

19th
ANNUAL REPORT

2009-2010

MegriSoft

Your Escort to Net

MEGRI SOFT
LIMITED

Auditors

K. K. BASSI & ASSOCIATES
Chartered Accountants
SCO 1130-31
Sector 22-B
Chandigarh - 160 022

Bankers

Karnataka Bank Limited
ICICI Bank Limited
Citi Bank NA

Registered Office

SCF 80, Sector 47-D
Chandigarh - 160 047

MEGRI SOFT LIMITED

Notice

NOTICE is hereby given that the 19th Annual General Meeting of the Members of MEGRI SOFT LIMITED will be held at SCF 80, Sector 47-D Chandigarh on Thursday, the 30th day of September 2010 at 11.00 A.M. to transact the following business: -

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010 and the Profit and Loss Account for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Rajneesh Sharma, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and to pass the following resolution thereof:

"Resolved that K.K.Bassi & Associates, Chartered Accountants, be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board of Directors in consultation with the Auditors."

Special Business

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

4. "RESOLVED that Ms. Aprajita Kohli, who was appointed as an Additional Director of the Company during the previous year and who holds office till the date of this Annual General Meeting and in whose favour the Company has received a notice under Section 257 of the Companies Act, 1956, be and is hereby appointed as Director liable to retire by rotation."

Chandigarh 02nd September 2010

**Registered Office:
SCF 80,
Sector 47-D
Chandigarh**

**By Order of the Board
For Megri Soft Limited**

**--SD--
(R.Sharma)
Director**

Notes

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing the proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
3. Members / proxies should bring duly-filled Attendance Slips sent herewith to attend the meeting.
4. The Register of Members and Share Transfer Books will remain closed from September 28, 2010 to September 30, 2010 (both days inclusive).
5. Members are requested to address all correspondences, change of address including other matters, to the Registered office of the company.

MEGRI SOFT LIMITED

Explanatory Statement pursuant to Section 173(2) of the Companies Act 1956, and Clause 23(a) of the Articles of Association of the Company.

Item No. 4

Ms Aprajita Kohli was co-opted as additional director of the Company during the year. Ms Aprajita Kohli holds office of director upto the date of ensuing Annual General Meeting. The Company has received a notice in writing from a member, proposing the candidature of Ms Aprajita Kohli for the office of Director under the provisions of Section 257 of the Companies Act, 1956.

With the joining of Ms Aprajita Kohli as Director, the Company would be benefited from his experience and expertise in the area of IT business.

None of the Directors except Mohnesh Kohli director of the Company is in any way concerned or interested in this Resolution.

The Board of Directors of your Company is of the opinion that his appointment would be beneficial to the Company and hence recommend the Resolution at item no. 4 for your approval.

Additional Information to be provided as per clause 49 of the Listing Agreement

A brief profile of the Directors recommended for re-appointment at the Annual General Meeting is given below:

Rajneesh Sharma

Rajneesh Sharma has got an expert knowledge of Information technology industry and he has been working along with the company from long time. Mr. Rajneesh Sharma has around Ten years of IT and Management experience.

Aprajita Kohli

Ms Aprajita Kohli is good knowledge of dotcom and information technology business. Her experience will be helpful in handling various matters of the company.

MEGRI SOFT LIMITED

DIRECTORS' REPORT

To
THE MEMBERS
MEGRI SOFT LIMITED

The Directors have pleasure in presenting the 19th Annual Report and the Audited statement of Accounts for the year ended 31st March 2010.

FINANCIAL HIGHLIGHTS

Particulars	(Rs. In Lac)	(Rs. In Lac)
	Year Ended 31.03.2009	Year Ended 31.03.2010
Total Income	137.08	261.60
Gross Operating Profit/ Loss	62.81	114.63
Depreciation	3.36	2.31
Profit/Loss before Taxes	59.45	112.32
Provision for taxation	1.47	1.40
Net Profit/Loss after tax	57.98	110.92
Net profit/loss carried To balance sheet	57.98	110.92

OPERATIONAL REVIEW AND PROSPECTS

During the year under review, company has been carrying on dotcom and information technology business. The company during the year has been engaged in the business of Domain Registration, Web Hosting, Web Designing, Web Development, Web Scripting, Web Based Software Development, Web Promotion, Search Engine optimization, Link building and SEO services in addition to development of its own Indian and International Web Portals/Vortals on various subjects as well as provided software services to the clients also. This year the company registered income from operation around Rs.261.60 Lacs as compared to last year of Rs. 137.08 Lacs and also registered a net profit of Rs.110.92 Lakh (91.31%) which is higher than last year's profits of Rs. 57.98 after taxes which is a remarkable rate of growth for the company.

SEGMENT REPORTING

Your Company is organizing itself to become a leading player in the IT services and other IT related applications which will provide your Company the competitive edge over the others. The company has developed around 65 of its own web portals. Although they are still in their developing stage but they are attracting heavy traffic and have a large online presence. The web portals have attracted International traffic and successfully catered to quite a large viewer base.

The planned list of the company's web portals is very large, these are just few of them to name, which have made quite a significant presence on web. Also the web portals of the company are having top ranking at premium search engines. The company is in the process of developing a large online web clientage as well as a large offline customer base. Your Directors are putting in their best so as to extract the best potential of the Company and make it a leading Dotcom Company. The Directors have also planned to diversify and have already started to develop in other related fields like E-commerce, web applications and development, directory scripts, readymade website sellers, payment gateway and other internet and IT related activities which will result in increasing the present clientele of the company and thereby increasing its revenue. The Directors are hopeful of achieving better results in the next year barring unforeseen circumstances.

MEGRI SOFT LIMITED

SHARE CAPITAL

There have been no changes in the Authorized Share Capital, issued subscribed and paid share capital during the year under review. The authorized share capital was Rs. 33,000,000.00 divided into 33,00,000 equity shares of Rs. 10/- and the issued, subscribed and paid up share capital remained Rs. 3,14,07,000 divided into 31,40,700 equity shares of Rs. 10/- each fully paid.

CORPORATE GOVERNANCE

As per schedule of implementation of Corporate Governance Code mentioned in the clause 49 of listing Agreement, the company has implemented the mandatory requirements of the Code.

Pursuant to the provisions of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, a report on Corporate Governance figures as a part of the Annual Report. As required under Clause 49 of the Listing Agreement, the Auditors' Certificate regarding compliance of conditions of corporate governance is enclosed as Annexure

Your Company will continue to implement and adhere in letter and spirit to the policies of good corporate governance.

