

# Megri Soft Limited

## Notice

NOTICE is hereby given that the **23rd Annual General Meeting (AGM)** of the Members of **MEGRI SOFT LIMITED** will be held at SCO 80, Sector 47-D Chandigarh on Tuesday, the 30<sup>th</sup> day of September 2014 at 9:30 A.M. to transact the following business(s):-

### Ordinary Business

1. To receive, consider and adopt the Audited Statement of Profit & Loss for the financial year ended 31 March, 2014 and the Balance Sheet as at that date together with the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr Mohnesh Kohli (DIN 01784617), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration by passing the following resolution, with or without modification(s), as an **Ordinary Resolution**:  
"RESOLVED THAT M/s K K Bassi & Associates, Chandigarh, Chartered Accountants (Registration No. 005539N), the retiring auditors, be and are hereby re-appointed as auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company for auditing the accounts of the Company for the financial year 2014-15, at a remuneration to be fixed by the Board of Directors/Committee thereof."

### Special Business

4. Appointment of Mr. Anil Kumar Goyal (DIN 00874488) as an Independent Director of the Company To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:  
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed thereunder, read with Schedule IV to the Act (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Anil Kumar Goyal (DIN 00874488), a Non-Executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 2 (two) consecutive years with effect from 30 September, 2014 upto 29 September, 2016."
5. Appointment of Mr. Ajay Jagga (DIN 02637549) as an Independent Director of the Company To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:  
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Ajay Jagga (DIN 02637549), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Non-Executive Independent Director of the Company, not liable to retire by rotation hold office for a term of 2 (two) consecutive years with effect from 30 September, 2014 upto 29 September, 2016."

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6. Appointment of Mr Rajnesh Sharma (DIN 02528435) as a Whole-Time Director of the Company. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded for the re-appointment of Mr Rajnesh Sharma (DIN 02528435) as a Whole-Time Director of the Company, to hold office for a term of 5 (five) consecutive years with effect from 1 October, 2014 upto 30 September, 2019 on the terms and conditions as specified in the statement pursuant to Section 102 of the Act annexed to this Notice and on the remuneration, which is as follows:

S. No.	Particulars	Amount (Rs.)
1	Basic Pay	Upto Rs. 7,00,000 p.a
2	Other Perquisites	Upto Rs. 3,00,000 p.a

**FURTHER RESOLVED THAT** the Board of Directors of the Company be and is hereby authorised to alter and vary the designation, terms and conditions of appointment and/or remuneration, as recommended by the Nomination and Remuneration Committee of the Board, subject to the above limits.

**FURTHER RESOLVED THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. To consider adoption of newly substituted Articles of Association of the Company containing regulations in line with the Companies Act, 2013, and if thought fit, to pass with or without modification, the following resolution as **SPECIAL RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 (statutory modification (s) or re-enactment thereof, for the time being in force), the new draft Articles as contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company. **RESOLVED FURTHER THAT** the Board of Directors of the Company (including a Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

Place: Chandigarh  
Date: September 2, 2014  
CIN: L72200CH1992PLC011996

Registered Office:  
First Floor, SCO 80, Sector 47 D  
Chandigarh ( UT) 160047

By order of the Board of Directors  
Megri Soft Limited

Rajnesh Sharma  
(Director)

## Megri Soft Limited

### Notes:

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll instead of himself and such proxy need not be a member of the Company.** A person can act as proxy on behalf of members not exceeding fifty (50) who are holding, in the aggregate, not more than ten percent of the total share capital of the Company. The enclosed proxy form, if intended to be used, should reach the registered office of the Company duly completed not less than forty eight hours before the scheduled time of the meeting.
2. Members are requested to bring their attendance slip along with their copy of annual report to the meeting.
3. In the case of joint holders attending the meeting, only such joint holder who is higher in order of names will entitled to vote.
4. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of the special businesses set out above is annexed hereto.
5. The Register of members will remain closed on from 27th September 2014 (Saturday) to 30th September 2014 (Tuesday) (both days inclusive).
6. The relevant details as required under Clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment/re-appointment as Directors at the AGM are furnished and forms part of the Notice.
7. Corporate members intending to send their authorized 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.
8. All documents referred to in the notice are open for inspection at the registered office of the Company between 10.00 am to 5.00 pm on any working day prior to the date of the meeting and will also be available at the meeting venue on the date of the meeting.
9. 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 are, therefore, requested to submit the PAN to Company.
10. Members holding shares are requested to intimate all changes with respect to their bank details, mandate, nomination, power of attorney, change of address, e-mail address, change in name etc. immediately to the Company.
11. To support the 'Green Initiative', the Members are requested to register/update their email id's, contact details and addresses with the Company for receiving all communications including Annual Report, Notices, Circulars, etc., from the Company electronically

### **Details Of Directors Seeking Appointment/Re-Appointment As Required Under Clause 49 Of The Listing Agreement With The Stock Exchanges**

#### **Item No. 2**

Mr. Mohnesh Kohli (DIN: 01784617), aged 52, is a Fellow Member of the Institute of Chartered Accountants of India. He is a Chartered Accountant in practice by profession having more than 28 years' experience in the area of accountancy and Financial consultancy.

He is not a director of any limited company. He holds 638000 equity shares in the Company

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The Board considers that his association would be of Immense benefit to the Company and it is desirable to continue to avail services of Mr. Mohnesh Kohli (DIN: 01784617) as an Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Mohnesh Kohli as an Director, for the approval by the shareholders of the Company.

Except Mr. Mohnesh Kohli being an appointee, Rajnesh Sharma and Aprajita Kohli relatives none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 2.

### Item No. 4

Mr. Anil Kumar Goyal, aged 60 years (DIN:00874488), is a Fellow Member of the Institute of Chartered Accountants of India. He is a Chartered Accountant in practice by profession having more than 30 years' experience in the area of accountancy and Financial consultancy.

He is also a director Professionals Consultancy Services Ltd, Sakshi Farms Pvt Ltd, Crystal Finlease Private Limited, Health City Private Limited, Sustainability Services Private Limited. He holds no equity shares in the Company.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Anil Kumar Goyal, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for term of 2 (two) consecutive years with effect from 30 September, 2014 upto 29 September, 2016.

A notice has been received from a member proposing Mr. Anil Kumar Goyal as a candidate for the office of Director of the Company. In the opinion of the Board, Mr. Anil Kumar Goyal fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is Independent of the management. Copy of the draft letter for appointment of Mr. Anil Kumar Goyal as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his association would be of Immense benefit to the Company and it is desirable to avail services of Mr. Anil Kumar Goyal as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Anil Kumar Goyal as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Anil Kumar Goyal being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges. Notice have been received from member(s) signifying their intention to propose appointment of these Directors along with a deposit of Rs.1,00,000

### Item No. 5

Mr. Ajay Jagga (DIN:02637549), aged 50, is an Advocate practicing in High Courts Chandigarh. He is having more than 28 years' experience in the area of taxation and legal matters

He is not a director in any other public limited Company. He holds 500 shares in the Company

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Mr. Ajay Jagga (DIN:02637549) is a non-executive independent Director whose period of office is liable to determination by retirement of directors by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 1956, Ajay Jagga (DIN:02637549) being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for term of 2 (two) consecutive years with effect from 30 September, 2014 upto 29 September, 2016.

