiscal year. We affirm that the remuneration paid to the directors is as per the terms laid out in the nomination and remuneration policy of the Company.

Declaration by independent directors

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

11. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

During the year under review Four Board meetings were held.

12. BOARD EVALUATION

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandates that the Board shall monitor and review the Board evaluation framework. The framework includes the evaluation of directors on various parameters such as :

Board dynamics and relationships

- Information flows
- Decision-making
- Relationship with stakeholders
- Company performance and strategy
- Tracking Board and committees' effectiveness
- Peer evaluation

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board.

13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pursuant to Section 134(m) of the Companies Act, 2013 read with rules, 2014 is as follows:

1. The Company has no activity involving conservation of energy or technology absorption.
2. The total Foreign Exchange Inflow was Rs NIL and Outflow was Rs NIL during the year under review.

14. CORPORATE SOCIAL RESPONSIBILITY (CSR)

In compliance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014, is not applicable to our Company.

15. EXTRACT OF ANNUAL RETURN

The extract from the Annual Return in the form MGT 9 as required under Section 134 of the Companies Act, 2013 read with Rule 8 (5) of the Company (Accounts) Rules, 2014 is annexed to this report as "Annexure – A" .

16. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There was no loan, guarantees or investment made under Section 186 of the Companies Act, 2013 during the year under review.

17. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

There was no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.

18. WHISTLE BLOWER POLICY/ VIGIL MECHANISM

The Company has established a vigil mechanism under which the genuine concerns are expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of employees and the Company.

19. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors – The information regarding the Directors appointed or retired/resigned during the year under consideration is provided in this report.

Key Managerial Personnel - None of the Key managerial Personnel has resigned or appointed during the year under review.

20. PERFORMANCE OF SUBSIDIARY / JOINT VENTURE / ASSOCIATE COMPANIES:

The Company does not have any Subsidiary / Joint Venture / Associate Company.

21. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY THAT OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There are no material changes and commitments affecting the financial position of the Company that occurred between the end of the financial year to which this financial statements relate and the date of this report.

22. COMPOSITION OF AUDIT COMMITTEE.

The Audit Committee consists of the following members:

- a. Mr. K. Chandrasekhar, Non-Executive Independent Director
- b. Mr. Benny Itty , Non- Executive Director

23. COMPOSITION OF STAKEHOLDERS RELATIONSHIP COMMITTEE.

The Stakeholders Relationship Committee consists of the following members:

- a. Mr. K. Chandrasekhar, Non-Executive Independent Director
- b. Mr. Benny Itty , Non- Executive Director

24. COMPOSITION OF NOMINATION AND REMUNERATION COMMITTEE.

The Nomination and Remuneration Committee consists of the following members:

- a. Mr. K. Chandrasekhar, Non-Executive Independent Director
- b. Mr. Benny Itty , Non- Executive Director

25. CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Section 129 read with Rule 5 to the Companies (Accounts) Rules, 2014, Statement containing salient features of the financial statement of subsidiary and a statement on consolidated financial position of the Company with that of subsidiary is not applicable to our Company.

26. PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel), Rules 2014 in respect of employees of the Company, will be provided upon request. In terms of section 136 of the Companies Act 2013, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which are available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company upto the date of the Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

In terms of the provisions of Section 197(12) of the Companies Act 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, no employee was drawing remuneration in excess of the limits set out in the said rules.

27. AUDITORS

M/s Chaitanya C. Dalal & Co, Chartered Accountants, Mumbai, Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. Certificate have been received from them to the effect that their re-appointment as Auditors of the Company, if made, would be within the limits prescribed under Section 139 and 141 of the Companies Act, 2013.

Members are requested to consider their re-appointment.

28. SECRETARIAL AUDIT

The Board had appointed Mr. V.V. Chakradeo, Practising Company Secretary (COP : 1705) to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2015-16. The Secretarial Audit Report is annexed to this report as "**Annexure – B**".

29. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

There are no adverse comments, qualifications or reservations or adverse remarks in the Statutory Audit Report and Secretarial Audit Report.

30. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

The Management Discussion and Analysis is annexed to this Report as "**Annexure – C**" and forms the integral part of this report and covers, amongst other matters, the performance of the Company during the financial year under review as well as the future prospects.

31. CORPORATE GOVERNANCE

Pursuant to Listing Regulations, 2015 a separate Report on Corporate Governance along with the Auditors Certificate on its compliance, is not applicable to our Company.

32. LISTING AGREEMENT

The Securities and Exchange Board of India (SEBI), on September 2, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital markets to ensure better enforceability. The said regulations were effective December 1, 2015. Accordingly, all listed entities were required to enter into the Listing Agreement within six months from the effective date. The Company entered into Listing Agreement with BSE Limited during December 2015.

33. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company, as well as the consequences of violation. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities.

The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading, is available on our website.

34. CODE OF CONDUCT AND ETHICS

In compliance with Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct and Ethics ('the Code'). The Code is applicable to the members of the Board, the executive officers and all employees of the Company.

35. POLICIES

We seek to promote and follow the highest level of ethical standards in all our business transactions guided by our value system. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All our corporate governance policies are available on our website. The policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

In addition to its Code of Conduct and Ethics, key policies that have been adopted by the Company are as follows:

- a. Whistleblower Policy (Policy on vigil mechanism) : The Company has adopted the whistleblower mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's code of conduct and ethics. There has been no change to the Whistleblower Policy adopted by the Company during fiscal 2016. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of employees and the Company.
- b. Nomination and Remuneration Policy: This policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director (executive / non-executive) and also the criteria for determining the remuneration of the directors, key managerial personnel and other employees.
- c. Corporate Social Responsibility Policy: The policy outlines the Company's strategy to bring about a positive impact on society through programs relating to hunger, poverty, education, healthcare, environment and lowering its resource footprint.

- d. Policy on Material Subsidiaries : The policy is used to determine the material subsidiaries and material non-listed Indian subsidiaries of the Company and to provide the governance framework for them.
- e. Insider Trading Policy: The policy provides the framework in dealing with securities of the Company.
- f. Policy for Determining Materiality for Disclosures : This policy applies to disclosures of material events affecting Company and its subsidiaries.
- g. Document Retention and Archival Policy : The policy deals with the retention and archival of corporate records of Sagar Systech Limited.

36. GENERAL BODY MEETINGS

(i) Details of last three Annual General Meetings held:

Meeting No.	Date	Time	Venue
Thirty First	30.09.2015	2.00 p.m.	12-A/1 New Sion Co-op. Hsg. Soc. Ltd; Sion (W), Mumbai-400 022.
Thirtieth	30.09.2014	2.00 p.m.	12-A/1 New Sion Co-op. Hsg. Soc. Ltd; Sion (W), Mumbai-400 022.
Twenty Nine	30.09.2013	2.00 p.m.	12-A/1 New Sion Co-op. Hsg. Soc. Ltd; Sion (W), Mumbai-400 022.

37. MEANS OF COMMUNICATION

- a) The quarterly/half-yearly/annual financial results of the Company are published in the Free Press Journal and Navshakti. These results are not distributed / sent individually to the shareholders.
- b) The financial results are also uploaded on the Company's Website www.sagarsystech.com.
- c) All periodic compliance filings like Shareholding pattern, Investor's Grievance Report, Outcome of meetings, etc are carried with the Stock Exchanges on which the Company's shares are listed.
- d) The Management Discussion and Analysis Report forms part of this Annual Report.