DIRECTORS

During the year 2008-09, Ms Aprajita Kohli was appointed as Additional Directors by the board at their meetings. The offices of Ms Aprajita Kohli as Additional Directors of the Company will expire at the ensuing Annual General Meeting. The Company has received notice from two members in accordance with the provisions of section 257 of the Companies Act, 1956, proposing their candidacy as Directors.

Mr. Rajneesh Sharma retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

None of the Directors of the Company are disqualified under the provisions of the Companies Act, 1956 or under the Listing Agreement entered with the Stock Exchanges.

Pursuant to the provisions of Clause 49 of the Listing Agreement, brief particulars of the retiring directors are provided as an annexure to the Notice convening the Annual General Meeting.

AUDITORS

M/s K.K.Bassi & Associates, Chartered Accountants, the statutory auditors of the company, retires at the forthcoming Annual General Meeting and being eligible and offered themselves for reappointment as Statutory Auditor. The said firm has furnished a certificate to the company to the effect that the proposed appointment, if made, will be in accordance with Section 224 (1B) of the Companies Act, 1956.

As regards their observation in the Auditors Report, the respective notes to the accounts are self-explanatory and therefore do not call for any further comments.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to sub section (2AA) of Section 217 of the Companies Act, your directors confirm that:

- (i) In the preparation of Balance Sheet and the Profit & Loss Account of the Company, the applicable accounting standards have been followed and there are no material departures.
- (ii) The Directors have 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 or Loss of the company for that year.
- (iii) The Directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956, for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities.
- (iv) The annual accounts have been prepared on a going concern basis.

MEGRI SOFT LIMITED

LISTING

The Shares of the company are listed at Ludhiana and Delhi Stock Exchange. All listing fees due of Stock Exchange paid up to 2010.

DIVIDEND

In order to strengthen the financial position of the company, your directors proposed to retain the profits for future growth & expansions therefore do not recommend any dividend for the year.

Audit Committee

The Committee met five times during the year. The Board of Directors has accepted all the recommendations of the Audit Committee.

Public Deposits

The Company is not accepting any deposits from the public with in the meaning of Section 58A of Companies Act, 1956.

Human Resources

Human resources play a key role in the performance of every organization. Your Company strongly believes that it is the employees who will make significant contribution to the success and growth of a business. The employee relations remained steady and harmonious through out the year under review resulting in high level of performance.

Employees are our vital and most valuable assets. We have created a favorable work environment that encourages innovation and meritocracy. We have also set up a scalable recruitment and human resources management process, which enables us to attract and retain high caliber employees.

PARTICULARS OF THE EMPLOYEES

The Company has no employee covered under Section 217(2A) of the Companies Act 1956; and thus the required information has not been furnished.

ENERGY, TECHNOLOGY, AND FOREIGN EXCHANGE

The company is neither engaged in the generation of energy thus the particulars as required under sub-clause (e) of sub-section (1) of section 217 of the Companies Act, 1956 are not given. The particulars regarding foreign exchange earning during the year of Rs.247.88 lacs only and expenditure in foreign currency is 9.29 Lacs.

Your Company continues to use state-of-the-art technology for improving the productivity and quality of its products and services. To create adequate infrastructure, your Company continues to invest in the latest hardware and software.

Disclosure of materially significant related party transactions

The Company has not entered into any transactions of material nature with the directors or management or their relatives etc. during the year, which may have potential conflicts with the interest of the Company. There is no pecuniary transaction with the independent/non-executive directors other than rent paid to Mr. M. Kohli and relatives.

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CASH FLOW STATEMENT

As required under clause 32 of the Listing Agreement, a cash flow statement is appended.

ENVIRONMENT AND SAFETY MEASURES

Adequate safety and environmental precautions have been implemented wherever deemed necessary.

Management Discussion And analysis Report

Pursuant to the provisions of Clause 49 of the Listing Agreement, a report on Management Discussion & Analysis is set out as Annexure to this Report.

CEO's DECLARATION

Pursuant to the provisions of Clause 49(I)(D)(ii) of the Listing Agreement, a declaration by the Director of the Company stating that all the members of the Board and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company, is set out as Annexure to this Report.

Acknowledgment

We thank our customers, vendors, investors and bankers for their continued support during the year. We place on record our appreciation of the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

We also thank the Government of India, particularly the Ministry of Communication and Information Technology, the Customs and Excise Departments, the Income Tax Department, the Ministry of Commerce, the Ministry of Finance, the Reserve Bank of India, the state governments, the Software Technology Parks (STPs) –Chandigarh and other government agencies for their support, and look forward to their continued support in the future.

For and on behalf of the Board

Chandigarh 02nd September 2010

**--SD--
(R.Sharma)
Director**

MEGRI SOFT LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report under the Listing Agreement with the Stock Exchange forms part of this Annual Report.

Overview

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, guidelines issued by Securities and Exchange Board of India (SEBI) and Generally Accepted Accounting Principles (GAAP) in India. Our Management accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present our state of affairs, profits and cash flows for the year.

Industry Overview and Development

The software industry in fact has spawned an emerging dotcom sector, and is responsible in large part for its current high powered growth. The strong software sector is now playing parent to the nascent dot com brigade, providing newbie with an edge over competitors. The dotcom companies have added repertoire of skills by including e-business and e-commerce solutions and expertise which is currently the hottest and most in-demand both in the overseas and in the domestic markets.

The dot com wave has also received a vital shot in the arm through the staunch backing of the strong NRI (Non-Resident Indian) community which has been spending power of the order of \$100 billion.

The Government too is playing indulgent patron. The Government of India's decision to increase Internet bandwidth will enable Internet penetration to rise which will help in expanding the dotcom business and increase the overall efficiency of the internet export business industry.

Opportunities and Threats

The company has a lot of scope of increasing its business in the coming times and have increased growth in sales because of the following edge which it has in comparison with other competitor firms as well as in the international business sector.

The company has a vast pool of English speaking and skilled manpower, which rates high on qualification, capabilities, and quality of work and work ethics which will help the company in its growth and expansion in the coming times.

The company's unique geographical location enables 24x7 service offering and reduction in turn around time due to time zone difference, thereby giving the best to its clients who will ultimately increase the company business and its performance. Our motto of manpower is providing services with not only proficiency but also efficiency.