A notice has been received from a member proposing Mr. Ajay Jagga as a candidate for the office of Director of the Company. In the opinion of the Board, Mr. Ajay Jagga fulfils the conditions specified in the Companies Act, 1956 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Mr. Ajay Jagga as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Ajay Jagga as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Ajay Jagga as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Ajay Jagga being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges. Notice have been received from member(s) signifying their intention to propose appointment of these Directors along with a deposit of Rs.1,00,000

### Item No. 6

Mr Rajnesh Sharma (DIN: 02528435), is a technical graduate and is having more than 20 years' experience in the area of finance and web services. Mr Rajnesh Sharma joined the company in 1998 and is assisting the company in financial and web related matters from time to time.

Pursuant to Rule 13 of the Companies (Appointment & Qualification of Directors) Rules, 2014, the members of the Company are hereby informed that the Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013 ("Act"), from a member alongwith a deposit of Rs. 1,00,000/- proposing the candidature of Mr Rajnesh Sharma (DIN: 02528435), for the office of Whole - Time Director of the Company, to be appointed as such under the provisions of Section 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force).

The Company has received from Mr Rajnesh Sharma, Whole Time Director of the Company, the following disclosures as per the relevant provisions of Companies Act, 2013:

- Consent in writing to act as Director of the Company pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014 and
- Intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification
- of Directors) Rules, 2014 to the effect that not disqualified under sub-section (2) of Section 164 of the Act.

## **Mcgri Soft Limited**

Considering his valued contribution in the conduct and growth of business, the Nomination and Remuneration Committee of the Board has recommended his appointment as a Whole - Time Director (designated as Director - Financial) of the Company, liable to retire by rotation, to hold office for a term of 5 (five) consecutive years with effect from 1 October, 2014 upto 30 september, 2019.

Pursuant to the provisions of Section 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Board of Directors of the Company recommend the passing of the resolution set out under Item No. 6 as an Ordinary Resolution.

He is not a director in any other public limited Company. He holds 60800 shares in the Company

Except Mr Rajnesh Sharma being an appointee, Mohanesh Kohli and Aprajita Kohli relatives none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges. Notice have been received from member(s) signifying their intention to propose appointment of these Directors along with a deposit of Rs.1,00,000

### **Item No. 7**

The Articles of Association of the Company as currently in force was originally adopted when the Company was incorporated under the Companies Act, 1956. The references to specific sections of the Companies Act, 1956 in the existing Articles of Association may no longer be in conformity with the Companies Act, 2013.

Considering that substantive sections of the Companies Act which deal with the general working of the companies stand notified, it is proposed to amend the existing Articles of Association to align it with the provisions of Companies Act, 2013 and new set of articles is placed for adoption.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at item No.7 of the Notice. The Board recommends the Special Resolution set out at item No. 7 of the Notice for approval by the members.

For and on behalf of the Board

Place: Chandigarh  
Date: September 2, 2014

Rajnesh Sharma  
Director

# Megri Soft Limited

## Director's Report

Dear Members,

Your Directors are delighted to present the 23rd Annual Report on our business and operations together with the Audited Accounts for the year ended March 31, 2014.

### Results Of Operations

Particulars	Year Ended 31.03.2014 (Rs. In Lacs)	Year Ended 31.03.2013 (Rs. In Lacs)
Total Income	500.77	688.30
Gross Operating Profit/Loss	254.24	329.65
Depreciation	29.13	28.51
Profit/Loss Before Taxes	225.11	301.14
Provision for Taxation	24.52	36.77
Net Profit/Loss After Tax	200.59	264.37
Net Profit/Loss Carried To Balance Sheet	200.59	264.37
Paid Up Share Capital	314.07	314.07

### Operational Review and Prospects

During the year under review, the company has been carrying on dotcom and information technology business, 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 IT/ITES services to the clients also.

### Finances

This year the company registered income from operation around Rs. 500.77 Lacs as compared to last year of Rs. 688.30 Lacs and also registered a net profit (after taxes) of Rs. 200.59 Lacs which is lower than last year's profits of Rs. 264.37 (after taxes). There has been decline in profit as well as sale as compare to previous year because of decline in major services relating to search engine carried out by company. However company has already starting diversifying to new technologies of mobile and web application development. The company has started further development of its web portal and vortal on variou subject.

### Transfer to General Reserve

We propose to transfer 20.06 lacs (10% of the standalone net profit of the year) to the general reserve. An amount of 180.53 lacs proposed to be retained in surplus.

### 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.

## **Megri Soft Limited**

The planned list of the company's web portals is very large, 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.

### **Share Capital**

There have been no changes in the Authorized Share Capital, Issued subscribed and paid-up 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**

Your Company always places a major thrust on managing its affairs with diligence, transparency, responsibility and accountability thereby upholding the important dictum that an Organization's corporate governance philosophy is directly linked to high performance.

The Company is committed to adopting and adhering to established world-class corporate governance practices. The Company understands and respects its fiduciary role and responsibility towards its stakeholders and society at large and strives to serve their interests, resulting in creation of value and wealth for all its stakeholders.

The Company also adopted a Policy on Prevention of Sexual Harassment at workplace in compliance with the requirements of the "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and constituted an internal complaints committee to look into the complaints of sexual harassment in terms of provisions of the said Act.

The compliance report on corporate governance and a certificate from M/s K K Bassi & Associates, Chandigarh, Chartered Accountants, Statutory Auditors of the Company regarding compliance of the conditions of Corporate Governance, as stipulated under Clause 49 of the listing agreement with the Stock Exchanges, is attached herewith.

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



## Megri Soft Limited

### Directors

The Board of Directors of the Company is duly constituted and comprises of highly qualified and experienced professionals. During the year under review, there has been few change in the composition of the Board of directors of your Company.

The Companies Act, 2013 provides for appointment of independent directors for a term of up to five consecutive years on the Board of a Company and that they shall be eligible for re-appointment on passing a resolution by the shareholders of the company. Further, it provides that no independent director shall be eligible for more than two consecutive terms of five years. As per sub-section (13) of the Section 149 of the Companies Act, 2013 the provisions of retirement by rotation do not apply to independent directors. The company's Independent directors were appointed as directors liable to retire by rotation under the provisions of the erstwhile Companies Act, 1956.

Therefore, in accordance with the requirements of the Companies Act, 2013, Mr Ajay Jagga the existing Independent Directors are proposed to be appointed for a term upto two consecutive years. During this period of 2 years they shall not be liable to retire and seek appointment at the AGM. Mr Anil Kumar Goyal is also proposed to be appointed as Independent Directors for a term up to two consecutive years. During this period of 2 years they shall not be liable to retire and seek appointment at the AGM.

Further, as per Companies Act, 2013, not less than 2/3rd (Two-third) of total number of Directors (other than Independent Directors) shall be liable to retire by rotation. Accordingly, Mr. Mohncsh kohli is liable to retire by rotation and, being eligible, offers himself for re-appointment.

