

Date: 06.10.2017

To

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Mumbai-400 001  
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Scrip Code: 539012

Head- Listing & Compliance  
Metropolitan Stock Exchange of India Ltd.  
Exchange Square,  
Suren Road, Chakala,  
Andheri (East), Mumbai- 400093  
Email Id: [listingcompliance@msei.in](mailto:listingcompliance@msei.in)  
Symbol: **MEGRISOFT**

**Subject: Submission of adopted & approved Annual Report 2016-17**

Dear Sir/Madam,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith the Annual Report of Megri Soft Limited for the financial year 2016-17 duly adopted and approved by the shareholders of the Company in their Annual General Meeting held on September 30, 2017.

You are requested to take the above on your record and kindly acknowledge the receipt of the same.

Thanking You,

Yours Faithfully ,

For Megri Soft Limited

*Ankita Jain*  
(Ankita Jain)

Company Secretary



Encl: a/a

# **26th Annual Report 2016-17**

Megrisoft

**Megri Soft Limited**

## Board of Directors

Mr. Mohnesh Kohli	<i>Director</i>
Mr. Rajnesh Sharma	<i>Whole Time Director</i>
Ms. Aprajita Kohli	<i>Director</i>
Mr. Mahesh Kumar	<i>Independent Director</i>

### Chief Financial Officer

Mr. Rajnesh Sharma

### Company Secretary

Ms. Ankita Jain

### Auditors

M/s K.K. Bassi & Associates  
Chartered Accountants  
Gurgaon

### Bankers

Karnataka Bank Limited

### Registered Office

Megri Soft Limited  
S.C.O. 80, Sector 47-D,  
Chandigarh-160047  
**Ph. No.:** +91-172-2631561  
**E-mail:** [legal@megrisoft.net](mailto:legal@megrisoft.net)  
**Web Site:** [www.megrisoft.com](http://www.megrisoft.com)  
**CIN:** L72200CH1992PLC011996  
**PAN:** AABCC2466Q

### Registrar & Transfer Agent

Beetal Financial & Computer Services  
Pvt. Ltd.  
Beetal House, 3rd Floor, 99 Madangir,  
Behind Local Shopping Centre, New  
Delhi.

## **Board's Report**

Dear Members,

The Board of Directors hereby submits the report of the business and operations of your Company ('the Company' or 'Megrisoft') along with the Audited Financial Statements for the financial year ended March 31, 2017.

### ➤ **Results of operations**

Particulars	Year Ended 31.03.2017 (Rs. In Lacs)	Year Ended 31.03.2016 (Rs. In Lacs)
Total Income	226.70	324.47
Depreciation	23.84	29.85
Profit/(Loss) Before Taxes	50.24	89.04
Provision for Taxation	13.39	(2.35)
Net Profit/(Loss) After Tax	36.85	91.39
Net Profit/(Loss) Carried To Balance Sheet	36.85	91.39
Paid Up Share Capital (Face Value Rs. 10/- each fully paid up)	314.07	314.07

### ➤ **Financial Review**

This year the Company registered income from operation around Rs. 226.70 Lacs as compared to last year of Rs. 324.47 Lacs and also registered a net profit (after taxes) of Rs. 36.85 Lacs which is lower than last year's profits of Rs. 91.39 Lacs (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 optimization 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 votral on various subjects.

### ➤ **Dividend & Reserves**

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. Therefore, your Directors propose to transfer Rs. 3.69 Lacs (10% of the standalone net profit of the year) to the general reserve. An amount of 33.16 Lacs proposed to be retained in surplus.

### ➤ **Loans, Guarantees or Investments in Securities**

The Company has not given any loans or given any guarantees or provided any securities to any person or body corporate mentioned under Section 186 of the Companies Act, 2013. The details of the investments made by the Company are as follows:

During the year under review, the Company has invested Rs. 38,00,000/- in the equity capital of Basel Investments Limited, Rs. 38,50,000/- in the equity capital of Kohli & Kohli Financial Consultants Limited (the proceeds from investment is proposed to be utilized by the recipient for meeting its working capital requirements) & Rs. 9,645/- in the equity capital of Megrisoft Limited, UK (a wholly owned subsidiary of Megri Soft Limited) subscription in initial share capital.