With the increase in the dotcom business more and more firms are opting in this field which will increase the competition in the market with regards to cost and pricing. But the company has competed with the number of foreign firms as well as domestic competition in the past and is very confident of facing the future competition as well as emerging as a winner.

Because of the opening up of the software business sector and increasing work pressure of project deadlines there is a lot of pressure on people and salaries. The company has had a good track record of employee retention; therefore, it would be able to maintain the quality of the employees in the future as well.

MEGRI SOFT LIMITED

Internal Control System and their Adequacy

Megri Soft Limited has adequate internal control system and monitored by the Internal Audit Committee. The Audit Company is meeting periodically for reviewing the performance of the company and formulating policies/issuing guidance to the management as well for the internal audit of the company.

Financial Overview

The company is adequately funded to take care of its current growth plans through the funds generated by its operations.

Material Development in Human Resources and Environment

The company's track record in terms of people retention is very good. To effectively meet the future challenges of the company, plans have been drawn up and they are being executed to equip the human resources accordingly. Therefore, the company is adequately prepared for any risk in this business. The business of the company is non-polluting.

Statutory Compliance

The compliance officer ensures statutory compliance.

Cautionary Statement

Statement in the management discussion and analysis describing the company objectives, projections, estimates, expectations may be "forward looking statements" within the meaning of applicable securities law and regulation. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the companies operations include economic conditions affecting demand/supply and price conditions in domestic as well as overseas markets in which the company operates changes in the government regulation, tax law and other statutes and other incidental factors.

For and on behalf of the Board

--SD--
(R.Sharma)
Director

Chandigarh 02nd September 2010

MEGRI SOFT LIMITED

REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

Corporate Governance can be defined as a set of systems, processes and principals which ensures that the Company is governed in the best interest of all the stakeholders of the Company.

In compliance with Clause 49 to the Listing Agreement with the Stock Exchanges, the company submits the report on the matters mentioned in the said clause and practices followed by the Company.

Company's Philosophy on Code of governance

Megri Soft's philosophy on Corporate Governance envisages the attainment of the highest level of transparency and accountability, in all facets of its operations and in all transactions with its stakeholders including shareholders, employees, the Government and the lenders.

Megri Soft team believes that all its operations and actions must serve the underlining goal of enhancing overall shareholders value over a sustained period of time.

For upholding the level of corporate governance, company adheres to the best corporate practices and policies, adherence to the financial, legal and environmental obligations, maintaining customer's confidence by providing quality products and services, ensuring professional soundness and competency at all times.

Board of Directors

The Board of Directors of the Company directs the Company by formulating and reviewing Company's policies, strategies and business plans. The Board of the Company provides leadership and strategic guidance to the Company and exercises control over the Company, while remaining at all times accountable to the shareholders.

Composition of Board of Directors

The Board of Directors of the Company presently comprises of four Directors. The Board consists of eminent persons with considerable professional expertise and experience in business and industry, finance, audit, law and public enterprises. None of the Directors on the Board is a member of more than ten Committees and Chairman on more those five Committees in which he/she is Director. All the directors have made disclosure regarding their directorships and memberships on various Committees across all Companies in which they are Directors and Members.

The Company is not having any pecuniary relationship with any of its Directors hence no disclosure regarding the same is required.

Board Procedure

The meetings of the Board are convened by giving appropriate advance notice to the members of the Board.

The Secretary of the Company circulates internal notice to all the Board members and division heads asking for the suggestions/ details of any matter which requires discussion or approval of the Board so that the same could be incorporated in the agenda of the Board meeting. The date of the Board meeting is fixed taking into account convenience and availability of the Board members.

The agenda papers are circulated to the Directors in advance along with suitable explanatory notes. At each meeting detailed presentation and important documents are placed at the table of the meeting for discussion of individual agenda items. The minutes of the Committee of Board of Directors are taken as read at the meeting of Board for information of the members. The follow up actions of important agenda items of previous Board meeting are placed at the Board meeting for review of the Board.

The Secretary of the Company conducts the Board meetings and prepares all documents including minutes of the meeting in compliance with the provisions of the Companies Act and other statutory enactments.

MEGRI SOFT LIMITED

Directors retiring by Rotation

In compliance with provisions of the Companies Act, 1956, Sh. Rajneesh Sharma will be retiring by rotation and offer himself for re-appointment at the forthcoming Annual General Meeting and Ms Aprajita Kohli being eligible, offered herself for re-appointment.

Board Meetings

Total Number of Board Meetings held : 6

Quarter – I [April'09-June'09]	Quarter – II [July'09-Sept'09]	Quarter – III [Oct'09-Dec'09]	Quarter – IV [Jan'10-March'10]
30.04.2009	30.07.2009 18.08.2009 02.09.2009 30.09.2009	30.10.2009	29.01.2010 15.03.2010

Attendance of Directors at the Board of Directors Meetings held during 2009-10 and the last Annual General Meeting (AGM) held on 30.09.2009 are as follows:

Sr. No.	Name of Director	No. of Board Meetings attended	Attendance at the last Annual General Meeting	No. of other Directorship as on 31 st March, 2010
1.	Sh. Mohnesh Kohli	8	Yes	1
2.	Sh. Rajneesh Sharma	8	Yes	2
3.	Sh. Anil Goyal	8	Yes	NIL
4.	Sh. Ajay Jagga	4	Yes	NIL

Committees of the Board

The Board of Directors has constituted different committees to discuss, deal with matters in detail and to monitor the activities falling within the terms of reference and to discharge the roles and responsibilities as prescribed under Listing Agreement and/or the Companies Act, 1956 from time to time.

Audit committee

The Audit Committee was constituted in terms of Section 292A of the Companies Act, 1956 and as per the provisions of Clause 49 of the Listing Agreement. The Audit Committee of the Board is primarily responsible for internal controls and the financial reporting process. The Statutory Auditors are responsible for performing independent audits of the Company's financial statements in accordance with generally accepted auditing and accounting standards, and for issuing reports based on such audits. The Audit Committee has been entrusted by the Board of Directors to supervise these processes and reporting.

The Company has a qualified Audit Committee comprising of 3 Directors that is

1. Mr.R.Sharma
2. Mr. Anil Goyal
3. Sh Mohnesh Kohli

MEGRI SOFT LIMITED

During the Financial Year 2009-10, 5 (Five) meetings of the committee were held on 26th April 2009 26th May 2009, 17th July 2009, 26th October 2009 and 18th January 2010. For review of the annual financial results for the year 31st March, 2010, the meeting of the Audit Committee was held on 28th May, 2010.