Mr Rajnesh Sharma, Director of the Company, has given his consent and offered himself for appointment as Whole-Time Director of the Company pursuant to Section 196, 197, Schedule V and other applicable provisions of Companies Act, 2013, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Your directors recommended his appointment as Whole-Time Director of the Company in the ensuing Annual General Meeting.

### Auditor's Report

There was no qualification in the Auditors Report and both the Auditors Report & notes on accounts are self-explanatory.

### Auditors

M/s K K Bassi & Associates, Chandigarh (FRN-005539N), Chartered Accountants hold office until the conclusion of forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

# Megri Soft Limited

## Director's Responsibility Statement

In terms of provisions of Section 217(2AA) of the Companies Act, 1956, ("Act"), your Directors confirm that:

1. In the preparation of annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures, wherever applicable.
2. They 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 period.
3. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. The annual accounts have been prepared on a going concern basis.

## Listing Of Shares

The Equity Shares of the company are listed at Ludhiana and Delhi Stock Exchange. All listing fees due of Stock Exchange paid up to 2014.

## 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 four times during the year. The Board of Directors has accepted all the recommendations of the Audit Committee.

## Public Deposits and Liquidity

We continue to be almost debt-free, and believe we maintain sufficient cash to meet our strategic objectives. During FY 2013-14, your Company has not accepted any deposits or raised any fresh equity from the public.

## 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 throughout the year under review resulting in high level of performance.

## **Megri Soft Limited**

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**

No employee of the Company is in receipt of remuneration in excess of the limits prescribed under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended up to date

### **Energy Conservation, Technology Adoption And Foreign Exchange Flows**

Since the Company is a service sector company and does not own any manufacturing facility, the other particulars in the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1998 are not applicable.

The particulars regarding foreign exchange earnings and expenditure during the year of Rs. 423.48 Lacs only (Previous Year Rs. 601.55 Lacs) and expenditure in foreign currency is Rs.44.85 Lacs only (Previous year 21.09 Lacs).

We operate in the internet/ information technology industry where new developments happen on a continuous basis. We regularly evaluate these developments & factor their suitability to us. Accordingly, research and development of new services, designs, frameworks, processes and methodologies continue to be of importance to us. This allows us to enhance quality, productivity and customer satisfaction through continuous improvements/innovation.

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.

### **Green Initiatives**

The Company has implemented the "Green Initiative" as per Circular Nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs (MCA) to enable electronic delivery of notices/documents and annual reports to shareholders.

Electronic copies of the Annual Report 2014 and notice of the 23rd Annual General Meeting are sent to some members whose e-mail addresses are registered with the Company. For members, who have not registered their e-mail addresses, physical copies of the Annual Report 2014 and the Notice of the 23rd Annual General Meeting are sent in permitted mode. Members requiring a physical copy may send a request to the Company.

### **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. Mohnesh Kohli and relatives.

# Megri Soft Limited

## 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

Place: Chandigarh  
Date: September 2, 2014

Mohnesh Kohli  
Director

Rajnesh 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

Megrisoft (also referred to as ('the Company')) is among India's leading online web services and SEO company. As more and more people start to use the world-wide-web or the internet, the businesses the growth of web based services and websites is growing. However, the key to success in this space remains the ability to attract as many customers for web development and digital marketing.

With the advent of newer technologies and widespread penetration of communication channels like smartphones and tablet PCs in India, businesses in web based industry is on the rise.

### 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 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 turnaround 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.

The Company has a well structured and robust risk management mechanism, which includes a comprehensive register that lists the identified risks, its impact and the mitigation strategy.

# 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 as for the internal audit of the company.

## Financial Overview

The financial statements have been prepared in compliance with the requirements of the companies act, 2013, 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.

The company is adequately funded to take care of its current growth plans through the funds generated by its operations. The financial performance of the Company reflects its position in the industry. Being an industry leader with its core business of SEO, the Company has grown its revenues contributing to higher profits in past few years. However, there is a decline in sales and profit as compared to previous but the company foresees to cover such shortfall in future.

## 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. People are the key differentiators for business success today and ensuring the development of right skills and behaviours at all levels in the organizations is of paramount importance at Megrisoft.

## Statutory Compliance

The compliance officer ensures statutory compliance.

## Cautionary Statement

Statement in the management discussion and analysis describing the company's 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 company's 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

Place: Chandigarh  
Date: September 2, 2014

Rajnish Sharma  
Director

# Megri Soft Limited

## Report of the Directors on Corporate Governance

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

This report, along with the report on Management Discussion and Analysis and additional shareholders information provides the details of implementation of the Corporate Governance code by your Company as contained in Clause 49 of the Listing Agreement. The Securities & Exchange Board of India (SEBI), with a view to align them with Companies Act, 2013, sought to amend the Equity Listing Agreement to bring in additional corporate governance norms for listed entities. These amendments are effective from 1st October, 2014. The amended norms provide for stricter disclosures and protection of investors rights, including equitable treatment for minority and foreign shareholders

### 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 underlying 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 of more than five Committees in which he/she is Director. All the directors have made disclosure regarding their directorship and membership 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

## Megri Soft Limited

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.

Director retiring by rotation and are being considered for reappointment.

### **Directors Appointment and Reappointment**

The Board of Directors of the Company is duly constituted and comprises of highly qualified and experienced professionals. During the year under review, there has been few change in the composition of the Board of directors of your Company.

The Companies Act, 2013 provides for appointment of independent directors for a term of upto five consecutive years on the Board of a Company and that they shall be eligible for re-appointment on passing a resolution by the shareholders of the company. Further, it provides that no independent director shall be eligible for more than two consecutive terms of five years. As per sub-section (13) of the Section 149 of the Companies Act, 2013 the provisions of retirement by rotation do not apply to independent directors. The company's Independent directors were appointed as directors liable to retire by rotation under the provisions of the erstwhile Companies Act, 1956. Therefore, in accordance with the requirements of the Companies Act, 2013, Mr Ajay Jagga the existing Independent Directors are proposed to be appointed for a term upto two consecutive years. During this period of 2 years they shall not be liable to retire and seek appointment at the AGM. Mr Anil Kumar Goyal is also proposed to be appointed as Independent Directors for a term upto two consecutive years. During this period of 2 years they shall not be liable to retire and seek appointment at the AGM.

Further, as per Companies Act, 2013, not less than 2/3rd (Two-third) of total number of Directors (other than Independent Directors) shall be liable to retire by rotation. Accordingly, Mr. Mohnesh Kohli is liable to retire by rotation and, being eligible, offers himself for re-appointment.

Mr Rajnesh Sharma, Director of the Company, has given his consent and offered himself for appointment as Whole-Time Director of the Company pursuant to Section 196, 197, Schedule V and other applicable provisions of Companies Act, 2013, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Your directors recommended his appointment as Whole-Time Director of the Company in the ensuing Annual General Meeting.