### ➤ **Listing of Shares**

The Company's shares are listed on BSE Ltd. (BSE) & Metropolitan Stock Exchange of India Limited (MSEI). The annual listing fees for the financial year 2017-18 to BSE and MSEI has been paid. The Securities and Exchange Board of India (SEBI), on September 2, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital markets to ensure better enforceability. The said regulations were applicable w.e.f. December 1, 2015. Accordingly, all listed entities were required to enter into a Uniform Listing Agreement within six months from the effective date. The Company has entered into the requisite Listing Agreement with both the above Stock Exchanges.

### ➤ **Subsidiaries and associates**

The Company has incorporated a wholly owned subsidiary "Megrisoft Limited" in London, United Kingdom under the Registrar of Companies for England and Wales on October 18, 2016 which is in the process of establishment as on March 31, 2017 and total business establishment expenditure amounted to Rs. 11.20 Lacs till 31st March 2017. Detail about the aforesaid wholly owned subsidiary is annexed as **Annexure I** in Form AOC 1 to Board's report.

### ➤ **Particulars of Contracts & Arrangements made with Related Parties**

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2 is appended as **Annexure II to the Board's report**.

## ➤ Details of significant and material orders passed by the regulators/courts/ tribunals

1. The Company has filed an appeal with CIT (Appeals), Chandigarh for a demand of amount to Rs. 73,47,744/- raised by disallowing deduction u/s 80IC of Income Tax Act, 1961 for the Assessment Year 2013-14. Taxes are already paid with the Income Tax Department. So Company does not see any liability in future.
2. The Company has filed an appeal with CIT (Appeals), Chandigarh for a demand of amount to Rs. 65,15,710/- raised by disallowing deduction u/s 80IC of Income Tax Act, 1961 for the Assessment Year 2014-15. Taxes are already paid with the Income Tax Department. So Company does not see any liability in future.

## Board of Directors & Key Managerial Personnel (KMP's)

### ❑ Appointment

During the year under review, one director Mr. Mahesh Kumar have been appointed on the Board of the Company as an additional director (independent) w.e.f. August 12, 2016 on the place of Mr. Ajay Jagga, Independent Director who has resigned from the said designation w.e.f. August 12, 2016.

### ❑ Change in Designation (Mr. Mahesh Kumar)

During the year under review, the designation of Mr. Mahesh Kumar has been changed from Additional Director to Director by passing an Ordinary Resolution in the Annual General Meeting of the Company held on September 30, 2016. Earlier he has been appointed as a non-executive Additional Director on the Board of the Company w.e.f. August 12, 2016.

### ❑ Cessation

During the year under review, one director Mr. Ajay Jagga has resigned from the designation of independent Director of the Board w.e.f. August 12, 2016.

### ❑ Retirement by Rotation (Mr. Rajnesh Sharma)

In terms of Section 152 of the Companies Act, 2013, Mr. Rajnesh Sharma, being director liable to retire by rotation, shall retire at the ensuing AGM and being eligible for reappointment, offers himself for re-appointment. The Board of Directors recommended his appointment for consideration of the members at the forthcoming Annual General Meeting.

### ❑ Key Managerial Personnel

Mr. Rajnesh Sharma, Whole Time Director & Chief Financial Officer, Ms. Aprajita Kohli, Whole Time Director and Ms. Ankita Jain, Company Secretary of the Company are the Key Managerial Personnel as per the provisions of the Companies Act, 2013 and rules made thereunder.

### ❑ Declaration by Independent Directors

The Company has received necessary declaration from Mr. Anil Kumar Goyal & Mr. Mahesh Kumar (Independent Directors) under Section 149(6) & (7) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), that they meet the criteria of independence laid down in the Companies Act, 2013 and Listing Regulations.