The details of present composition of the committee and attendance of the members at the meetings are as under:

Name	Position	Date of Audit Committee meetings held				
		26.04.09	26.05.09	17.07.09	26.10.09	18.01.10
Sh. Rajneesh Sharma	Chairman	✓	✓	✓	✓	✓
Sh. Anil Goyal	Member	✓	✓	✓	✓	✓
Sh. Mohnesh Kohli	Member	✓	✓	✓	✓	✓

The broad terms of reference of the Audit Committee are:

1. Oversee the Company's financial reporting process and review its financial statements.
2. Recommend the appointment, re-appointment and if required, the replacement or removal of the statutory auditors and fixation of their fees.
3. Review of internal control and internal audit system.
4. Review of risk management policies and practices and also includes the following:
 - a. To investigate any activity within its terms of reference.
 - b. To seek information from any employee, if needed.
 - c. To obtain outside legal or other professional advice.
 - d. To secure attendance of outsiders with relevant expertise.

Share Transfer and Investors' Grievance Committee

The Share Transfer and Investors' Grievance Committee specifically looks in to redressing of shareholding and investors' complaints such as transfer of shares, non receipt of share certificates, non receipt of declared dividends and to ensure expeditious transfer process.

During the year five meetings of the Committee were held on 26th April 2009 14th June 2009, 17th July 2009, 26th October 2009 and 18th January 2010

The details of present composition of the committee and attendance of the members at the meetings are as under:

Name	Position	Date of Committee meetings held				
		26.04.09	14.06.09	17.07.09	26.10.09	18.01.10
Sh. R. Sharma	Chairman	✓	✓	✓	✓	✓
Sh. Anil Goyal	Member	✓	✓	✓	✓	✓
Sh. Mohnesh Kohli	Member	✓	✓	✓	✓	✓

All complaints received from the shareholders were resolved to their satisfaction.

The minutes of this committee are placed in the subsequent Board meeting. The Company Secretary in practice closely supervises the shareholders' grievances and co-ordinates with the regulatory authorities and other agencies.

MEGRI SOFT LIMITED

General Body Meetings

Particulars of Annual General Meetings and Extra Ordinary General Meetings held in last three years

Meeting	Year	Venue	Day & Date	Time
18 th A.G.M.	2009	SCF 80, Sector 47D, Chandigarh	Tuesday 30 th Sep., 2009	11.00 AM
17 th A.G.M.	2008	SCF 80, Sector 47D, Chandigarh	Tuesday 30 th Sep., 2008	9.30 AM
16 th A.G.M.	2007	SCF 80, Sector 47D, Chandigarh	Saturday 29 th Sep., 2007	9.30 AM

Insider Trading

Pursuant to Securities and Exchange Board of India [Prohibition of Insider Trading] Regulations 1992, the company has prescribed a Code of Conduct for Prevention of Insider Trading and a Code of Corporate Disclosure Practices.

Code of Conduct

The company has formulated a Code of Conduct for the Board members and Senior Management Personnel.

Secretarial Audit

The company has appointed a qualified Practicing Company Secretary to carry out secretarial audit regarding the total issued and listed capital.

Postal Ballot

No special resolution was put through Postal Ballot during the year 2009-2010.

Disclosures

There are no materially significant related party transactions of the Company which have potential conflict with the interests of the company at large.

No penalties have been imposed on the company by the stock exchanges where the company's shares are listed or by SEBI or any other statutory authority on any matter.

Means of Communication

The quarterly provisional financial results and annual financial results are filed in time with the Stock Exchange. The management discussion and analysis report giving an overview of the Industry, Company's Business and its financials is provided separately as a part of this Annual Report.

MEGRI SOFT LIMITED

GENERAL SHAREHOLDERS' INFORMATION

Annual General Meeting

Day, Date & Time
Venue

Thursday, 30th September 2010
SCO 80, Sector 47D, Chandigarh

Financial Calendar 2009-2010 (Tentative)

Results for the quarter ended 30 th June, 2009	By 31 st July, 2009
Results for the quarter ended 30 th Sep, 2009	By 31 st Oct, 2009
Results for the quarter ended 31 th Dec, 2009	By 30 th Jan, 2009
Audited Results for the quarter ended 31 st March, 2010	By 30 th April, 2010

Book Closure Dates :

Monday, 28th September 2010 to Wednesday, 30th September 2010 (Both days inclusive)

Listing on Stock Exchange

At present the Equity Shares of the Company are listed on Ludhiana and Delhi Stock Exchanges.

Share Transfer System

Presently the share transfer, which are received in physical form, are processed and the share certificates returned within a period of 30 days from the date of receipt, subject to their validity and completion of all formalities. The company has already initiated the process and procedure of demating of shares. The shareholding patten and the distribution of shareholding is annexed separately.

Pursuant to Clause 47C of the Listing Agreement, certificate on half yearly basis has been issued by the Company Secretary in Practice for due Compliance of Share Transfer Formalities by the Company. As per SEBI (Depositaries & Participants) Regulations, 1996, Certificates have also been received from the Company Secretary in Practice for timely dematerialization of shares and conduct of Secretarial Compliance on quarterly basis for reconciliation of the Share Capital of the Company.

Plant Location (Approved by STPI)

Megri Soft Limited, 539, Sector 36-B, Chandigarh 160036

Address for Correspondence and Registered Office

Megri Soft Limited, SCF 80 First floor, Backside Sector 47-D, Chandigarh 160047

MEGRI SOFT LIMITED

Declaration by CEO under Clause 49 of the Listing Agreement Regarding Adherence to the Code of Conduct

In accordance with Clause 49 sub-section I (D) of the listing agreement with the stock exchange, I hereby confirm that, all the Directors and the Senior Management personnel of the company have affirmed compliance to their respective Codes of conduct, as applicable to them for the Financial Year Ended March 31, 2010

The shareholder is treated like a customer at Megri Soft. The Company continues to improve quality of information by increasing transparency and investor friendly approach in its Annual Report. Queries and grievances are replied and we try to be as responsive to the shareholders.

The above represents the Company's philosophy on Corporate Governance.

The Auditors' Certificate as required and the annexure mentioned in the report forms a part of the Annual Report.

For and on behalf of the Board

Chandigarh 02nd September 2010

**--SD--
(R.Sharma)
Director**

MEGRI SOFT LIMITED

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT (S)

TO THE MEMBERS OF
MEGRI SOFT LIMITED

We have examined the compliance of conditions of corporate governance by MEGRI SOFT LIMITED ("the Company"), for the year ended on March 31, 2010, as stipulated in Clause 49 of the Listing Agreement of the Company with the stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance 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.