## Megri Soft Limited

### Board Meetings

Total Number of Board Meetings held: 8

Quarter - I [April'13-June'13]	Quarter - II [July'13-Sept'13]	Quarter - III [Oct'13-Dec'13]	Quarter - IV [Jan'14-March'14]
30.5.2013	30.07.2013 16.08.2013 02.09.2013	24.10.2013 26.12.2013	24.01.2014 04.02.2014

Attendance of Directors at the Board of Directors Meetings held during 2013-14 and the last Annual General Meeting (AGM) held on 30.09.2013 are as follows:

Sr. No.	Name of Directors	No. of Board Meetings attended	Attendance at the last Annual General Meeting	No. of other Directorship as on 31 <sup>st</sup> March, 2014
1.	Sh. Mohnesh Kohli	8	Yes	1
2.	Sh. Rajnesh Sharma	8	Yes	1
3.	Sh. Ajay Jagga	6	Yes	1
4.	Aprajita Kohli	2	No	1

### 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. Sh. Rajnesh Sharma -Chairman
2. Sh. Ajay Jagga -Member
3. Sh. Mohnesh Kohli -Member

During the Financial Year 2013-14, 4 (Four) meetings of the committee were held on 30th May 2013, 30<sup>th</sup> July 2013, 24th October 2013 and 21st January 2014. For review of the annual financial results for the year 31<sup>st</sup> March, 2013, the meeting of the Audit Committee was held on 2nd<sup>nd</sup> September, 2014.

## Megri Soft Limited

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

Name	Designation	Dates of Audit Committee Meetings Held			
		30.05.2013	30.07.2013	24.10.2013	21.01.2014
Sh. Rajnesh Sharma	Chairman	✓	✓	✓	✓
Sh. Ajay Jagga	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 committee consists of the following Directors:

- Shri Rajnesh Sharma – Chairman
- Shri Mohnesh Kohli – Member
- Shri Ajay Jagga – Member

The committee specifically looks into redressal of shareholders' and investors' complaints such as transfer of shares, non-receipt of shares after transfer, non-receipt of dividends and to ensure expeditious share transfer and demat process undertaken by the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of investor services.

The Company addresses all complaints, suggestions and grievances expeditiously and replies are sent/issues resolved, usually within 15 days unless there is a dispute or other legal constraints. No requests for share transfer or complaint are pending.

# 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
22nd A.G.M.	2013	SCO 80, Sector 47-D, Chandigarh	Monday 30th Sep., 2013	09.30 AM
21st A.G.M.	2012	SCO 80, Sector 47-D, Chandigarh	Friday 29 <sup>th</sup> Sep., 2012	11.00 AM
20 <sup>th</sup> A.G.M.	2011	SCO 80, Sector 47-D, Chandigarh	Friday 30 <sup>th</sup> Sep., 2011	11.00 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 2013-14.

## Disclosures

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

## CEO/ CFO certification:

The CEO and CFO certification of the financial statements duly signed by the directors of the Company for the year is enclosed at the end of the Report.

## Risk Management:

The Company has an effective risk management procedure, which is governed at the highest level by the Board of Directors. Making the exercise broad based and inclusive, periodical feedback is taken from Business and Functional heads about their risk perception with respect to their business area and the Company in general.

# Megri Soft Limited

## Details of non-compliance by the Company

No penalties/ strictures were imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years.

## Management Discussion and Analysis:

The Management Discussion and Analysis is given separately and forms part of this Annual Report.

## 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.

## General Shareholders' Information

### Annual General Meeting

Day, Date, Time and Venue Tuesday, 9:30 AM, 30<sup>th</sup> September 2014  
SCO 80, Sector 47-D, Chandigarh

Financial Calendar April 1, 2013 to March 31, 2014

Book Closure Saturday, 27<sup>th</sup> September 2014 to Monday  
30<sup>th</sup> September 2014 (Both days inclusive)

## Financial Calendar 2014-15 (Tentative) Quarterly Results

Q1 Results for the quarter ended 30<sup>th</sup> June, 2014 By Second Week of August, 2014

Q2 Results for the quarter ended 30<sup>th</sup> Sep, 2014 By Third Week of October, 2014

Q3 Results for the quarter ended 31<sup>st</sup> Dec, 2014 By Third Week of January, 2015

Q4 & Annual Audited Results for the year ended  
31<sup>st</sup> March, 2014 By 30<sup>th</sup> May, 2015

## Listing

At present, the equity shares of the company are listed on Ludhiana Stock Exchange and Delhi Stock Exchanges. The annual listing fees for the financial year 2014-15 to LSE and DSE has been paid.

## Details of Public Funding Obtained in the last three years

The Company did not raise any funds from public in last three years.

## Stock Market Data

The listing of equity share is active on Ludhiana Stock Exchange and Delhi Stock Exchanges. Since there is no active trading on these stock exchange and no data is available for share prices,

## Megri Soft Limited

### Distribution of Shareholding

Distribution of the shareholding of the equity shares of the company by size and by ownership class as on March 31, 2014. Patterns of both the distribution models is are given in Table 2 and Table 3 respectively.

**Table 2: Shareholding Pattern by Size as on 31st March 2014**

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares (Rs. 10 per share)	% of Shareholding
0-500	250	46.55	104700	3.33
501-1000	204	37.99	182200	5.80
1001-2000	13	2.42	19500	.62
2001-3000	10	1.92	28100	.89
3001-4000	10	1.92	39500	1.26
4001-5000	12	2.30	57300	1.82
5001-10000	9	1.72	74300	2.37
10001- above	29	5.56	2635100	83.90
<b>Total</b>	<b>537</b>	<b>100</b>	<b>3140700</b>	<b>100</b>

**TABLE 3: Shareholding Pattern by Ownership as on 31st March 2014**

Category Of Shareholders	No. of Shares Held	Shareholding (%)
Promoters Holding	1488850	47.41
Financial Institutions/ Banks	0	0
Bodies Corporate	721300	22.97
Individuals	930550	29.63
<b>Grand Total</b>	<b>3140700</b>	<b>100</b>

### Dematerialisation of Shares & Liquidity

The company is in the process of Dematerialisation of shares. In lines with SEBI's circular, the company has also established common registry facility for demat and physical transfer of shares with M/s Beetal Financial & Computer Services Pvt. Ltd, Beetal House, 3rd Floor, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi. The Members/Shareholders are requested to avail this facility by forwarding their request for share transfer to the aforesaid registrar and shares transfer agents.

## Megri Soft Limited

### Registrar and Transfer Agent

The Company has appointed **Beetal Financial & Computer Services Pvt. Ltd** as its Registrar and Share Transfer Agent, to whom all shareholders communications regarding change of address, transfer of shares, change of mandate etc. should be addressed. The address of the Registrar and Share Transfer Agent is as under: -

Beetal Financial & Computer Services Pvt. Ltd  
Beetal House, 3rd Floor,  
99 Madanglr, Behind Local Shopping Centre,  
Near Dada Harsukhdas Mandlr,  
New Delhi- 110062  
Phone- +911129961281-83  
Fax- +911129961284  
Email- beetal@beetalfinancial.com

### Share Transfer System

Presently the share transfer, which are received in physical form, are processed and the share certificates returned within a period of 15 days from the date of receipt, subject to their validity and completion of all formalities. The company has already initiated the process and procedure for dematerialization of shares.

Pursuant to Clause 47 C 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 (Depositories & 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.