### ❑ Performance Evaluation of the Board

Listing Regulations laying down the key functions of the Board mandates that the Board shall monitor and review the Board Evaluation Process and also stipulates that the Nomination and Remuneration Committee of the Company shall lay down the evaluation criteria for performance evaluation of Independent Directors. Section 134 of the Companies Act, 2013 states that a formal evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Further, schedule IV to the Companies Act, 2013 states that performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated.

In accordance with the aforesaid provisions, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees.

### ❑ Separate Meeting of Independent Directors

Pursuant to Schedule IV to the Companies Act, 2013 and Listing Regulations, one meeting of Independent Directors were held during the year i.e. on February 07, 2017, without the attendance of Executive directors and members of Management. In addition, the Company encourages regular separate meetings of its independent directors to update them on all business-related issues and new initiatives.

### ❑ Familiarization Program for Independent Directors

Pursuant to provisions of Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Schedule IV of the Companies Act, 2013 the company has formulated 'Familiarisation Programmes' for the Independent Directors and it may be accessed on the Company's website at <http://www.megrisoft.com/pdfs/fp-id.pdf>. Further, at the time of the appointment of an independent director, the company issues a formal letter of appointment outlining his/her role, function, duties & responsibilities.

## ➤ Meetings of the Board

During the Financial Year 2016-17, the Board met Ten (10) times i.e. on 09.04.2016, 30.05.2016, 12.08.2016, 31.08.2016, 01.10.2016, 12.11.2016, 01.02.2017, 07.02.2017, 09.03.2017 and 15.03.2017. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013. Detailed information on the meetings of the Board are included in the report on Corporate Governance, which forms part of this Annual Report.

## ➤ Committees of the Board

The Company has several Committees which have been established as a part of the best corporate governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes.

The Company has following Committees of the Board:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Committee of Independent Directors

The details with respect to the compositions, powers, roles, terms of reference, etc. of relevant committees are given in the report on Corporate Governance of the Company which forms part of this Annual Report.

## ➤ Conservation of Energy, Research and Development, Technology Absorption, Foreign Exchange Earnings & Outgo

Since the Company (Megri Soft Limited) 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 during the year of Rs. 156.70 Lacs only (Previous Year Rs. 255.65 Lacs) and expenditure in foreign currency is Rs. 3.80 Lacs only (Previous year Rs. 6.52 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.

## ➤ Audit Reports & Auditors

### ☐ Audit Reports

- The Auditors' Report for financial year ended March 31, 2017 does not contain any qualification, reservation or adverse remark. The Auditor's Report is enclosed with the financial statements in this Annual Report.
- The Secretarial Auditor's Report for financial year ended March 31, 2017 does not contain any qualification, reservation or adverse remark. The Secretarial Auditor's Report is enclosed as **Annexure III** to the Board's report in this Annual report.
- As required by the Listing Regulations, the Auditor's Certificate on corporate governance is enclosed to the Board's report. The Auditor's Certificate for financial year 2017 does not contain any qualification, reservation or adverse remark.

### ☐ Statutory Auditor

Under Section 139 of the Indian Companies Act, 2013 and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the said section. The Audit Committee of the Company has proposed and on May 29, 2017, the Board of Directors of the Company has recommended the appointment of Kapil Sandeep & Associates, Chartered Accountants (Firm Registration No. 0016244N) as the statutory auditors of the Company. Kapil Sandeep & Associates will hold office for a period of five consecutive years from the conclusion of the 26th Annual General Meeting of the Company scheduled to be held on September 30, 2017, till the conclusion of the 31st Annual General Meeting to be held in the year 2022, subject to the approval of the shareholders of the Company. The first year of audit will be of financial statements for the year ended March 31, 2018, which will include the audit of the quarterly financial statements for the year.

### ☐ Secretarial Auditor

As required under Section 204 of the Companies Act, 2013 and rules thereunder, the Board has appointed Ankur Mahindru, proprietor of M/s A.M. & Associates, Practicing Company Secretaries as its Secretarial Auditors of the Company for financial year 2017-18.