For and behalf of
K.K.Bassi & Associates
Chartered Accountants

--SD--

K.K.Bassi
Prop.

Chandigarh September 02nd 2010

MEGRI SOFT LIMITED

REPORT OF AUDITORS

To the Members of **M/S Megri Soft Limited.**

We have audited the attached Balance Sheet of Megri Soft Limited, as at 31st March, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto for. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the companies (Auditor's Report) Order, 2003 (as amended ('the Order') issued by the Central Government Of India in terms of sub-section (4A) of Section 227 Of the Companies Act 1956, we enclose in the Annexure a statement on the matter specified in the paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) in our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books
- (iii) the balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
- (iv) in our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (v) on the basis of the written representations received from the directors, as on 31st March 2010, and taken on record by the Board of Directors, we report that none of the directors of the company is disqualified as on 31st March 2010 from being appointed as director in term of clause (g) of sub section (1) of Section 274 of Companies Act, 1956;
- (vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010
 - b) in the case of Profit and Loss Account, of the profit of the company for the year ended on that date; and
 - c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

--SD--

(K.K.Bassi)
Prop.

For and on behalf of
K.K.Bassi & Associates
Chartered Accountants

CHANDIGARH 02nd September 2010

MEGRI SOFT LIMITED

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT (S)

TO THE MEMBERS OF
MEGRI SOFT LIMITED

We have examined the compliance of conditions of corporate governance by MEGRI SOFT LIMITED ("the Company"), for the year ended on March 31, 2010, as stipulated in Clause 49 of the Listing Agreement of the Company with the stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance 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.

**For and behalf of
K.K.Bassi & Associates
Chartered Accountants**

--SD--

**K.K.Bassi
Prop.**

Chandigarh September 02nd 2010

MEGRI SOFT LIMITED

ANNEXURE TO AUDITORS REPORT

Referred to in paragraph 1 of our report of even date on the accounts for the period ended 31.03.2010 of **M/S MEGRI SOFT LIMITED.**

1. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected
2. The company does not have any inventory and hence Para 4(ii) of the Companies (Auditors Report) Order 2003 is not attracted
3. The Company has not taken or given loans to any Companies, firms or other parties covered under the register maintained pursuant to Section 301 of the Companies Act, 1956 and hence Para 4(iii) is not of the Companies (Auditors Report) Order 2003 is not attracted.
4. The Company has an Internal control Procedure for purchase of Capital Goods and commensurate with the size of the Company and the Nature of its operations. No weakness has been noticed in the Internal Control Procedures adopted by the Company
5. Since there is no Transaction with the Companies, Firms or Other Parties entered in the Register Maintained Pursuant to Section 301, Para 4 (v) of the Companies (Auditors Report) Order 2003 is not attracted
6. The Company has not accepted any deposit during the year and Hence Para 4(vi) of the Companies (Auditors Report) Order 2003 is not attracted
7. The Company has an Internal Audit System commensurate with the size of the Company and the Nature of its operations.
8. Cost Records are not prescribed under Clause (d) of Sub-Section (1) of Section 209 of the Companies Act, 1956 for the Industry in which the Company is engaged in and hence Para 4(vii) of the Companies (Auditors Report) Order 2003 is not attracted
9. The Company is regular in remitting dues to the Statutory Authorities and there are no outstanding Disputes with the authorities as on the date of Balance Sheet
10. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year
11. As the Company has not taken any loan from Bank or Financial Institutions, Para 4 (xi) of Companies (Auditors Report) Order 2003 is not attracted.
12. In our opinion, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable.
13. The Company is not a Chit Fund Company and hence Para 4(xiii) of the Companies (Auditors Report) Order 2003 is not attracted

MEGRI SOFT LIMITED

14. The Company has maintained proper records of the transactions and contracts in respect of Investment in shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investments have been held by the Company in its own name or with valid ownership documents
15. The Company has not given any guarantees for loans taken by others and hence Para 4(xv) of the Companies (Auditors Report) Order 2003 is not attracted
16. No term loan was obtained by the Company during the Year and Hence para 4(xvi) of the Companies (Auditors Report) Order 2003 is not attracted.
17. No funds were raised by the company either on short term or on long term basis and hence para 4(xvii) of the Companies (Auditors Report) Order 2003 is not attracted
18. No allotment of share were made during the year and hence para 4(xviii) of the Companies (Auditors Report) Order 2003 is not attracted
19. No debentures were issued by the Company and hence para 4(xix) of the Companies (Auditors Report) Order 2003 is not attracted
20. No public issues were made by the Company and hence para 4(xx) of the Companies (Auditors Report) Order 2003 is not attracted
21. As per the information and explanations provided to us and based on the evidences available on records, No fraud was detected or reported during the year under review.

--SD--
(K.K.Bassi)
Prop.

For and on behalf of
K.K.Bassi & Associates
Chartered Accountants

Chandigarh 02nd September 2010

MEGRI SOFT LIMITED
BALANCE SHEET AS AT 31ST MARCH 2010

PARTICULARS	SCHEDULE	(Rs.)	
		AS AT 31.03.2010	AS AT 31.03.2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	31407000	31407000
Reserve & Surplus	2	33495173	22402712
		<u>64902173</u>	<u>53809712</u>
LOAN FUNDS			
Secured Loans			
Unsecured loans		NIL	NIL
TOTAL FUNDS EMPLOYED		<u><u>64902173</u></u>	<u><u>53809712</u></u>
APPLICATION OF FUNDS			
I FIXED ASSETS			
Gross Block	3	11665152	9022987
Less Depreciation		2013658	1782722
Net Block		<u>9651494</u>	<u>7240265</u>
II INVESTMENTS			
	4	17023100	16323100
III CURRENT ASSETS, LOANS AND ADVANCES			
Current Assets	5	26282065	15865192
Loans and Advances	6	13248081	15362112
		<u>39530146</u>	<u>31227304</u>
Less Current Liabilities and Provisions	7	<u>1302567</u>	<u>980957</u>
Net Current Assets		38227579	30246347
IV MISC. EXPENDITURE			
(to the extent not written off or adjusted)		NIL	NIL
TOTAL FUNDS APPLIED		<u><u>64902173</u></u>	<u><u>53809712</u></u>

NOTES TO ACCOUNTS 10
The Schedules referred to herein form an intergal part of the Balance Sheet

This is the Balance Sheet referred to our report of even Date

--SD--
(K.K.Bassi)
Prop.