### Address for Correspondence and Registered Office

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

For and on behalf of the Board

Place: Chandigarh  
Date: September 2, 2014

Rajnish 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, 2014, as stipulated in Clause 49 of the Listing Agreement of the Company with the stock exchanges in India.

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 K.K. Bassi & Associates  
Firm Registration Number: 005539N  
Chartered Accountants

Place: Chandigarh  
Date: September 2, 2014

K.K. Bassi  
Partner  
Membership Number 084597

# Megri Soft Limited

## CERTIFICATION AS PER CLAUSE 49 (V) OF THE LISTING AGREEMENT

To  
The Board of Directors  
Megri Soft Limited  
SCO 80, First Floor, Sector- 47 D  
Chandigarh

We, the undersigned in our respective capacities as Director, and Chief Financial Officer of Megri Soft Limited, certify to the Board in terms of requirements of Clause 49 (V) of the Listing Agreement that we have reviewed the Financial Statement and the Cash Flow Statement of the Company for the Financial Year ended 31st March, 2014.

1. To the best of our knowledge and belief, we certify that:
  - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that are misleading.
  - b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. For the purpose of Financial Reporting, we accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
  - a. significant changes, if any, in the internal controls over financial reporting during the year.
  - b. significant changes, if any, in the accounting policies made during the year and the same have been disclosed in the notes to the financial statements; and
  - c. instances of significant fraud, if any, of which we have become aware and the involvement therein, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For and on behalf of the Board

Place: Chandigarh  
Date: September 2, 2014

Mohnesh Kohli  
Director

Rajnish Sharma  
Director

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

I, Rajnish Sharma, Director of the Company, do hereby declare that all the Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct adopted by the Board of Directors, as applicable to the Board of Directors and Senior Management of the Company. The same has been made available on the website of the Company i.e. [www.megrisoft.co.in](http://www.megrisoft.co.in)

For and on behalf of the Board

Place: Chandigarh  
Date: September 2, 2014

Rajnish Sharma  
Director



# Megri Soft Limited

## Independent Auditors' Report

To the Members of  
M/s Megri Soft Limited

### Report on the Financial Statements

1. We have audited the accompanying financial statements of Info Edge (India) Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

### Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of 'the Companies Act, 1956' of India (the "Act") / notified under the Companies Act, 1956 (the "Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. 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.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

# Megri Soft Limited

## Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying 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, 2014;
  - 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

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', Issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, 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 Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of 'the Companies Act, 1956' of India (the "Act") / notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
  - e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For K.K. Bassi & Associates  
Firm Registration Number: 005539N  
Chartered Accountants

Place: Chandigarh  
Date: September 2, 2014

K.K. Bassi  
Partner  
Membership Number 084597

## Megri Soft Limited

### Annexure To Auditor's Report

Referred to in paragraph 1 of our report of even date on the accounts for the period ended 31.03.2014 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 is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 4(ii) of the said Order are not applicable to the Company.
3. According to the information and explanations furnished to us
  - a. The company has not granted secured or unsecured loans to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
  - b. The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii) [(f) and (g)] of the said Order are not applicable to the Company.
4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. In our opinion and according to the information and explanation given to us, there were no contracts, particulars of which needed to be entered in the register maintained under section 301 of the Company Act, 1956 and hence provisions of paragraph 4(v)(b) of the said Order relating to reasonableness of price having regard to prevailing market price is not applicable to the company.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
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, 2013 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. According to the records of the company, the company, in general, is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Cess and other statutory dues applicable to it and as on 31.3.2014, there are no statutory dues outstanding for a period exceeding six months. There is no amount in respect of taxes, cess outstanding as at 31st March, 2014 due to any dispute.

## Megri Soft Limited

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. In our opinion and according to information and as per explanation given to us, the Company has not defaulted in repayment of dues to banks and Financial Institutions.
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.
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. According to the information and explanation given to us and on the basis of our verification of books of accounts of the Company, we are of the opinion that the vehicle loan have been applied for the purpose for which they were raised.
17. According to the information and explanation given to us and on the basis of our verification of books of accounts of the Company, we are of the opinion that funds raised for short term basis were not used for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
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. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For K.K. Bassi & Associates  
Firm Registration Number: 005539N  
Chartered Accountants

Place: Chandigarh  
Date: September 2, 2014

K.K. Bassi  
Partner  
Membership Number 084597

# Megri Soft Limited

## Balance Sheet As At 31st March 2014

	Particulars	Notes		As At March 31,2014 (Rs)	As At March 31,2013 (Rs)
<b>I</b>	<b><u>EQUITY &amp; LIABILITIES</u></b>				
<b>1</b>	<b>SHAREHOLDERS' FUNDS</b>				
	Share Capital	3	31407000	31407000	
	Reserve & Surplus	4	123637421	103578177	134985177
				155044421	
<b>2</b>	<b>NON CURRENT LIABILITIES</b>				
	Long-Term Borrowings	5	1742192	2522072	
	Deffered Tax Liability	6	948261	948261	
	Other Long-Term Liabilities		-	-	
	Long-Term Provisions		-	-	
				2690453	3470333
<b>3</b>	<b>CURRENT LIABILITIES</b>				
	Trade Payable	7	649717	-	
	Other Current Liabilities	8	8155916	6521696	
	Short-Term Provisions		-	-	
				8805633	6521696
	<b>Total</b>			<b>166540507</b>	<b>144977206</b>
<b>II</b>	<b><u>ASSETS</u></b>				
<b>1</b>	<b>NON-CURRENT ASSETS</b>				
	Tangible Assets	9	8363782	9686577	
	Intangible Assets	9	5016417	6295707	
	Capital Work-in-Progress	9	2852000	-	
	Non-Current Investments	10	6616814	13886814	
	Deffered Tax Assests	11	65325	-	
	Long-Term Loans and Advances	12	61442208	49694042	79563140
				84356546	
<b>2</b>	<b>CURRENT ASSETS</b>				
	Inventories		-	-	
	Trade Receivable	13	7851512	4883340	
	Cash and Cash Equivalents	14	69189302	59097083	
	Short-Term Loans and Advances	15	5143147	1433643	
	Other Current Assets		-	-	
				82183961	65414066
	<b>Total</b>			<b>166540507</b>	<b>144977206</b>

Significant Accounting Policies 2

Notes Forming Part of Financial Statements 3-32

The Notes referred to herein form an intergal part of the Balance Sheet

For and on behalf of  
K.K.Bassi & Associates  
Chartered Accountants  
Firm Registration No. 005539N

For and on the behalf of Board

Mohnesh Kohli  
Director  
(DIN: 01784617)

Rajnesh Sharma  
Director  
(DIN: 02528435)