## ➤ Management Discussion And Analysis

The Management Discussion and Analysis Report for the year under review as stipulated SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section forming part of this Annual Report.

## ➤ Corporate Governance

Corporate governance is an ethically driven business organization's brand and reputation. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders' expectations. Your Company is committed to achieve the highest standards of Corporate Governance and also adheres to the Corporate Governance requirements set by the Regulators/ applicable laws. Accordingly, 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.

A certificate from M/s K.K. Bassi & Associates, Statutory Auditors of the Company confirming compliance to the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed to this Report.



## ➤ Director's Responsibility Statement

Pursuant to the requirement under Section Section 134(3)(c) and 134(5) of the Companies Act, 2013, the directors confirm that:

1. In the preparation of annual accounts for the financial year ended March 31, 2017, the applicable accounting standards have been followed.
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, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. They have prepared the annual accounts on a going concern basis;
5. They have laid down internal financial controls which are adequate and are operating effectively; and
6. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## ➤ 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.

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.

## ➤ Extract of Annual Return

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the Annual Return in the prescribed format is appended as **Annexure IV** to the Board's Report.

## ➤ Internal Financial Control and its Adequacy

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of its fraud, error reporting mechanisms, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

## ➤ 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 197(12) of the Act read with Rules 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## ➤ General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. No material changes and commitments affecting the financial position of the Company occurred between the end of the Financial Year to which this financial statements relate and the date of this report.
4. No change in nature of Business of the Company.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## ➤ Green Initiatives

Electronic copies of the Annual Report 2016-17 and the Notice of the 26th Annual General Meeting are sent to all members whose email addresses are registered with the Company/depository participant(s). For members who have not registered their email addresses, physical copies are sent in permitted mode.

## ➤ 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 various countries where we have our operations. 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 and industry, the Ministry of Corporate Affairs, the Ministry of Finance, the Reserve Bank of India, the state governments, the Software Technology Parks (STPs)–Mohali/ Special Economic Zones (SEZs) 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: May 29, 2017**

**Mohnesh Kohli**  
**Director**  
**DIN:01784617**

**Rajnesh Sharma**  
**Whole-Time Director**  
**DIN:02528435**

## Management Discussion and Analysis

Management Discussion and Analysis Report as stipulated under Regulation 34 (2) - e of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, forms part of this Annual Report.

## ➤ Overview

Megri Soft Limited (also referred to as “the Company”) is leading provider of comprehensive web products and solutions from iphone, android, cloud applications, cms development, domain investments, paid search advertising work, web design, hosting, development, programming, web softwares, mobile and web applications, SEO, PPC, social media and internet marketing outsourcing Company. As more and more people start to use the world-wide-web or the internet, the businesses of web based services and websites are 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.

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.

## ➤ Industry Structure and Development

The Internet 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 newbies with an edge over competitors. The dotcom companies have added a 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 the 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 IT export business in the coming times and have growth in sales because of the having technology edge which it has in comparison with other competitor firms as well as in the international business sector. The Company is already taking step to increase web apps and mobile development work which is trending.

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's 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 being in IT sector is having risk of Data Security, Attrition, Content Liability, IPR Protect, Obsolescence and Competition Risk.

## ➤ **Outlook**

The Company is increasing the Search Engine Optimization and IT related services in United Kingdom (UK) since past few years. Considering the fact, the Company has incorporated a wholly owned subsidiary in London, United Kingdom in order to expand its business in coming years.

## ➤ **Risk Concerns**

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.

## ➤ **Discussion on Financial Performance**

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. The Management of the Company 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 decline in sales and profit as compared to previous year 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.

## ➤ **Internal Financial Control**

Megri Soft has proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition, and those transactions are authorised, recorded and reported correctly.

The internal control is supplemented by an extensive programme of internal audits, review by management and the Audit Committee, and documented policies, guidelines and procedures. The internal control is designed to ensure that financial and other records are reliable for preparing financial information and other data, and for maintaining accountability of assets.