38. GENERAL SHAREHOLDER INFORMATION

a) Company Registration Details

The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L65990MH1984PLC032779.

b) Annual General Meeting

The Thirty Second Meeting will be held as per the following schedule:

Day :Friday

Date :30th September, 2016

Time :2.00 p.m.

Venue : 12A/1, New Sion Co-op Hsg. Soc. Ltd., Sion (West), Mumbai 400022.

c) Book closure

The dates of Book Closure are from Friday 23rd September, 2016 to Friday 30th September, 2016 both days inclusive.

d) Financial Calendar (Tentative)

First Quarter : August, 2016
Second Quarter & Half-Yearly : November, 2016
Third Quarter: February, 2017
Fourth Quarter & Annual : May, 2017

e) Listing on Stock Exchanges

The Company is listed on the Bombay Stock Exchange Ltd (BSE).

Bombay Stock Exchange Limited P.J. Towers, Dalal Street, Fort, Mumbai-400 001. Security Code: 511254

Annual Listing fees for the year 2015-2016 (as applicable) have been paid by the Company to Bombay Stock Exchange Limited (BSE Ltd)

f) Registrar of Companies

The Registrar of Companies, Maharashtra
100 Everest Building,
Marine Lines, Mumbai 400022.
Phone: 022-2812645/022-2812627
www.mca.gov.in

g) Share Transfer System

Shares sent for transfer in physical form are normally registered by the Registrars and Share Transfer Agents within 15 days of receipt of the documents, if documents are found in order. Shares under objection are returned within two weeks.

h) Address for Correspondence

1. Registered Office

Mr. Mahesh Thakar, Chief Financial Officer
Add :12 A/1, New Sion Co-op. Hsg. Soc. Ltd., Sion (W), Mumbai 400022.
Phone: (022) 24073836, Fax: (022) 24082687
e-mail: info@sagarsystech.com
website: www.sagarsystech.com

2. Registrar and Share Transfer Agents

INHOUSE : SAGAR SYSTECH LIMITED

Add: 12 A/1, New Sion Co-op. Hsg. Soc. Ltd., Sion (W), Mumbai 400022
Phone: (022) 24073836, Fax: (022) 24082687
e-mail: info@sagarsystech.com
website: www.sagarsystech.com

39. DETAILS OF NON-COMPLIANCE

No penalty has been imposed by any stock exchange, SEBI or SEC, nor has there been any instance of non-compliance with any legal requirements, or on matters relating to the capital market over the last three years.

40. GREEN INITIATIVE

As in the previous years, this year too, we are publishing only the statutory disclosures in the print version of the Annual Report. Electronic copies of the Annual Report 2015-16 and Notice of the 32nd Annual General Meeting are sent to all members whose email addresses are registered with the Company / Depository Participant(s). For members who have not registered their email addresses, physical copies are sent in the permitted mode.

41. ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledge gratefully the shareholders for their support and confidence reposed on your Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Mukesh Babu
Director
DIN: 00224300

K. Chandrasekhar
Director
DIN:00138951

Date: 12th August 2016
Place: Mumbai

Annexure A

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2016
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	CIN	L65990MH1984PLC032779
ii	Registration Date	27/04/1984
iii	Name of the Company	SAGAR SYSTECH LIMITED
iv	Category/Sub-category of the Company	COMPUTER SOFTWARE
v	Address of the Registered office & contact details	12 A/1, NEW SION CO-OP.SOC.LTD., SION (W), MUMBAI 400022
vi	Whether listed company	LISTED
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	IN-HOUSE

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sl No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	COMPUTER SOFTWARE	99625840	100
2			
3			
4			

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sl No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	NIL				
2					
3					

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category Code	Category of shareholder	At the year ending 31st March, 2015								At the year ending 31st March, 2016								Changes during the year
		Number of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered		Number of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered				
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage (IX) = (VIII)/(IV)*100				As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage (IX) = (VIII)/(IV)*100			
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(VIII)/(IV)*100	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(VIII)/(IV)*100			
(A)	Promoter and Promoter Group																	
1	Indian																	
(a)	Individuals/Hindu Undivided Family	3	226500	0	70.7800	70.7800	0	0.0000	3	226500	0	70.7800	70.7800	0	0.0000	0		
(b)	Central Government/State Government(s)	0	0	0	0.0000	0.0000	0	0.0000	0	0	0	0.0000	0.0000	0	0.0000	0		
(c)	Bodies Corporate	0	0	0	0.0000	0.0000	0	0.0000	0	0	0	0.0000	0.0000	0	0.0000	0		
(d)	Financial Institutions / Banks	0	0	0	0.0000	0.0000	0	0.0000	0	0	0	0.0000	0.0000	0	0.0000	0		
(e)	Any Other (specify)	0	0	0	0.0000	0.0000	0	0.0000	0	0	0	0.0000	0.0000	0	0.0000	0		
	Sub Total (A)(1)	3	226500	0	70.7800	70.7800	0	0.0000	3	226500	0	70.7800	70.7800	0	0.0000	0		
2	Foreign																	
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	0	0	0	0.0000	0.0000	0	0.0000	0	0	0	0.0000	0.0000	0	0.0000	0		
(b)	Bodies Corporate	0	0	0	0.0000	0.0000	0	0.0000	0	0	0	0.0000	0.0000	0	0.0000	0		
(c)	Institutions	0	0	0	0.0000	0.0000	0	0.0000	0	0	0	0.0000	0.0000	0	0.0000	0		
(d)	Qualified Foreign Investors	0	0	0	0.0000	0.0000	0	0.0000	0	0	0	0.0000	0.0000	0	0.0000	0		
(e)	Any Other (specify)	0	0	0	0.0000	0.0000	0	0.0000	0	0	0	0.0000	0.0000	0	0.0000	0		
	Sub Total (A)(2)	0	0	0	0.0000	0.0000	0	0.0000	0	0	0	0.0000	0.0000	0	0.0000	0		
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	3	226500	0	70.7800	70.7800	0	0.0000	3	226500	0	70.7800	70.7800	0	0.0000	0		
(B)	Public shareholding																	
1	Institutions																	
(a)	Mutual Funds/UTI	0	0	0	0.0000	0.0000	-	-	0	0	0	0.0000	0.0000	-	-	0		
(b)	Financial Institutions / Banks	0	0	0	0.0000	0.0000	-	-	0	0	0	0.0000	0.0000	-	-	0		
(c)	Central Government/State Government(s)	0	0	0	0.0000	0.0000	-	-	0	0	0	0.0000	0.0000	-	-	0		
(d)	Venture Capital Funds	0	0	0	0.0000	0.0000	-	-	0	0	0	0.0000	0.0000	-	-	0		
(e)	Insurance Companies	0	0	0	0.0000	0.0000	-	-	0	0	0	0.0000	0.0000	-	-	0		
(f)	Foreign Institutional Investors	0	0	0	0.0000	0.0000	-	-	0	0	0	0.0000	0.0000	-	-	0		
(g)	Foreign Venture Capital Investors	0	0	0	0.0000	0.0000	-	-	0	0	0	0.0000	0.0000	-	-	0		
(h)	Qualified Foreign Investors	0	0	0	0.0000	0.0000	-	-	0	0	0	0.0000	0.0000	-	-	0		
(l)	Any Other (specify)	0	0	0	0.0000	0.0000	-	-	0	0	0	0.0000	0.0000	-	-	0		
	Sub Total (B) (1)	0	0	0	0.0000	0.0000	-	-	0	0	0	0.0000	0.0000	-	-	0		