(K.K.Bassi)  
Partner  
Membership No. 084597  
Chandigarh, September 2, 2014

# Megri Soft Limited

## Statement Of Profit And Loss For The Year Ending 31st March 2014

S. No.	Particulars	Note		Year ended March 31,2014 (Rs)		Year ended March 31,2013 (Rs)
<b>III</b>	<b>REVENUE</b>					
	IT Services and Other income	16	50077354		68829571	
				50077354		68829571
	<b>Total revenue</b>			50077354		68829571
<b>IV</b>	<b>EXPENSES</b>					
	IT Operating Expenses	17	10512533		15429853	
	Employees Benefit Expenses	18	5706198		9370724	
	Administrative Expenses	19	4665322		5145159	
	Finance Expenses	20	3769004		5918852	
	Depreciation & Amortization Expenses	21	2913014		2850899	
				27566070		38715487
	<b>Total expenses</b>			27566070		38715487
<b>V</b>	<b>Profit/(Loss) Before Tax</b>			22511284		30114084
	Tax Expenses:-					
	Provision for Tax		2517365		3466120	
	Deffered Tax		-65325		210937	
				2452040		3677057
<b>VI</b>	<b>Profit/(Loss) For The Year</b>			20059244		26437027
	Earning per Equity share of Rs. 10/- each:					
	1) Basic			6.39		8.42
	2) Diluted			6.39		8.42

Significant Accounting Policies

2

Notes Forming Part of Financial Statements

3-32

The Notes referred to herein form an intergal part of the Statement of Profit and loss

For and on behalf of  
K.K.Bassi & Associates  
Chartered Accountants  
Firm Registration No. 005539N

For and on the behalf of Board

Mohnesh Kohli  
Director  
(DIN: 01784617)

Rajnesh Sharma  
Director  
(DIN: 02528435)

(K.K.Bassi)  
Partner  
Membership No. 084597  
Chandigarh, September 2, 2014

Megri Soft Limited

Cash Flow Statement For The Year Ended 31st March, 2014

Particulars		Year ended 31.03.2014	Year ended 31.03.2013
		(Rs)	(Rs)
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit Before Tax	22511284	30114084
	Adjustments for:		
	Depreciation	2913014	2850899
	Interest & Finance Charges	1719004	321847
	Interest on FD	(5678379)	(4217521)
	Dividend and other Income	(1046361)	(75654)
	<b>Operating Profit before Working Capital Changes</b>	<b>21464923</b>	<b>28993655</b>
	Adjustments for:		
	Decrease/(Increase) in Trade Receivables	(2968172)	(1638771)
	Increase/(Decrease) in Other Current Liabilities	1634220	
	Increase/(Decrease) in Trade Payables	649717	1683303
	<b>Cash generated from operations</b>	<b>20780687</b>	<b>29038187</b>
	Income Tax paid	(2517365)	(3466120)
	<b>Net Cash flow from Operating activities</b>	<b>18263322</b>	<b>25572067</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets	(3162928)	(1353999)
	Increase in FDR	(9375272)	(18407820)
	Decrease in Investment	7270000	3833902
	Long term advance	(11748166)	(12457347)
	Increase in Advances & others	(3709504)	60787
	Interest on FD	5678379	4217521
	Dividend and other Income		75654
	<b>Net Cash used in Investing activities</b>	<b>(15047491)</b>	<b>(24031302)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from Long term Borrowings	(779880)	(477928)
	Interest paid	(1719004)	(321847)
	<b>Net Cash used in financing activities</b>	<b>(2498884)</b>	<b>(799775)</b>
	Net increase in cash & Cash Equivalents	716947	740990
	Cash and Cash equivalents (Opening Balance)	2823958	2082968
	Cash and Cash equivalents (Closing Balance)	3540905	2823958
	<b>Net Decrease/Increase in Cash and Cash Equivalents</b>	<b>(716947)</b>	<b>(740990)</b>

NOTES :

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

As per the report of even date attached.

For and on behalf of  
**K.K.Bassi & Associates**  
Chartered Accountants  
Firm Registration No. 005539N

(K.K.Bassi)  
Partner  
Membership No. 084597  
Chandigarh, September 2, 2014

For and on the behalf of Board

Mohnesh Kohli  
Director  
(DIN: 01784617)

Rajnesh Sharma  
Director  
(DIN: 02528435)

# Megri Soft Limited

## 1. General Information :

Megri soft Ltd (the company) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed in two stock exchanges in India namely, Ludhiana Stock Exchange and Delhi Stock Exchange.

## 2. 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.

### 2.1 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. All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956.

### 2.2 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. Intangible assets are stated at their cost of acquisition. Profit/Loss on disposal of fixed assets is recognised in the Statement of Profit and Loss.

### 2.3 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 Act. No depreciation is 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.

### 2.4 Valuation of stock-in-trade :

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

### 2.5 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:



## Megri Soft Limited

- (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.

### 2.6 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. Sale and Purchase of investment is accounted on gross basis and shown in profit and loss account.

### 2.7 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 on completion of the project (web portals), will be treated as Intangible assets as the company expects to derive benefits of the same in the coming future years.

### 2.8 Foreign Exchange :

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing at the time in a month. 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 foreign fluctuation account. Closing foreign balances are recognised at the prevailing market rate at the end of the day 31st March and difference if any is charged to foreign fluctuations.

### 2.9 Taxation :

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax reflects the effect of temporary timing differences between the assets and liabilities recognized for financial reporting purposes and the amounts that are recognized for current tax purposes. Deferred tax assets are recognized and carried forward only to the extent there is a reasonable/virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

## **Megri Soft Limited**

### **2.10 Provisions and Contingencies :**

The Company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure of contingent liability is made when there is a possible obligation or a present obligation that will probably not require outflow of resources or where a reliable estimate of the obligation cannot be made.

### **2.11 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. Earnings per share is computed using the weighted average number of shares outstanding during the year.

### **2.12 Use of Estimates :**

The preparation of financial statements in conformity with accounting principles generally accepted in India requires the Management to make estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates.

# Megri Soft Limited

## Notes Forming Part Of Financial Statements

### Note 3

#### Share Capital

Particulars	As At	As At
	March 31,2014	March 31,2013
	(Rs.)	(Rs.)
<b>Authorised</b>		
3300000 Equity Shares of Rs. 10/- each	33000000	33000000
	<u>33000000</u>	<u>33000000</u>
<b>Issued &amp; subscribed</b>		
3140700 equity shares of Rs. 10/- each fully paid	31407000	31407000
	<u>31407000</u>	<u>31407000</u>
<b>Issued, Subscribed &amp; Paid up</b>		
3140700 equity shares of Rs. 10/- each fully paid	31407000	31407000
	<u>31407000</u>	<u>31407000</u>

#### a. Reconciliation of Shares outstanding at the beginning and at the end of the reporting year

Particulars	As At	As At
	March 31,2014	March 31,2013
	(Rs.)	(Rs.)
<b>EQUITY SHARES</b>		
At the beginning of the year	31407000	31407000
Add: Issued during the year	-	-
<b>Outstanding at the end of the year</b>	<u>31407000</u>	<u>31407000</u>

#### b. Terms/Rights attached to equity share

The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pay dividend in Indian rupees. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company in proportion to their shareholding.