## ➤ **Forward Looking Statement**

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the Indian online sector, advertising spends, new disruptive technologies or business models, significant changes in political and economic environment in India, exchange rate fluctuations, tax laws, litigation, labour relations and interest costs.

## **Corporate Governance Report**

(The Report on Corporate Governance forms part of the Directors' Report for the year ended March 31, 2017)

### ➤ **Our corporate governance philosophy**

Our corporate governance is a reflection of our value system encompassing our culture, policies and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times.

### ➤ **Corporate governance framework**

Our corporate governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as disclosures related to the leadership and governance of the Company. We believe that an active, well-informed and independent board is necessary to ensure the highest standards of corporate governance. At Megri Soft, the Board of Directors ('the Board') is at the core of our corporate governance practice. The Board oversees the Management's functions and protects the long term interest of our stakeholders. As on March 31, 2017, the Board comprised 5 members, of which 2 members are independent directors. An independent director is nominated as the chairperson of each of the Board committees, namely audit, nomination & remuneration, stakeholders relationship.

### ➤ **Corporate governance guidelines**

The Board has defined a set of corporate governance best practices and guidelines to help fulfill our corporate responsibility towards our stakeholders. These guidelines ensure that the Board will have the necessary authority and process to review and evaluate our operations as and when required. Further, these guidelines allow the Board to make decisions that are independent of the Management. The Board may change these guidelines regularly to achieve our stated objectives.

### ➤ **Board Composition**

#### ☐ **Size & composition of the Board**

We believe that our Board needs to have an appropriate mix of executive and independent directors to maintain its independence and separate its functions of governance and management. Listing regulations mandate that for a company with a non-executive chairman, at least one-third of the Board should be independent directors. As on March 31, 2017, our Board comprised 5 members, two of whom were executive or whole-time directors, one was non-executive director while two members were independent directors. One out of 5 Board members or 30% of the Board are women. The Board periodically evaluates the need for change in its composition and size.

#### ☐ **Role of the Board of Directors**

The primary role of the Board is that of trusteeship to protect and enhance shareholder value through strategic direction to the Company. As trustees, the Board has fiduciary responsibility to ensure that the Company has clear goals aligned to shareholder value and its growth. The Board exercises its duties with care, skill and diligence and exercises independent judgment. It sets strategic goals and seeks accountability for their fulfillment. It also directs and exercises appropriate control to ensure that the Company is managed in a manner that fulfills stakeholders' aspirations and societal expectations.

#### ☐ **Definition of independent directors**

The Companies Act, 2013 and the Listing Regulations define an 'independent director' as a person who is not a promoter or employee or one of the key managerial personnel (KMP) of the Company or its subsidiaries. The laws also state that the person should not have a material pecuniary relationship or transactions with the Company or its subsidiaries, apart from receiving remuneration as an independent director.

#### ☐ **Board membership criteria**

The nomination and remuneration committee works with the entire Board to determine the appropriate characteristics, skills and experience required for the Board as a whole and for individual members. Members are expected to possess the required qualifications, integrity, expertise and experience for the position. They should also possess deep expertise and insights in sectors / areas relevant to the Company, and ability to contribute to the Company's growth.

#### ☐ **Membership term**

The Board constantly evaluates the contribution of members and periodically shares updates with the shareholders about reappointments consistent with applicable statutes. The current law in India mandates the retirement of two-third of the non-independent directors (who are liable to retire by rotation) every year, and qualifies the retiring members for reappointment. Executive directors are appointed by the shareholders for a maximum period of five years, but are eligible for reappointment by retire by rotation. An independent director shall hold office for a term of up to five consecutive years on the Board of the Company and will be eligible for reappointment on the passing of a special resolution by the shareholders.

#### ☐ **Performance Evaluation Criteria**

The Company believes in conducting its business affairs in a fair and transparent manner; giving highest regard to good Corporate Governance practices and ensuring transparency, accountability and equity across all facets of operation and in all interactions with Stakeholders. The Nomination and Remuneration Committee had laid down the evaluation criteria for performance evaluation of every director including Independent director and the Board pursuant to the Corporate Governance norms prescribed by the Companies Act, 2013 and SEBI Listing Regulations.