Category Code	Category of shareholder	At the year ending 31st March, 2015							At the year ending 31st March, 2016							Changes during the year
		Number of share holders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered		Number of share holders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered		
					As a percentage of (A+B)	As a percentage of(A+B+C)	Number of shares	As a percentage (IX) = (VIII)/(IV)*100				As a percentage of (A+B)	As a percentage of(A+B+C)	Number of shares	As a percentage (IX) = (VIII)/(IV)*100	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(VIII)/(IV)*100	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(VIII)/(IV)*100	
2	Non-institutions															
(a)	Bodies Corporate	0	0	0	0.0000	0.0000	-	-	0	0	0	0.0000	0.0000	-	-	0
(b) (i)	Individuals - shareholders holding nominal share capital up to Rs 1 Lakh	132	23300	0	7.2800	0.0000	-	-	132	23300	0	7.2800	0.0000	-	-	0
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	3	70200	0	21.9400	0.0000	-	-	3	70200	0	21.9400	0.0000	-	-	0
(c)	Qualified Foreign Investors	0	0	0	0.0000	0.0000	-	-	0	0	0	0.0000	0.0000	-	-	0
(d)	Any Other															
i	Non Resident Indians (Repat)	0	0	0	0.0000	0.0000	-	-	0	0	0	0.0000	0.0000	-	-	0
ii	Non Resident Indians (Non Repat)	0	0	0	0.0000	0.0000	-	-	0	0	0	0.0000	0.0000	-	-	0
iii	Overseas Bodies Corporates	0	0	0	0.0000	0.0000	-	-	0	0	0	0.0000	0.0000	-	-	0
iv	Clearing Member	0	0	0	0.0000	0.0000	-	-	0	0	0	0.0000	0.0000	-	-	0
v	Hindu Undivided Family	0	0	0	0.0000	0.0000	-	-	0	0	0	0.0000	0.0000	-	-	0
vi	Market Maker	0	0	0	0.0000	0.0000	-	-	0	0	0	0.0000	0.0000	-	-	0
	Sub Total (B)(2)	135	93500	0	29.2200	29.2200	-	-	135	93500	0	29.2200	29.2200	-	-	0
	Total Public Shareholding Public Group (B)=(B)(1)+(B)(2)	135	93500	0	29.2200	29.2200	NA	NA	135	93500	0	29.2200	29.2200	NA	NA	0
	Total (A)+(B)	138	320000	0	100.0000	100.0000			138	320000	0	100.0000	100.0000			0
(C)	Shares held by custodians and against which Depository Receipts have been issued															
i	Promoter and Promoter group	0	0	0	0.0000	0.0000	0	0.0000	0	0	0	0.0000	0.0000	0	0.0000	0
ii	Public	0	0	0	0.0000	0.0000	0	0.0000	0	0	0	0.0000	0.0000	0	0.0000	0
	Sub Total (C)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	GRAND TOTAL (A)+(B)+(C)	138	320000	0	100.0000	100.0000	0.0000	0.0000	138	320000	0	100.0000	100.0000	0.0000	0.0000	0

(ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	NO of shares	% of total shares of the company	% of shares pledged/cumbered to total shares	
1	MUKESH C BABU	120000	37.5	0	120000	37.5	0	0
2	MEENA MUKESH BABU	90000	28.13	0	90000	28.13	0	0
3	HEMANT BABU	16500	5.16	0	16500	5.16	0	0
4								
	Total	226500	70.78	0	226500	70.78	0	0

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	226500	70.78	0	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	NO CHANGE	0	0	0
	At the end of the year	226500	70.78	0	0

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sl. No		Shareholding at the end of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
	At the beginning of the year:	0	0	0	0
1	MUKESH BABU	120000	37.5	0	0
2	MEENA MUKESH BABU	90000	28.13	0	0
3	HEMANT BABU	16500	5.16	0	0
4	RASESH MANIAR	30000	9.375	0	0
5	HITEN SHAH	30000	9.375	0	0
6	VIVEK B SHETTY	10000	3.125	0	0
7	SUNIL MORE	500	0.156	0	0
8	MURLIDHAR SHETYE	500	0.156	0	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
	At the end of the year (or on the date of separation, if separated during the year)				
1	MUKESH BABU	120000	37.5	0	0
2	MEENA MUKESH BABU	90000	28.13	0	0
3	HEMANT BABU	16500	5.16	0	0
4	RASESH MANIAR	30000	9.375	0	0
5	HITEN SHAH	30000	9.375	0	0
6	VIVEK B SHETTY	10000	3.125	0	0
7	SUNIL MORE	500	0.156	0	0
8	MURLIDHAR SHETYE	500	0.156	0	0

(v) Shareholding of Directors & KMP

Sl. No	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year:	0	0	0	0
1	Mukesh Babu (Director)	120,000	37.5	0	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
	At the end of the year (or on the date of separation, if separated during the year)	0	0	0	0
1	Mukesh Babu (Director)	120,000	37.5	0	0

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment					
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness	
Indebtness at the beginning of the financial year					
i) Principal Amount		285,982		285,982	
ii) Interest due but not paid					
iii) Interest accrued but not due					
Total (i+ii+iii)	-	285,982	-	285,982	
Change in Indebtedness during the financial year					
Additions					
Reduction					
Net Change	-	-	-	-	
Indebtedness at the end of the financial year					
i) Principal Amount	-	285,982	-	285,982	
ii) Interest due but not paid	-	-	-	-	
iii) Interest accrued but not due	-	-	-	-	
Total (i+ii+iii)	-	285,982	-	285,982	

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	-	-
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2	Stock option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	as % of profit	-	-
	others (specify)	-	-
5	Others, please specify	-	-
	Total (A)	-	-
	Ceiling as per the Act		

B. Remuneration to other directors:

Sl.No	Particulars of Remuneration	Name of the Directors			Total Amount	
1	Independent Directors	-	-	-	-	-
	(a) Fee for attending board committee meetings	-	-	-	-	-
	(b) Commission	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
2	Other Non Executive Directors	-	-	-	-	-
	(a) Fee for attending board committee meetings	-	-	-	-	-
	(b) Commission	-	-	-	-	-
	(c) Others, please specify.	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act.					

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total
1	Gross Salary	CEO	Company Secretary	CFO	Total	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission as % of profit	-	-	-	-	-
	others, specify	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
		-	-	-	-	-
	Total					

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES : NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

ANNEXURE – B

V. V. CHAKRADEO & CO.

COMPANY SECRETARIES.

**B – 301. MATOSHREE RESIDENCY CHS., 65, PRARTHANA SAMAJ ROAD,
VILE PARLE EAST, MUMBAI 400 057.**

TEL 26116821

EMAIL vvchakra@gmail.com

CELL NO. 98200 48732

FORTM NO 3

SECRETARIAL AUDIT REPORT

For the Financial year ended 31st March 2016.