For and on behalf of
K.K.Bassi & Associates
Chartered Accountants
Chandigarh 2nd September 2010

For and on the behalf of Board

--SD--
M.Kohli
Director

--SD--
R.Sharma
Director

MEGRI SOFT LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31st MARCH 2010

PARTICULARS	SCHEDULE	(Rs.)	
		AS AT 31.03.2010	AS AT 31.03.2009
INCOME			
Income from Operations		24788214	12539908
Other Income		1371404	1167852
TOTAL INCOME		<u>26159618</u>	<u>13707760</u>
EXPENDITURE			
Software Development Expenses	8	8349047	4322176
General & Administrative Expenses	9	6347673	3104029
Depreciation		230937	336386
Misc. Expenses w/off		NIL	NIL
TOTAL EXPENDITURE		<u>14927657</u>	<u>7762591</u>
PROFIT BEFORE TAX		11231961	5945169
Provision for Tax		139500	146800
PROFIT AFTER TAX		11092461	5798369
Balance Carried to Balance Sheet		11092461	5798369

NOTES TO ACCOUNTS 10
The Schedule referred to herein form an
intergal part of the Profit and Loss Account

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

For and on behalf of Board

--SD--
(K.K.Bassi)
Prop.
For and on behalf of
K.K.Bassi & Associates
Chartered Accountants
Chandigarh 2nd September 2010

--SD--
M.Kohli
Director

--SD--
R.Sharma
Director

SCHEDULES FORMING PART OF THE BALANCE SHEET
As AT 31ST MARCH 2010

	(Rs.)	(Rs.)
SCHEDULE 1	AS AT	AS AT
SHARE CAPITAL	31.03.2010	31.03.2009
Authorised		
3300000 Equity Shares of Rs. 10/- each	<u>33000000</u>	<u>33000000</u>
	<u>33000000</u>	<u>33000000</u>
Issued subscribed and paid-up		
3140700 equity shares of Rs. 10/- each fully paid up in cash (previous year		
3140700 equity shares of Rs.10/- each fully paid-up	31407000	31407000
	<u>31407000</u>	<u>31407000</u>

	(Rs.)	(Rs.)
SCHEDULE 2	AS AT	AS AT
RESERVE AND SURPLUS	31.03.2010	31.03.2009
Profit & Loss Account		
Balance as per last accounts	22402712	16604343
Addition during the year	<u>11092461</u>	<u>5798369</u>
	<u>33495173</u>	<u>22402712</u>

M/S MEGRI SOFT LIMITED
Schedule-3
FIXED ASSETS
Depreciation as per company Act

Particulars					DEPRECIATION				NET BLOCK	
	Balance as on 01.04.2009	Additions to Assets	Deduction & Adjustment	Total as on 31.03.2010	Depreciation as on 01.04.2009	Depreciation Charged to capital	Deduction & Adjustment	Total as on 31.03.2010	As on 31.03.10	As on 31.03.2009
Furniture & Fixtures	448660	127730	----	576390	276182	16380	----	292562	283828	172478
Computer	1583199	275145	----	1858344	775739	153017	----	928756	929588	807460
Generator	14625		----	14625	2085	596	----	2681	11944	12540
Air Conditioner	327750	0	----	327750	61899	12628	----	74527	253223	265851
Office Equipment	282188	0	----	282188	157683	5914	----	163597	118591	124505
Vehicles	601699	1277000		1878699	509133	42402		551535	1327164	92566
Web Properties	5764866	962290		6727156					6727156	5764866
	9022987	2642165		11665152	1782722	230937		2013658	9651494	7240266

SCHEDULE 4	(Rs.)		(Rs.)	
	AS AT	AS AT	AS AT	AS AT
	31.03.2010	31.03.2010	31.03.2009	31.03.2009
INVESTMENTS (At Cost)	Qty.	Value	Qty.	Value
Quoted(Equity Shares)				
Himalayan Financial Service Limited	281600	2816000	281600	2816000
Investment in Mutual Funds				
DSP ML Opportunities fund		25000		25000
HDFC Top 200 Fund		25000		25000
ICICI Prudential Infrastructure		50000		50000
Kotak 30 Fund		25000		25000
Kotak Opportunity Fund		25000		25000
Kotak Top 30 Fund		25000		25000
Reliance Diversified Power Sector Fund		25000		25000
Reliance Fixed Horizon Fund		100000		100000
Reliance Regular Saving Fund		525000		25000
IDFC Premier Equity Fund-Growth		25000		25000
Birla monthly income plan		100000		0
Birla sunlife frontline equity fund		30000		0
Birla sunlife monthly income plan		100000		0
HDFC mutual fund		100000		0
HDFC monthly Income plan		200000		0
HDFC Top 200		50000		0
Principal monthly income plan		50000		0
Reliance diversified power fund		25000		0
Reliance growth fund		45000		0
Reliance monthly income fund		50000		0
Reliance monthly income plan		500000		0
Standard chartered saving fund		25000		0
Tata smart investment plan		25000		0
Total Mutual Funds		2150000		350000
Unquoted(Equity Shares)				
Basel Infovest Limited	440000	4400000	440000	4400000
Consolidated Dealers Limited	149000	1490000	149000	1490000
Dynamic Petro Products Ltd..	262000	2620000	262000	2620000
Kohli & Kohli Financial Consultants Limited	152000	1520000	152000	1520000
Megri Export Limited	24500	245000	24500	245000
Nannu Holdings Limited	36000	360000	36000	360000
Plato Polymers Limited	20000	200000	20000	200000
Consolidated Capital Investcare Limited	122210	1222100	232210	2322100
	1487310	17023100	1597310	16323100

	(Rs.)		(Rs.)	
	AS AT		AS AT	
SCHEDULE 5	31.03.2010		31.03.2009	
CURRENT ASSETS				
Inventory (At Cost)		NIL		NIL
(As Taken, Valued & certified by Management)				
Sundry Debtors				
(Unsecured Considered Good)				
Debts over six months	3475000		3475000	
Debts Less than six months	<u>1907985</u>	5382985	<u>310826</u>	3785826
Cash & Bank Balance				
Cash and cheque in hand		276689		45459
Balance with Scheduled Bank in Current Account	3425685		669841	
Fixed Deposit Account	<u>17196706</u>	20622391	<u>11364066</u>	12033907
		<u>26282065</u>		<u>15865192</u>