#### c. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:-

Particulars	As At	As At	As At	As At	As At
	March 31,2014	March 31,2013	March 31,2012	March 31,2011	March 31,2010
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Equity Shares allotted as fully paid Bonus shares by capitalisation of Securities Premium	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

#### d. Details of shareholders holding more than 5% shares in the company

Particulars	As at March 31,2014		As at March 31,2013	
	No. of Shares	% Holding	No. of Shares	% Holding
Mohnesh Kohli	638000	20.31%	638000	20.31%
Neena	391100	12.45%	391100	12.45%
Basel Investment limited	307700	9.80%	307700	9.80%
	<u>1336800</u>	<u>42.56%</u>	<u>1336800</u>	<u>42.56%</u>

### Note 4

#### Reserves & Surplus

Particulars	As At	As At
	March 31,2014	March 31,2013
	(Rs.)	(Rs.)
<b>General Reserve</b>		
Opening Balance	-	-
Transfer from Statement of Profit & Loss under Companies (Transfer of Profits to Reserves Rules) 1975	2005924	-

Closing Balance	<u>2005924</u>	<u>-</u>
<b>Surplus in Statement of Profit &amp; Loss</b>		
Opening Balance	103578177	77141150
Profit during the year	20059244	26437027
<b>Less: Appropriations</b>		
Transfer to General Reserve under Companies (Transfer of Profits to Reserves Rules) 1975	2005924	-
Closing Balance	<u>121631496</u>	<u>103578177</u>
<b>Total</b>	<u>123637421</u>	<u>103578177</u>

#### Note 5

##### Long Term Borrowings

Particulars	As At	As At
	March 31,2014	March 31,2013
	(Rs.)	(Rs.)
<b>Secured</b>		
Other Loans	1742192	2522072
	<u>1742192</u>	<u>2522072</u>

Other loan represent vehicle loan, repayable on monthly basis, are secured by way of hypothecation of specific assets purchased under the. The Company has not taken any unsecured loan. There is no delay repayment of term loan & Interest thereon. The rate of interest is 10.84% and the period left is 3 years

#### Note 6

##### Deferred Tax Liabilities

Particulars	As At	As At
	March 31,2014	March 31,2013
	(Rs.)	(Rs.)
Opening Balance	948261	737324
Add:- during the year	-	210937
	<u>948261</u>	<u>948261</u>

#### Note 7

##### Trade Payables

Particulars	As At	As At
	March 31,2014	March 31,2013
	(Rs.)	(Rs.)
Trade Payables	649717	-
	<u>649717</u>	<u>-</u>

Based on information available with the Company, there are no dues to micro, small and medium enterprises, as defined in Micro, Small and Medium Enterprises Development Act, 2006 as on March 31, 2014.

#### Note 8

##### Other Current Liabilities

Particulars	As At	As At
	March 31,2014	March 31,2013
	(Rs.)	(Rs.)
Current Maturity of Short-term debts	0	2250000
Other Liabilities & Provisions	8155916	4271696
	<u>8155916</u>	<u>6521696</u>

Megri Soft Limited

Note 9  
Fixed Assets

Particulars	Gross Block				Depreciation			Net Block		
	As On April 01,2013	Purchase of Assets	Sale of Assets	As On March 31,2014	As On April 01,2013	Current Year	Accumulated on Assets Sold	As On March 31,2014	As On March 31,2014	As On April 01,2013
<b>Tangible Assets</b>										
Furniture & Fixtures	2299729	0	----	2299729	479277	145573	----	624850	1674879	1820451
Computer	3835810	64850	----	3900660	2192269	625510	----	2817779	1082881	1643541
Generator	726625	0	----	726625	52578	34515	----	87093	639532	674047
Air Conditioner	540138	0	----	540138	127093	25657	----	152750	387387	413044
Office Equipment	466690	11000	----	477690	204801	22731	----	227532	250158	261889
Vehicles	6334960	0	----	6334960	1461355	544660	----	2006015	4328945	4873605
<b>Total</b>	<b>14203951</b>	<b>75850</b>	<b>----</b>	<b>14279801</b>	<b>4517374</b>	<b>1398645</b>	<b>----</b>	<b>5916019</b>	<b>8363782</b>	<b>9686578</b>
<b>Intangible Assets</b>										
Computer Software	242534	235078	----	477612	38755	70194	----	108950	368663	203779
Web Properties	8909155	0	----	8909155	2817227	1444174	----	4261401	4647754	6091928
<b>Total</b>	<b>9151689</b>	<b>235078</b>	<b>----</b>	<b>9386767</b>	<b>2855982</b>	<b>1514368</b>	<b>----</b>	<b>4370350</b>	<b>5016417</b>	<b>6295707</b>
<b>GRAND TOTAL</b>	<b>23355640</b>	<b>310928</b>	<b>----</b>	<b>23666568</b>	<b>7373356</b>	<b>2913014</b>	<b>----</b>	<b>10286369</b>	<b>13380199</b>	<b>15982285</b>

# Megri Soft Limited

## Note 10

### Non-Current Investments

Particulars	Market Value per Share		As At		As At	
	As At March 31, 2014	As At March 31, 2013	Qty.	Value	Qty.	Value
				(Rs.)		(Rs.)
A. Trade Investments				-		-
B. Other Investments (At Cost)						
a) Investment in Equity shares (Quoted)						
Himalyan Financial Services Ltd.	10.00	10.00	281600	2816000	281600	2816000
Infosys Limited	3278.85	2889.90	35	89848	35	89848
NTPC Limited	119.95	142.00	200	35667	200	35667
Power Grid Corporation	105.05	105.95	50	5527	50	5527
Reliance Industrie	929.50	773.70	10	8446	10	8446
State Bank of India	1918.30	2072.75	25	38826	25	38826
<b>Total (I)</b>				<u>2994314</u>		<u>2994314</u>
b) Investment in Equity shares (Unquoted)						
Dynamic Petro Products Ltd..			262000	2620000	262000	2620000
Basel Investments Limited			0	0	440000	4400000
Consolidated Dealers Limited			0	0	149000	1490000
Kohli & Kohli Financial Consultants Limited			0	0	152000	1520000
Nannu Holdings Limited			0	0	36000	360000
Plato Polymers Limited			0	0	20000	200000
<b>Total (II)</b>				<u>2620000</u>		<u>10590000</u>
c) Investment in Mutual Fund (Quoted)						
DSP Black Rock FMP Series-FMP			20000	200000		
Reliance Gold Saving Fund-FMP			10000	100000		
Reliance Fixed Horizon Fund-FMP			10000	100000		
UTI Fixed Term Income Fund-FMP			30000	300000		
Reliance Dual Advantage Funds-FMP			20000	200000	20000	200000
Reliance Small Capital Fund-FMP			10250	102500	10250	102500
<b>Total (III)</b>				<u>1002500</u>		<u>302500</u>
<b>Total(I+II+III)</b>				<u>6616814</u>		<u>13886814</u>

## Note 11

### Deferred Tax Assets

Particulars	As At	
	March 31,2014	March 31,2013
	(Rs.)	(Rs.)
Opening Balance	-	-
Add: Current Year	65325	-
<b>Closing Balance</b>	<u>65325</u>	-

## Note 12

### Long Term Loans And Advances - Secured & Considered Good

Particulars	As At	
	March 31,2014	March 31,2013
	(Rs.)	(Rs.)
Capital Advances	51725133	37023876
Advances for Business	1145000	1205000
Other Advances	8572075	11465166
	<u>61442208</u>	<u>49694042</u>