**(Pursuant to section 204 (1) of the companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration of managerial Personnel rules, 2014)**

To,
The members,
Sagar Systech Limited
Mumbai.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sagar Systech Limited (hereinafter called the Company). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion the company had during the audit period covering the financial year ended on 31st March 2016 complied with the statutory provisions listed hereunder and also that the company has proper board-processes and compliance mechanism in place to the extent in the manner and subject to the reporting made hereinafter :

We have examined the books papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2016 according to the provisions of:

- i) The Companies Act, 2013 (Act) and the rules there under;
- ii) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment.
- iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2013;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

- vi) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- vii) All applicable Labour Laws
- viii) Bombay Shop & Establishment Act,1948
- ix) Indian Contract Act,1872
- x) Income Tax Act,1961 and Indirect Tax Laws

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited, National Stock Exchange of India Limited.

We further report that

The board of directors of the company is duly constituted with proper balance of executive directors, non executive directors and independent directors. The changes in composition of the board of directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the board meeting and agenda and detailed notes on agenda were sent at least seven days in advance and system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for the meaningful participation at the meeting.

Majority decision is carried through while the dissenting member's views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : Mumbai
Date : 12/08/2016

FOR V. V. CHAKRADEO & CO.

V. V. CHAKRADEO
COP 1705. FCS 3382

ANNEXTURE A

To,
The Members,
Sagar Systech Limited,
Mumbai

My report of even date is to be read along with this letter:

1. Maintenance of secretarial record is responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about correctness of the contents of the secretarial record. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. I believe that the practices and processes, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
5. The compliance of the provisions of the Corporate and other laws, rules, regulations, norms and standards is the responsibility of the management. My examination was limited to the verification of procedure on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
7. I have reported in my audit report, only those non compliances, especially in respect of filing of applicable forms/ documents, which in my opinion are material and having major bearing on the financials of the Company.

Place : Mumbai
Date : 12/08/ 2016

FOR V V CHAKRADEO & CO.

V V CHAKRADEO
COP 1705. FCS 3382

ANNEXURE C

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

The management is pleased to present its Analysis Report.

A. FINANCIAL RESULTS

The Company's financial performance for the year under review along with previous years figures are given hereunder:

Particulars	Current Year Amount Rs.	Previous Year Amount Rs.
Income From Operations	-	-
Other Income	605,940	675,678
Total Income	605,940	675,678
Profit before Interest, Depreciation & Tax	143,131	456,123
Less : Interest	-	-
Profit Before Depreciation	143,131	456,123
Less : Depreciation	-	-
Profit After Depreciation and Interest	143,131	456,123
Less: Current Income Tax	-	-
Less: Previous year Adjustment of Income Tax	-	-
Less: Deferred Tax	-	(28,749)
Net Profit After Taxation	143,131	484,872
Balance carried to Balance Sheet	143,131	484,872
Earning Per Share (Basic/Diluted)	0.45	1.52

B. FINANCIAL REVIEW :

Your Company earned a net profit of Rs. 1,43,131 for the financial year ended 31st March, 2016 as compared to previous year's net profit of Rs. 4,84,872. There was no Depreciation provision required. Provision for taxation during the year is Rs. NIL as compared to Rs.28749 provision of Deferred Tax Liabilities in previous year.

C. OPPORTUNITIES AND MARKET ENVIRONMENT:

Though during the Financial Year 2015-16, Indian GDP grew by only 7.5%. However, with a stable government that the Indian Electorate has given at the Centre, the Stock Market and Foreign Institutional Investors have viewed this development positively. The stock market has been responding to pledges by the new government to grow India's economy by boosting manufacturing and investment, creating new jobs and rolling out much-needed infrastructure, among other promises.

The Survey, released a day ahead of the budget for 2015-16, expects that moderation in inflation will ease the monetary policy stance and revive the confidence of investors. India still emerges as one of the most sought-after emerging markets for Foreign Computer Software Business. Your company continues to believe in computer software business and upcoming new technologies related to it.

D. FUTURE PROSPECTS :

The Indian Software Market being closely integrated with the international markets, the challenge is the volatility in the Indian Markets, which is associated with the international events. However, with a stable government at the Centre, optimistic view is in sight for the ensuring financial year. Your company is confident of facing all these challenges with its expertise and long-standing experience and is confident of achieving good growth.

X-----X-----X

Declaration

It is hereby confirmed pursuant to Listing Regulations, 2015 that:

The Board of Directors of MBFS has laid down a code of conduct for all Board Members and senior management of the Company. The said code of conduct has also been posted in the Company's website viz. www.mukeshbabu.com.

All the Board Members and senior management personnel have affirmed their compliance with the said code of conduct for the year ended 31st March, 2016.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**Mukesh Babu
Director
DIN: 00224300**

**K. Chandrasekhar
Director
DIN:00138951**

Date: 12th August 2016

Place: Mumbai



Chaitanya C. Dalal & Co.
CHARTERED ACCOUNTANTS

111, Maker Chambers-III, 11th Floor, 223,
Nariman Point, Mumbai 400021, India
Off:(022)-22873338, 22040533
e.mail: ccd2@rediffmail.com Web: caccd.com

INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF
SAGAR SYSTECH LIMITED**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **SAGAR SYSTECH LIMITED** (“the company”), having CIN: L65990MH1984PLC032779 which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT’S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR’S RESPONSIBILITY

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

We have taken into account the provisions of the Act, the accounting and auditing standards and

matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

OPINION

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**", a statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31 March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **“Annexure B”**; and
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. We have been informed by the Company that the pending litigations against the Company would not impact its financial position.
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no instance where the Company is required to transfer any amount to the Investor Education and Protection Fund.

For Chaitanya C. Dalal & Co.
Chartered Accountants
Firm Reg. No. 101632W

Chaitanya C. Dalal
Partner
Membership No.: 35809

Place: Mumbai
Date: 25/05/2016

Annexure A to the Independent Auditors' Report

Re: Sagar Systech Limited

The Annexure referred to in our Independent Auditors' Report with reference to the Companies (Auditor's Report) Order, 2016 ("the Order") to the members of the Company on the Financial Statement for the year ended 31st March 2016, we report that:

- (i) The Company does not have any Fixed Assets for the year ended. Hence para 3(i)(a), 3(i)(b) and 3(i)(c) of the Order is not applicable.
- (ii) The Company does not have any physical inventories. Hence para 3(ii) of the Order is not applicable.
- (iii) The company has not granted any loans secured or unsecured to the company, firm, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013. Hence para 3(iii) of the Order is not applicable.
- (iv) According to the information and explanations given to us, the company has not given any loan, guarantee or security to any person during the year ended 31st March 2016
- (v) The company has not accepted any deposits during the year ended 31st March 2016.
- (vi) The Central Government has not prescribed the maintenance of cost records u/s 148(1) of the Act.

- (vii) (a) According to the information and explanations given to us and on the basis of examination of the records of the company, amount deducted and accrued in the books of accounts in respect of undisputed statutory dues including of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess, and any other statutory dues with the appropriate authorities have regularly deposited during the year by the company. Further as per the explanations given to us the company does not have any dues on account of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty and Cess.

Further according to the information and explanations given to us, no undisputed amount payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, Cess, and any other statutory dues were in arrears as on 31st March 2016 for a period of more than 6 months from the date of become payable.