	(Rs.)		(Rs.)	
	AS AT		AS AT	
SCHEDULE 6	31.03.2010		31.03.2009	
LOANS AND ADVANCES				
(Unsecured considered good)				
Advances received in cash or in kind or value to be received				
Advances for Business		8550870		5650870
Other Advances		4697211		2911242
Advances to subsidiary		0		6800000
		<u>13248081</u>		<u>15362112</u>

	(Rs.)		(Rs.)	
	AS AT		AS AT	
SCHEDULE 7	31.03.2010		31.03.2009	
CURRENT LIABILITIES AND PROVISIONS				
Current Liabilities				
Other Liabilities		982042		768367
Provisions		<u>320525</u>		<u>212590</u>
		<u>1302567</u>		<u>980957</u>

	(Rs.)	(Rs.)
	AS AT	AS AT
SCHEDULE 8	31.03.2010	31.03.2009
Software Development Expenses		
Personal Expenses	4679024	2579771
Software Development Expenses	1602923	552186
Web Development Expenses	2067100	1190219
	<u>8349047</u>	<u>4322176</u>

	(Rs.)	(Rs.)
	AS AT	AS AT
SCHEDULE 9	31.03.2010	31.03.2009
General & Administrative Expenses		
Office Expenses	21599	86425
Rent,Rates & Taxes	671920	564948
Operating Expenses	2635288	469162
Communication Expenses	559894	437554
Financial Expenses	2343673	1480022
Audit Fee	20000	20000
Income Tax	95299	45918
	<u>6347673</u>	<u>3104029</u>

MEGRI SOFT LIMITED

SCHEDULE NO.10 NOTES FORMING PART OF THE ACCOUNTS

1. Significant Accounting Policies

The significant accounting policies adopted in the preparation of this financial report are set out below and are consistent with those of the previous year unless otherwise stated.

(a) Basis of Presentation

The financial statements are prepared under the historical cost convention, in accordance with Indian Generally Accepted Accounting Principles ("GAAP") on the accrual basis. GAAP comprises mandatory accounting standards issued by the Institute of Chartered Accountants of India ("ICAI") and the provisions of the Companies Act, 1956. These accounting policies have been consistently applied for except primary market brokerage which is accounted on cash basis.

(b) Fixed Assets

Fixed Assets are stated at cost of acquisition including any attributable cost to bring the assets to their working condition, less depreciation which is provided using the straight-line method, based on useful lives as estimated by the management.

(c) Depreciation

Depreciation on assets for own use is provided on straight-line method on pro-rata basis at the rates prescribed in Schedule XIV to the Company's Act, 1956. No depreciation charged on Assets not put in to use during the year. The assets which have been used by the company for running its revenue operations have been charged to the revenue account and the depreciation on rest of the assets used for development of portals is being capitalized.

(d) Valuation of stock-in-trade

Stock-in-Trade is valued at cost or market value whichever is lower

(e) Revenue Recognition:

The company's revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue and costs, if applicable, can be measured reliably. Revenue is recognized in the Income Statement as follows:

- (i) Revenue from services rendered is recognized as the service is performed.
- (ii) Revenue from the sale of Software products is recognized when the sale is completed with the passing of title.
- (iii) Incomes from domain registration, web hosting, set-up and configuration charges are recognized on activation of customer account.
- (iv) Revenue from software and web development contracts are priced on the completion of development work.

(f) Investments

Long term investments are stated at cost. Provision for diminution in long term investments is made, if it is permanent. Short term Investments if any are stated at cost or fair market value whichever is lower.

(g) Capital Work in progress

The company is in process developing certain Web portals/vortals and the expenditure on the same is being treated as Capital Work in progress like expenditure in the nature of salaries, travel expenses, internet expenses, server maintenance expenses etc. The expenditure is treated as deferred revenue expenditure is being amortised over a period of five years from the date completion of the project (web portals), as the company expects to derive benefits of the same in the coming future years.

MEGRI SOFT LIMITED

(h) Foreign Exchange

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Any income or expense on account of exchange differences either on settlement or on translation of transaction other than those relating to fixed assets is recognized in the Profit and Loss in the respective head.

(i) Taxation

Provision for taxation (if any) is to be made in accordance with the provisions of the Income Tax Laws prevailing in the relevant assessment year. Deferred tax resulting from timing differences between book and tax profits is to be accounted for, by the Company, at the current rate of tax, to the extent that the timing differences are expected to crystallize.

(j) Accounting for Contingencies

Accounting for contingences (gains & losses) arising out of contractual obligations are made only on the basis of mutual acceptance. Events occurring after the date of balance sheet, where material, are considered up to the date of adoption of accounts.

(k) Earnings Per Share

The earnings considered in ascertaining the Company's earnings per share comprise the net profit or loss for the year attributable to the equity shareholders. Earning per share are computed using the weighted average number of shares outstanding during the year.

2. In the opinion of the Board, current assets, loan and advances have a value at least equal to the amounts shown in the balance sheet, if realised in the ordinary course of the business. The provisions for all known liabilities are adequate and not in excess of the amount considered reasonably necessary.
3. Based on the available information with the management, the Company does not owe any sum to a small scale industrial undertaking as defined in clause (j) to Section 3 of the Industrial (Development and Regulation) Act, 1951.
4. Sitting Fees payable to Directors have been waived by each one of them.
5. Contingent liabilities in respect of:
Guarantee given by bank on behalf of the company Rs.16500/-
6. The expenses incurred by the directors on foreign traveling during the financial year 2009-10 is Rs.2.94 Lacs. Auditors remuneration paid for the financial year 2009-10 is Rs.18000/-
7. As on date there is no subsidiary of the Company. Rent amounting to Rs.1.32 lakhs is paid to Mr. M. Kohli and relatives.

8. Earnings per share	Year ended 31.03.2009	Year ended 31.03.2010
a) Calculation if weighted Average number of equity shares of Rs.10 each		
No. of shares at the beginning of the year	3140700	3140700
Shares issued during the year	NIL	NIL
Total Equity Shares at the end of the year	3140700	3140700
Weighted average no. of equity shares during the year	3140700	3140700
b) Net Profit after tax available for Equity shareholders (in Rs.)	5798369	11231961
c) Basic and diluted earnings per share (in Rs.)	1.85	3.58

MEGRI SOFT LIMITED

9. Previous years figures are regrouped / reclassified wherever necessary to make them comparable with current year figures.
10. Deferred Tax provision Rs. 86052/- (Previous year Rs. 7720/-)
11. Total Income include Interest Amount of Rs. 1371403/- (Previous Year Rs. 1167852/-)
12. Schedule 1 to 10 form an integral part of the Balance Sheet and Profit & Loss Account.