## Note 13

### Trade Receivables

Particulars	As At	
	March 31,2014	March 31,2013

	(Rs.)	(Rs.)
Trade receivable outstanding for a period exceeding six months:-		
Unsecured	-	-
Considered good	-	-
Considered doubtful	-	-
	-----	-----
Other Debts:-		
Unsecured	-	-
Considered good	7851512	4883340
Considered doubtful	-	-
	-----	-----
	7851512	4883340
	<b>7851512</b>	<b>4883340</b>

**Note 14**

**Cash & Cash Equivalents**

Particulars	As At	As At
	March 31,2014	March 31,2013
	(Rs.)	(Rs.)
Balances with bank:-		
In Current Accounts	3258961	2597845
In Fixed deposited	65648397	56273125
Cash in hand	281944	226113
	-----	-----
	<b>69189302</b>	<b>59097083</b>

Fixed Deposit Accounts with original maturity for more than 3 months but less than 12 months

**Note 15**

**Short Term Loans & Advances**

Particulars	As At	As At
	31.03.2014	31.03.2013
	(Rs.)	(Rs.)
Advances with suppliers & others	124335	61406
Other advances	5018811	1372237
	-----	-----
	<b>5143147</b>	<b>1433643</b>

**Note 16**

**Revenue From Operations**

Particulars	As At	As At
	March 31,2014	March 31,2013
	(Rs.)	(Rs.)
<b>Information Technology Services</b>		
Income From IT Exports	42348975	60155015
Other Income	7728379	8674556
	-----	-----
	<b>50077354</b>	<b>68829571</b>

**Note 17**

**Software Development Expenses**

Particulars	As At	As At
	March 31,2014	March 31,2013
	(Rs.)	(Rs.)
SEO & Development Expenses	10512533	15429853
	-----	-----
	<b>10512533</b>	<b>15429853</b>

**Note 18**

**Employee Benefit Expenses**

Particulars	As At	As At
	March 31,2014	March 31,2013
	(Rs.)	(Rs.)
Salary & Wages	5414792	8618237
Contribution to Provident and other fund	35095	54960
Staff Welfare	92926	330481
Other Employees Expenses	163385	367046
	-----	-----
	<b>5706198</b>	<b>9370724</b>

**Note 19****Administrative Expenses**

<b>Particulars</b>	<b>As At</b>	<b>As At</b>
	<b>March 31,2014</b>	<b>March 31,2013</b>
	<b>(Rs.)</b>	<b>(Rs.)</b>
Communication Expenses	601644	734665
Office Expenses	860240	530475
Rent Rates & Taxes	1881754	2125204
Operating Expenses	415731	655142
Travelling & conveyence expenses	786729	981558
Legal & Professional Expenses	89224	88115
Audit Fee	30000	30000
	<b>4665322</b>	<b>5145159</b>

**Note 20****Finance Expenses**

<b>Particulars</b>	<b>As At</b>	<b>As At</b>
	<b>March 31,2014</b>	<b>March 31,2013</b>
	<b>(Rs.)</b>	<b>(Rs.)</b>
Bank Charges	24766	59968
Cost of Investment	2050000	4047413
Foreign exchange Fluctuation	1152303	1378866
Other Financial Charges	541935	432604
	<b>3769004</b>	<b>5918852</b>

**Note 21****Depreciation & Amortisation**

<b>Particulars</b>	<b>As At</b>	<b>As At</b>
	<b>March 31,2014</b>	<b>March 31,2013</b>
	<b>(Rs.)</b>	<b>(Rs.)</b>
Depreciation & amortization	2913014	2850899
	<b>2913014</b>	<b>2850899</b>



## Megri Soft Limited

### **Note 22**

#### **Current Assets, Loans & Advances:**

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 realized 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.

### **Note 23**

#### **Impairment:**

It is the view of management that there are no impairment conditions that exist as on 31st March, 2014. Hence, no provision is required in the accounts for the year under review

### **Note 24**

#### **Sitting Fees:**

Sitting Fees payable to Directors have been waived by each one of them.

### **Note 25**

#### **Contingent Liabilities:**

There are no contingent liabilities of the company so no Guarantee has been given by bank on behalf of the company.

### **Note 26**

#### **Foreign Exchange Earnings:**

The particulars regarding foreign exchange earnings during the year of Rs. 423.48 Lacs only (Previous Year Rs. 601.55 Lacs) and expenditure in foreign currency is Rs 44.86 Lacs only (Previous year 21.09 Lacs).

### **Note 27**

#### **Foreign Travelling Expenses of Directors:**

The expenses incurred by the directors on foreign traveling during the financial year 2013-14 are Rs. 7.79 Lacs (Previous Year Rs. 6.35 Lacs).

### **Note 28**

#### **Auditor's Remuneration:**

Auditors remuneration paid for the financial year 2013-14 is Rs.30000 (Previous Year Rs. 30000)

## Megri Soft Limited

### Note 29

#### Related Party Disclosures:

"Disclosure as required by accounting standard "Related Party Disclosures" issued by the Institute of Chartered Accountants of India. As on date there is no subsidiary or associated concern of the Company as on 31st March 2014. The Key Management Personnel (KMP) & Relatives are Mr Mohnesh Kohli Director, Mr Rajnesh Sharma Director, Ms. Aprajita Kohli Director ( Daughter of Mohnesh kohli) and Ms Neena ( Wife of Mohnesh Kohli) and Mr Ajay Jagga ( Independent Director). The Enterprises over which KMP & Relatives have significant influence is Mohnesh Kohli & Co (Proprietorship concern of Mohnesh Kohli). Details of transactions with related party for the year ended March 31, 2014 in the ordinary course of business. Building rent paid to Ms Neena 7.80 lacs ( Wife of Mr Mohnesh Kohli) and 1.50 lacs to Mr Mohnesh Kohli Director."

### Note 30

#### Earning Per Share :

a) Calculation of weighted Average number of equity shares of Rs.10 each

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
No. of shares at the beginning of the year	3140700	3140700
Shares issued during the year	-	-
Total Equity Shares at the end of the year	3140700	3140700
<b>a. Weighted average no. of equity shares during the Year</b>	<b>3140700</b>	<b>3140700</b>
<b>b. Net Profit after tax available for Equity shareholders (in Rs.)</b>	<b>20059244</b>	<b>26437027</b>
<b>c) Basic and diluted earnings per share (In Rs.)</b>	<b>6.39</b>	<b>8.42</b>

### Note 31

#### Income from Interest & Sale of Investment:

Total other Income include Interest Amount of Rs. 5678379 (Previous Year Rs. 4217521) and Investment sale 2050000 (Previous Year Rs. 4381380).

# Megri Soft Limited

## Notes 32

### Previous Year Figures Regrouped:

Previous year figures have been regrouped/rearranged to confirm to the current year classification.

As per the report of even date attached.

For and on behalf of  
K.K.Bassi & Associates  
Chartered Accountants  
Firm Registration No. 005539N

(K.K.Bassi)  
Prop  
Membership No. 084597  
Chandigarh, September 2, 2014

For and on the behalf of Board

Mohnesh Kohli  
Director  
(DIN: 01784617)

Rajnesh Sharma  
Director  
(DIN: 02528435)