- (viii) On the basis of the books and records produced before us and as per the information and explanations to us the Company has not defaulted in repayment of any dues to any financial institution, bank or debenture holders.
- (ix) During the year ended 31st March 2016, the company has not raised any money either through public deposit or through term loan therefore para 3(ix) of the order is not applicable.
- (x) According to the information and explanations given to us and on the basis of the audit conducted by us, no fraud on or by the company has been noticed or reported during the year.
- (xi) On the basis of the information and explanations given to us the company has not paid any managerial remuneration during the year ended 31st March 2016, hence para 3(xi) of the order is not applicable.
- (xii) The company is not a Nidhi Company hence para 3(xii) of the order is not applicable.
- (xiii) Based on our audit procedures and according to the information and explanations given to us, the company has not entered into any transaction with the related parties during the year ended 31st March 2016.
- (xiv) According to the information and explanation given to us, the company has neither made any preferential allotment nor any private placement of shares or fully or partly convertible debentures during the year ended 31st March 2016.

Chaitanya C. Dalal & Co.
Chartered Accountants

- (xv) During the year ended 31st March 2016 the company has not entered into any non-cash transactions with the directors or persons connected with him.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 as it is not a Non-Banking Finance Company.

For Chaitanya C Dalal & Co.
Chartered Accountants
Firm Registration No.: 101632W

Chaitanya C. Dalal
Partner
Membership No.: 035809

Place: Mumbai
Date: 25/05/2016

Annexure B to the Independent Auditors' Report

Re: Sagar Systech Limited

The Annexure referred to in our Independent Auditors' Report with reference to the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") to the members of the Company on the Financial Statement for the year ended 31st March 2016.

We have audited the internal financial controls over financial reporting of Sagar Systech Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date:

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls issued by the Institute of Chartered Accountants of India.

These responsibilities includes design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by The Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, the guidelines issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depends on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (a) pertain to the maintenance of records that, in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company;
- (c) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as on 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls issued by the Institute of Chartered Accountants of India.

For Chaitanya C Dalal & Co.
Chartered Accountants
Firm Registration No.: 101632W

Chaitanya C. Dalal
Partner
Membership No.: 035809

Place: Mumbai
Date: 25/05/2016.

SAGAR SYSTECH LIMITED
BALANCE SHEET AS ON MARCH 31, 2016

Particulars	Note No.	31st March 2016		31st March 2015	
		₹	₹	₹	₹
I. EQUITY AND LIABILITIES					
1 Shareholders' funds					
(a) Share capital	1	3,200,000		3,200,000	
(b) Reserves and surplus	2	5,999,029		5,855,898	
(c) Money received against share warrants		-	9,199,029	-	9,055,898
2 Share application money pending allotment			-		-
3 Non-current liabilities					
(a) Long-term borrowings		-		-	
(b) Deferred tax liabilities (Net)		-		-	
(c) Other Long term liabilities		-		-	
(d) Long-term provisions		-	-	-	-
4 Current liabilities					
(a) Short-term borrowings	3	285,982		285,982	
(b) Trade payables		-		-	
(c) Other current liabilities	4	1,761,450		1,811,400	
(d) Short-term provisions		-	2,047,432	-	2,097,382
TOTAL			11,246,461		11,153,280
II. ASSETS					
Non-current assets					
1 Fixed assets					
(i) Tangible assets		-		-	
(ii) Intangible assets		-		-	
(iii) Capital work-in-progress		-		-	
(iv) Intangible assets under development		-		-	
(b) Non-current investments	5	9,217,135		9,217,135	
(c) Deferred tax assets (net)	6	152,088		152,088	
(d) Long-term loans and advances		-		-	
(e) Other non-current assets		-	9,369,223	-	9,369,223
2 Current assets					
(a) Current investments		-		-	
(b) Inventories		-		-	
(c) Trade receivables		-		-	
(d) Cash and cash Balances	7	313,900		220,719	
(e) Short-term loans and advances	8	1,563,338		1,563,338	
(f) Other current assets		-	1,877,238	-	1,784,057
TOTAL			11,246,461		11,153,280

Contingent Liabilities & Commitments

NOTES ON ACCOUNTS

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11

AS PER OUR REPORT OF EVEN DATE
FOR CHAITANYA C. DALAL & CO.
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF
SAGAR SYSTECH LIMITED

(CHAITANYA C.DALAL)
Partner
Membership No.35809
FRN NO. 101632W

Mukesh Babu
Director
DIN: 00224300

K. Chandrasekhar
Director
DIN: 00138951

Place : Mumbai
Date :25th May 2016

Place : Mumbai
Date :25th May 2016

SAGAR SYSTECH LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

Particulars	Note No.	31st March 2016		31st March 2015	
		₹	₹	₹	₹
I Revenue from operations			-		-
II Other income	9		605,940		675,678
III Total Revenue (I + II)			605,940		675,678
IV Expenses:					
Employee benefits expense		-		-	
Finance costs		-		-	
Depreciation and amortization expense		-		-	
Other expenses	10	462,809		219,555	
Total expenses			462,809		219,555
V Profit before exceptional and extraordinary items and tax (III-IV)			143,131		456,123
VI Exceptional items			-		-
VII Profit before extraordinary items and tax (V - VI)			143,131		456,123
VIII Extraordinary Items			-		-
IX Profit before tax (VII- VIII)			143,131		456,123
X Tax expense:					
(1) Current tax		-		-	
(2) Deferred tax		-		28,749	28,749
XI Profit (Loss) for the period from continuing operations (VII-VIII)			143,131		484,872
XII Profit (Loss) for the period (XI + XIV)			143,131		484,872
XIII Earnings per equity share:					
(1) Basic			0.45		1.52
(2) Diluted			0.45		1.52

NOTES ON ACCOUNTS

11

AS PER OUR REPORT OF EVEN DATE
FOR CHAITANYA C. DALAL & CO.
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF
SAGAR SYSTECH LIMITED

(CHAITANYA C.DALAL)
Partner
Membership No.35809
FRN NO. 101632W

Mukesh Babu
Director
DIN: 00224300

K. Chandrasekhar
Director
DIN: 00138951

Place : Mumbai
Date :25th May 2016

Place : Mumbai
Date :25th May 2016

SAGAR SYSTECH LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

	31st March 2016		31st March 2015	
	₹	₹	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit Before Tax and Extraordinary Item		143,131		456,123
Adjustments for :				
Depreciation & Misc. Exp. Written off	-		-	
Loss on Sale on Investments	-		-	
Interest/Dividend (Received)	(605,940)		(675,678)	
Interest paid	-		-	
Excess Provision for Taxation	-	(605,940)	-	(675,678)
Operating Profit Before Working Capital Changes		(462,809)		(219,555)
Adjustments for:				
Sundry Debtors	-		-	
Loans and Advances	-		-	
Other Current Assets	-		222	
Sundry Creditors	-		-	
Other Liabilities	(49,950)	(49,950)	(649,836)	(649,614)
Cash Generated from Operations		(512,759)		(869,169)
Interest Paid		-		-
Direct Taxes Paid		-		-
Cash Flow Before Extraordinary Items		(512,759)		(869,169)
Extraordinary Items				-
NET CASH FROM OPERATING ACTIVITIES		(512,759)		(869,169)
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets	-		-	
Sale of Fixed Assets	-		-	
Purchase of Investments	-		-	
Sale of Investments	-		-	
Interest & Dividend Received	605,940	605,940	675,678	675,678
NET CASH USED IN INVESTING ACTIVITIES		605,940		675,678
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds from Issue of Share Capital	-		-	
Proceeds from Short Term Borrowings	-		-	
Repayment of Loan	-		-	
Interest paid	-		-	
Increase in Misc. & Public Issue Expenses	-	-	-	-
NET CASH USED IN FINANCING ACTIVITIES		-		-
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS		93,181		(193,491)
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		220,719		414,210
CASH & CASH EQUIVALENTS AT THE CLOSING OF THE YEAR		313,900		220,719