"AUDITOR'S REPORT"

As Per our report of even
Date attached.

--SD--
(K.K.Bassi)
Prop.

For and on behalf of
For K.K.Bassi & Associates
Chartered Accountants

Chandigarh 02nd September 2010

For and on Behalf of Board of Directors

--SD--
(M.Kohli)
Director

--SD--
(R.Sharma)
Director

MEGRI SOFT LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
AS PER IV TO SCHEDULE VI OF THE COMPANIES ACT, 1956

REGISTRATION DETAILS:

Registration No. 11996 State Code 53

Balance Sheet Date: 31 03 2010
Date Month Year

II. CAPITAL RAISED DURING THE YEAR: (Amount in Rs.'000)

Public Issue NIL Rights Issue NIL

Bonus Issue NIL Private Placement NIL

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS: (Amount in Rs.'000)

Total Liabilities 64902 Total Assets 64902

SOURCES OF FUNDS:

Paid Up Capital 31407 Reserves and Surplus 33495

Secured Loans NIL Unsecured Loans NIL

APPLICATION OF FUNDS:

Net Fixed Assets 9651 Investments 17023

Net Current Assets 38228 Miscellaneous NIL

Accumulated Losses NIL

IV. PERFORMANCE OF COMPANY: (Amount in Rs. '000)

Turnover (Total) 26160 Total Expenditure 14928

Profit before Tax 11232 Profit after Tax 11092

Earnings per Share in Rs. 3.58 Dividend Rate NIL

V. GENERIC NAME OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY:

(As per monetary term)

Item Code No. (ITC Code)	Product Description
Not Applicable	Information Technology and Software Development.

As Per our report of even date attached.

--SD--

(K.K.Bassi)

Prop.

For and on behalf of
For K.K.Bassi & Associates
Chartered Accountants
Chandigarh 02nd September 2010

--SD--

(M.Kohli)

Director

--SD--

(R.Sharma)

Director

MEGRI SOFT LIMITED

MEGRI SOFT LIMITED

Cash Flow Statement for the year ended 31st March, 2010 as per clause 32 of the Listing Agreement Previous Year

	Rs. 31.03.2009	Rs. 31.03.2010
A. CASH FLOW FROM OPERATING ACTIVITIES NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	5945169	11231961
Adjustments for:		
Depreciation & Miscl. Expenditure	336386	230937
Profit of sale of Fixed Assets	--	--
Interest on Deposits	(1167852)	(1355650)
Dividend Received	--	(15753)
Provision for Doubtful Debts written off	--	--
Provision for Deferred tax	7720	86052
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	5121423	10177547
Adjustments for:		
Trade and Other Receivables	(3225152)	(1597159)
Inventories	--	--
Trade Payables	(980957)	(1302567)
CASH GENERATED FROM OPERATIONS	915314	7277821
Interest Paid		(23242)
Direct Taxes Paid	(627756)	(1785942)
Cash Flow before Extraordinary items	287558	5468637
Net Cash from Operating Activities	287558	5468637
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1915516)	(2642165)
Advance for Capital Expenditure	--	---
Purchase of Investments	(350000)	(2900000)
Sale of Investments	--	--
Misc. Expenditure	--	--
Interest Received	1167852	1355650
Change in Loans & Advances	(3807512)	1689321
NET CASH USED IN INVESTING ACTIVITIES	(4905176)	(2497194)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Term Loan	---	--
Proceeds from long term borrowing	---	--
Dividend Paid	---	--
NET CASH FROM FINANCING ACTIVITIES	----	--
NET INCREASE IN CASH & CASH EQUIVALENTS	(4617618)	2971443
EQUVALENTS (A+B+C)	(A+B+C)	
CASH AND CASH EQUIVALENTS (OPENING BALANCE)	5362899	745281
CASH AND CASH EQUIVALENTS (CLOSING BALANCE)	745281	3716724

MEGRI SOFT LIMITED

Note:

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as Set out in Accounting Standard – 3 on Cash Flow Statement issued by The Institute of Chartered Accountants Of India.
2. All Figures in brackets are negative figures.
3. Previous years' figures have been regrouped wherever necessary.

For and on behalf of the Board

Chandigarh 02nd September 2010

--SD--
(M.Kohli)
Director

--SD--
(R.Shama)
Director

MEGRI SOFT LIMITED

MEGRI SOFT LIMITED
Registered Office:
SCF 80
Sector 47-D
Chandigarh 160047

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING HALL (Folio No., name and address of the members/joint holder(s) given on the envelope in BLOCK LETTERS TO BE FURNISHED BELOW)

FOLIO/REF. NO.	NO. OF SHARES
NAME OF MEMBER	
ADDRESS	

I hereby record my presence at the 19th Annual General Meeting of the Company held on Thursday, the 30th day of September 2010, at 11:00 A.M, at SCF 80, Sector 47-D Chandigarh

Signature of the Member or Proxy

- Note: (i) Member(s)/Proxy (ies) are requested to bring Attendance Slip duly signed and filled in at the Meeting and hand it over at the gate.
(ii) Members attending the Meeting are requested to carry their copy of the Annual Report.

MEGRI SOFT LIMITED
Registered Office: # SCF 80 Sector 47-D Chandigarh 160047

PROXY FORM

(folio No. name and address of the member/joint holder(s) given on the envelope in BLOCK LETTERS to be furnished below)

I/We, (Name/s) _____
(Address) _____

_____ being a Member/Members of Megri Soft Limited hereby appoint
(Name) _____
(Address) _____ or failing him (Name) _____
(Address) _____ as my/our proxy to vote for me/us and on my/our behalf at the 19th Annual General Meeting of the Company to be held on Thursday, the 30th day of September 2010, at 11:00 A.M. and at any adjournment thereof.

Signed this _____ day of _____ 2010

Signed by the said _____

Affix
Revenue
Stamp of
Re 1/-

Note: The proxy form should be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.

BOOK-POST (U.F.C.)

If Undelivered Please Return to :

Megri Soft Limited

SCF 80, Sector 47-D

Chandigarh - 160 047