As per our report of even date.
FOR CHAITANYA C. DALAL & CO.
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD OF
SAGAR SYSTECH LIMITED

(CHAITANYA C. DALAL)
Partner
Membership No.35809
FRN NO. 101632W

Mukesh Babu
Director
DIN: 00224300

K. Chandrasekhar
Director
DIN: 00138951

Place : Mumbai

Place : Mumbai

Date :25th May 2016

Date :25th May 2016

SAGAR SYSTECH LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2016

Note 1 SHARE CAPITAL

Share Capital	31st March 2016		31st March 2015	
	Number	₹	Number	₹
Authorised Equity Shares of ₹10 each	500,000	5,000,000	500,000	5,000,000
Issued Equity Shares of ₹10 each	320,000	3,200,000	320,000	3,200,000
Subscribed & Paid up Equity Shares of ₹10 each fully paid	320,000	3,200,000	320,000	3,200,000
Subscribed but not fully Paid up Equity Shares of ₹10 each, not fully paid up	-	-	-	-
Total	320,000	3,200,000	320,000	3,200,000

Particulars - Equity Shares	31st March 2016		31st March 2015	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	320,000	3,200,000	320,000	3,200,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	320,000	3,200,000	320,000	3,200,000

Disclosure pursuant to Note no. 6(A)(f) of Part I of Schedule III to the Companies Act, 2013 -- (NIL)

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

Name of Shareholder	31st March 2016		31st March 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mukesh Babu	120,000	38%	120,000	38%
Meena Mukesh Babu	90,000	28%	90,000	28%
Hemant Babu	16,500	5%	16,500	5%
Rasesh Maniar	30,000	9%	30,000	9%
Hiten Shah	30,000	9%	30,000	9%

Rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital.

Particulars	31st March 2016		31st March 2015	
	Number	Description	Number	Description
Equity Shares Restrictions on the distribution of dividends voting rights or with differential voting rights as to dividend	320,000	Parri Pasu None All shares have equal Voting Rights	320,000	Parri Pasu None All shares have equal Voting Rights

SAGAR SYSTECH LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2016

Note 2 RESERVES AND SURPLUS

Particulars	31st March 2016	31st March 2015
	₹	₹
Surplus		
Opening balance	5,855,898	5,371,026
(+) Net Profit/(Net Loss) For the current year	143,131	484,872
Closing Balance	5,999,029	5,855,898
Total Reserves & Surplus	5,999,029	5,855,898

Note 3 SHORT-TERM BORROWINGS

Particulars	31st March 2016	31st March 2015
	₹	₹
Secured	-	-
Unsecured		
(a) Loans repayable on demand		
from banks	285,982	285,982
from other parties	-	-
Total Short Term Borrowings	285,982	285,982

Note 4 OTHER CURRENT LIABILITIES

Particulars	31st March 2016	31st March 2015
	₹	₹
Payable to Related Party	1,750,000	1,800,000
Outstanding Expenses	11,450	11,400
Total Current Liabilities	1,761,450	1,811,400

SAGAR SYSTECH LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2016

Note 5 NON CURRENT INVESTMENTS

Particulars		31st March 2016	31st March 2015
		₹	₹
A.	Other Investments (Quoted)		
a.	Investment in Equity instruments	9,167,135	9,167,135
b.	Investment in Trust Securities	50,000	50,000
	Total Other Investments	9,217,135	9,217,135

Particulars		31st March 2016	31st March 2015
		₹	₹
Aggregate amount of quoted investments (Market value of ₹2,94,77,980/- (Previous Year ₹14,720,150/-))		9,217,135	9,217,135
		9,217,135	9,217,135

A. Details of Other Investments					
Sr.	Name of the Body Corporate	No. of Shares / Units		Amount (₹)	
		31st March 2016	31st March 2015	31st March 2016	31st March 2015
1	2	4	5	+	11
a	Investment in Equity Instruments				
	Mukesh Babu Financial Services Ltd (Associate company. Extent Of Holding 8.67%)	604,500	604,500	9,114,425	9,114,425
	Patheja Forging & Auto parts Mfg. Ltd	3,000	3,000	3,900	3,900
	Shree Cement Ltd	500	500	36,875	36,875
	Zenith Health Care Ltd	5,500	5,500	11,935	11,935
		613,500	613,500	9,167,135	9,167,135
b.	Investment in Trust Securities				
	UTI IEF	5,500	5,500	50,000	50,000
		5,000	5,000	50,000	50,000
	Total	1,237,500	1,237,500	9,217,135	9,217,135

Note:-

- 1 There is no investment in Joint Venture, Subsidiary, Associate or Controlled Company than stated above.
- 2 All the Investment are Fully paid up.
- 3 Whereever Extent of the of the Holding is known, is shown seperatly
- 4 All the Investment are stated at cost.
- 5 Adjustment if any is accounted on Split of face value of shares and Bonus Shares received during the year.

SAGAR SYSTECH LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2016

Note 6 DEFERRED TAX ASSET (NET)

The Company has accounted for taxes on income in accordance with AS-22 – Accounting for Taxes on Income issued by the Institute of Chartered Accountants of India. Consequently, the net incremental deferred tax (liability) / asset is charged / credited to Profit and Loss Account. The year end position of taxes on income is as under:

Particulars	31st March 2016	31st March 2015
	₹	₹
Deferred tax assets		
Fixed Assets : Impact of Difference between tax depreciation and depreciation / amortisation charged for financial reporting	-	-
Gross deferred tax liability	-	-
Deferred tax asset		
Unabsorbed Depreciation	7,089	7,089
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	144,999	144,999
Gross deferred tax asset	152,088	152,088
Net deferred tax liability / (asset)	152,088	152,088

Note 7 CASH AND CASH EQUIVALENTS

Particulars	31st March 2016		31st March 2015	
	₹	₹	₹	₹
CASH AND CASH EQUIVALENTS				
A. Balances with banks*				
In Current Accounts with Scheduled Banks		215,991	122,811	
B. Cash on hand*		97,908	97,908	220,719
Cash and Cash Equivalents		313,900		220,719
C. Other Bank Balances		-		-
Total Cash and Bank Balances (A+B+C)		313,900		220,719

Note 8 SHORT TERM LOANS AND ADVANCES

Particulars	31st March 2016		31st March 2015	
	₹	₹	₹	₹
A. Loans and advances to related parties		-		-
B. Loans and advances to others				
Unsecured, considered good		1,563,338		1,563,338
Total Short-term loans and advances (A+B)		1,563,338		1,563,338

Note 9 OTHER INCOME

Particulars	31st March 2016		31st March 2015	
	₹	₹	₹	₹
Dividend Income		605,940		675,430
Interest on Income Tax Refund		-		248
Total Other Income		605,940		675,678

Note 10 OTHER EXPENSES

Particulars	31st March 2016		31st March 2015	
	₹	₹	₹	₹
Auditors Remuneration for Audit		11,500		11,400
Filling Fees		18,270		5,371
Listing Fees		224,720		112,360
Professional fees		133,410		27,057
Profession Tax		2,500		2,500
Sundry Expenses		11,491		224
Publishing Expenses		60,918		60,643
Total Other Expenses		462,809		219,555

SAGAR SYSTECH LIMITED

NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2016

Note 11 OTHER NOTES TO ACCOUNTS

A SIGNIFICANT ACCOUNTING POLICIES:

1. Accounting Concepts:

The financial statements are prepared on historical cost basis and as a going concern. Accounting Policies not referred to otherwise are consistent with generally accepted accounting principles in India, the accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of The Companies Act, 2013.

2. Revenue Recognition:

Company follows Mercantile System of accounting and recognizes Income and Expenditure on accrual basis with necessary provisions for all known liabilities. Accounting Policies not referred to otherwise, are consistent with generally accepted accounting principles.

3. Fixed Assets and Depreciation:

Fixed assets are carried at historical costs less accumulated depreciation, if any. Fixed Assets are stated at cost, if any. Depreciation on Fixed Asset of the year has been provided on the written down value method in accordance in rates and manner provided in schedule II of Companies Act, 2013 wherever applicable.

4. Investments :

Investments are stated at cost of acquisition. No provision has been made in the accounts of the company for the depletion or appreciation in the value of the investments.

5. Deferred Tax Assets / Liabilities:

Deferred Tax assets and Liabilities are measured assuming the tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date.

The company has accounted for taxes on income in accordance with AS – 22 accounting for Taxes on Income issued by the Institute of Chartered Accountants of India. Consequently, the net incremental deferred tax (liability) / assets is charged / credited to Profit and Loss Account.

6. Cash and Cash Equivalent:

Cash and Cash Equivalent in the Balance Sheet comprise of cash at bank and cash on hand.

SAGAR SYSTECH LIMITED

NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2016

B NOTES TO ACCOUNTS

- 1 No provision for taxation has been made, since there is no liability of Taxes.
- 2 Bank overdraft balance is subject to reconciliation and confirmation.
- 3 As none of the employee is employed in service hence no provision for gratuity is required to be made and hence the disclosure required under AS-15 are not applicable
- 4 The Schedules referred to in the Balance Sheet and Profit and Loss Account form an integral part of the accounts.
- 5 **Current Assets Loans and Advances:**

In the opinion of the management balances in Loans and Advances & Current Assets have approximate value on realization of current assets in the ordinary course of business would not be less than the amount at which they are stated in the Balance sheet. According to the management provision for all the loans and liabilities are adequate. Balances in Creditors, Loans, and advances and current assets are subject to confirmation & reconciliation.

6 Related Party Disclosure in accordance with Accounting Standard - 18:

Name of the Company : 1. Mukesh Babu Securities Limited
Relationship : Associate Company

Rupees in Lakhs		
Transaction during the year	Current Year	Previous Year
Opening Balance Payable	18.00	24.50
Payment during the year	5.00	6.50
Received During the year	4.50	-
Closing Balance Payable	17.50	18.00
Maximum Outstanding During the year	21.50	24.50

SAGAR SYSTECH LIMITED

NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2016

7 Auditor's Remuneration:

Auditor's remuneration in accordance with paragraph 4B of part II of Schedule III to the Companies Act, 2013

Particulars	Current Year Rs.	Previous Year Rs.
Audit Fees	11,500	11,400
Professional Fees	-	-
Total	11,500	11,400

8 Foreign Currency Transactions

There were no foreign exchange transactions during the year.

9 Earning per share is as follows.

Particulars	Current Year Rs.	Previous Year Rs.
Net Profit After Taxation	143,131	484,872
Number of Shares issued (Face Value Rs. 10)	320,000	320,000
Basic Earning Per Share	0.45	1.52
Basic Earning Per Share	0.45	1.52

10 Prior Period Comparatives:

The Figures of the previous year are regrouped, rearranged and reclassified wherever necessary to correspond with those of current year.

11 Other Information

The additional information pursuant to paragraph 3, 4, 4A, 4C, and 4D of Part II of Schedule III to the Companies Act, 2013 is not applicable.

**AS PER OUR REPORT OF EVEN DATE
FOR CHAITANYA C. DALAL & CO.
CHARTERED ACCOUNTANTS**

**FOR AND ON BEHALF OF THE BOARD OF
SAGAR SYSTECH LIMITED**

**(CHAITANYA C.DALAL)
Partner
Membership No.35809
FRN NO. 101632W**

**Mukesh Babu
Director
DIN: 00224300**

**K. Chandrasekhar
Director
DIN: 00138951**

**Place : Mumbai
Date :25th May 2016**

**Place : Mumbai
Date :25th May 2016**

: NOTICE :

NOTICE IS HEREBY GIVEN THAT THE 32nd ANNUAL GENERAL MEETING OF THE MEMBERS OF SAGAR SYSTECH LIMITED WILL BE HELD ON FRIDAY, 30TH SEPTEMBER, 2016 AT 2.00 P.M. AT 12A/1, NEW SION CO-OP. HSG. SOC. LTD., SION – WEST, MUMBAI – 400022 TO TRANSACT THE FOLLOWING BUSINESS.

ORDINARY BUSINESS

- 1. To receive, consider and adopt the Financial Statements of the company for the year ended 31st March, 2016, including the Audited Balance Sheet as at 31st March, 2016, the statement of Profit and Loss account for the year ended on that date and the report of the Board of Directors and Auditors thereon.**
2. To appoint a director in place of Mr. K. Chandrasekhar (DIN : 00138951) who retires by rotation and being eligible offers himself for re- appointment as a Director of the Company.
3. To consider and if thought fit, to pass, the following resolution as an ordinary resolution:

“ RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. Chaitanya C. Dalal & Co. Chartered Accountants (Firm Registration No. 101632W) be and are hereby re-appointed as Statutory Auditors of the company to hold office from the conclusion of the Annual General meeting until the conclusion of the next Annual General Meeting on such remuneration as may be decided by the Board of Directors from time to time.

By Order of the Board

For Sagar Systech Limited

**Place: Mumbai
Date : 03/09/2016**

**Mukesh Babu
Director
(DIN: 00224300)**

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The Proxy, in order to be effective, must be received by the Company not less than 48 hours before the commencement of the meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the 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 shareholder.

Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

2. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Listing Regulations, 2015 with the Stock Exchanges, are provided in the Annual Report

3. Members/Proxies should bring attendance slips sent herewith duly filled in, for attending the Meeting.
4. Relevant documents referred to in the notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays, Sundays and other holidays between 2.00 P.M. to 4.00 P.M. up to the date of the Annual General Meeting.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from 23rd September 2016 to 30th September 2016 (both days inclusive).
6. Members are requested to :
 - (i) Expeditiously intimate change of address, if any, to the Company/Registrar and Share Transfer Agents quoting reference to their Registered Folio Number.
 - (ii) Write to the Company for any information about accounts at least 10 days in advance of the Annual General Meeting.
8. The Members are requested to dematerialize their shareholdings with their Depository Participants as the Company's Shares are traded compulsorily under demat mode in the Stock Exchanges.
9. Members, who are holding Shares in identical order of names in more than one Folio, are requested to apply to the Company/Share Transfer Agents along with the relevant Share Certificates for consolidation of such Foliros in one Folio.
10. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies of Annual Report to the Meeting.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company.
12. Proxy Form is annexed. Members are requested to affix their signature at the space provided and hand over the same at the entrance to the place of meeting.
13. **Members who have not registered their email address so far are requested to register their email address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.**
14. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed there under and the revised Clause 35B of the Listing Agreement, Company is pleased to provide e-voting facility to all its members to enable them to cast their vote at the Annual General Meeting by electronically means.
15. A member may exercise his vote electronically through the e-voting services provided by Central Depository Services (India) Limited (CDSL), on all resolutions set forth in this Notice.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Tuesday 27th September, 2016 at 10.00A.M.(IST) and ends on Thursday 29th September, 2016 5.00P.M.(IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 12th August, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Address Stick indicated in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the **EVSN No : 160817022** for the relevant Company Name : **“Sagar Systech Limited”** on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Other Instructions:

- I. The e-voting period commences on Tuesday, 27th September 2016 (10.00 a.m. IST) and ends on Thursday, 29th September 2016 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in electronic form, as on 12th August, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast and confirmed by the Member, he shall not be allowed to change it subsequently.
- II. The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 12th August, 2016.
- III. Mr. V. V. Chakradeo, Practicing Company Secretary (Membership No. COP 1705), has been appointed as the Scrutinizer to conduct the e-voting process.
- IV. The Scrutinizer shall, within a period not exceeding thirty working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and submit a Scrutinizer's Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.
- V. The results declared along with the Scrutinizer's Report shall be placed on the Company's website **Error! Hyperlink reference not valid.** and on the website of CDSL within two days of the passing of the resolutions at the Thirty Second AGM of the Company on 30th September, 2016 and communicated to BSE Limited where the shares of the Company are listed.
- VI. The resolutions shall be deemed to be passed on the date of Annual General Meeting of the Company, subject to receipt of sufficient votes.
- VII. You can also update your mobile number and Email Id in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-voting in future. The same may be used in case the Member forgets the password and the same need to be reset.

Contact Details:

Company	M/s. SAGAR SYSTECH LIMITED Reg. Office : 12A/1, New Sion Co-op. Hsg. Soc. Ltd. Sion-west, Mumbai – 400022. Tel. NO. 022-24073836, Fax No. 022-24082687 Email ID : info@sagarsystech.com CIN: L65990MH1984PLC032779
Registrar and Share Transfer Agent	IN-HOUSE: M/s. SAGAR SYSTECH LIMITED Reg. Office : 12A/1, New Sion Co-op. Hsg. Soc. Ltd. Sion-west, Mumbai – 400022. Tel. NO. 022-24073836, Fax No. 022-24082687
E-Voting Agency	Central Depository Services (India)Ltd. Email ID: helpdesk.evoting@cdslindia.com
Scrutinizer	CS: V.V. Chakradeo Practicing Company Secretary. Email ID : vvchakra@gmail.com

INFORMATION ON DIRECTORS BEING APPOINTED/RE-APPOINTED AT THE ANNUAL GENERAL MEETING.**A) K. Chandrasekhar**

- | | |
|---|---|
| 1. Date of Birth and age | : 25 TH December, 1953; 62 years. |
| 2. Nationality | : Indian |
| 3. Date of Appointment | : 16 th February, 2001 |
| 4. Educational Qualifications | : B.Com (Acts.), B.Com (Stats), A.C.A., A.C.S.,
Grad. C.W.A., L.L.B. |
| 5. Experience (years) | : 38 years |
| 6. Experience in specific functional area | : Accounts, Finance and Law. |
| 7. Companies in which she is interested
As a Director, member of committees
Or Chairman of Committees | : Directorship:
: 1. Mukesh Babu Stock Broking Pvt. Ltd.
: 2. Mukesh Babu Management Consultants Pvt. Ltd.
: 3. Sagar Systech Limited. (Sagar)
: 4. Mukesh Babu Financial Services Ltd.(MBFS).

Member of Committees:
:1. Audit Committee, MBFS and Sagar.
:2.Remuneration & Nomination Committee ,MBFS
& Sagar
: 3. Stakeholders Grievances Committee, MBFS.
CSR Committee, MBFS. |
| 8. Shareholding in the Company | : Nil |
| 9. Number of Board meeting attended
During the year | : 4 (four) |

**By Order of the Board
For Sagar Systech Limited**

**Place: Mumbai
Date : 03/09/2016**

**Mukesh Babu
Director
(DIN: 00224300)**

SAGAR SYSTECH LIMITED

CIN: L65990MH1984PLC032779

Regd. Office: 12 A/1, New Sion Co-op. Hsg. Soc. Ltd., Sion (W), Mumbai 400022, India.

Phone: 022-24073836 **Fax:** 022-24082687 **Website:** www.sagarsystech.com **Email :**
info@sagarsystech.com

Share Transfer Agent: INHOUSE

ATTENDANCE SLIP

I/We hereby record my/our presence at the 35th Annual General Meeting of the Company held at 12A/1, New Sion C.H.S. Ltd., Sion – West, Mumbai 400022. at 02.00 p.m. on Friday, the 30th day of September, 2016.

Name and Address of the Shareholder(s):		
If shareholder(s), please sign here		If proxy, please mention name and sign here
	Name of Proxy	Signature

Notes:

- (1) Shareholder / Proxy holder, as the case may be, is requested to produce the attendance slip duly signed at the entrance of the Meeting venue.
- (2) Members are requested to advise the change of their address, if any, to the company, at the above address.

SAGAR SYSTECH LIMITED
CIN: L65990MH1984PLC032779
Regd. Office: 12 A/1, New Sion Co-op. Hsg. Soc. Ltd., Sion (W), Mumbai 400022, India.
Phone: 022-24073836. **Fax:** 022- 24082687. **Website:** www.sagarsystech.com. Email :
info@sagarsystech.co

Share Transfer Agent: INHOUSE

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s): Registered address: E-mail Id: Folio No/ Client Id:
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I/We, being the member (s) of _____ shares of the above named company, hereby appoint

1. Name: _____ Address: _____

E-mail Id: _____ Signature: _____,
 or failing him

2. Name: _____ Address: _____

E-mail Id: _____ Signature: _____,
 or failing him

3. Name: _____ Address: _____

E-mail Id: _____ Signature: _____,
 or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32th Annual General Meeting of the company, to be held on the 30th day of September, 2016 at 02.00 p.m. at 12A/1, New Sion C.H.S.Ltd., Sion – West, Mumbai - 400022 and at any adjournment thereof in respect of such resolutions as are indicated below:

	Resolutions	For	Against
	<i>Ordinary Business:</i>		
1	Adoption of the Audited Balance Sheet as at and Profit and Loss for the financial year ended on March 31, 2016 and the Reports of the Directors and Auditors thereon.		
2	Reappointment of Shri K. Chandrasekhar, Director who retires by rotation		
3	Appointment of Auditors		

Signed this _____ day of _____, 2016

Signature of shareholder _____

Signature of Proxy holder(s) _____

Notes:

1. This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A proxy need not be a member of the Company.
3. In case the appointer is a body corporate, the proxy form should be signed under its seal or be signed by an officer or an attorney duly authorized by it and an authenticated copy of such authorization should be attached to the proxy form.
4. A person can act as proxy on behalf of such number of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, 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 proxy for any other person or Member.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.