The criteria for performance evaluation cover the areas relevant to the functioning as Independent Directors such as preparation, participation, conduct and effectiveness. The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation the Directors who are subject to evaluation had not participated.

The Composition of the Board of Directors of the Company as on March 31, 2017, was as follows:

Name of the Director	Mr. Mohnesh Kohli	Mr. Anil Kumar Goyal	Ms. Aprajita Kohli	Mr. Mahesh Kumar	Mr. Rajnesh Sharma
Category	Promoter & Non-Executive Director	Non-Executive & Independent Director	Executive Director	Chairman, Non-Executive & Independent Director	Executive Director
Director Identification Number (DIN)	01784617	00874488	02489600	07584152	02528435
Date of Birth	16.08.1962	25.08.1953	25.10.1990	26.06.1989	27.05.1969
Date of Appointment	09.09.1994	30.09.2014	30.09.2009	12.08.2016	18.08.1998
Expertise in Specific Functional Area	Accountancy & Financial Consultancy	Accountancy & Financial Consultancy	Internet Technology	Corporate Laws, Financial Consultancy & Income Tax related matters	Finance & Web Services
Qualification	B. Com., FCA & Grad. CWA	B. Com., FCA	Graduation in Journalism & PR, Advanced IT Course and MBA in International Business from University of Greenwich, London.	B. Com, LL.B. & CS	Graduate in Arts
No. of Shares Held	6,38,000	0	1,51,700	0	60,800
Relationship with Other Directors	Related to Aprajita Kohli	Not Related to any Director	Related to Mohnesh Kohli	Not Related to any Director	Not Related to any Director

## ➤ Board Meetings

### ❑ Scheduling and selection of agenda items for Board meetings

- The meetings of the Board are convened by giving appropriate advance notice to the members of the Board. The Company Secretary circulates internal notice to all the Board members asking for the suggestions/details of any matter which requires discussion or approval of the Board so that the same could be incorporated in the agenda of the Board meeting. The date of the Board meeting is fixed taking into account convenience and availability of the Board members.
- The agenda papers are circulated to the Directors in advance along with suitable explanatory notes. At each meeting detailed presentation and important documents are placed at the table of the meeting for discussion of individual agenda items. The minutes of the Committees of Board 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 Company Secretary 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. The Company Secretary records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to Board/Board Committee members for their comments. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting.
- Pursuant to Schedule IV to the Companies Act, 2013 and Listing Regulations, one meeting of Independent Directors were held during the year i.e. on February 07, 2017, without the attendance of Executive directors and members of Management. In addition, the Company encourages regular separate meetings of its independent directors to update them on all business-related issues and new initiatives.
- Total Number of Board Meetings held during the FY. 2016-17 : **10**

#### Quarter – I [April'16-June'16]

- 09.04.2016
- 30.05.2016

#### Quarter – II [July'16-Sept'16]

- 12.08.2016
- 31.08.2016

#### Quarter – III [Oct'16-Dec'16]

- 01.10.2016
- 12.11.2016

#### Quarter – IV [Jan'17-Mar'17]

- 01.02.2017
- 07.02.2017
- 09.03.2017

**Attendance of Directors at the Board of Directors Meetings held during 2016-17 and the last Annual General Meeting (Annual General Meeting) held on 30.09.2016 are as follows:**

Sr. No.	Name of Directors	No. of Board Meetings attended	Attendance at the last Annual General Meeting held on 30.09.2016	No. of other Directorships of public companies as on March 31, 2017
1.	Mr. Mohnesh Kohli	10	Yes	-
2.	Mr. Rajnesh Sharma	10	Yes	-
3.	Mr. Ajay Jagga	2	No	-
4.	Mr. Mahesh Kumar	6	Yes	-
5.	Ms. Aprajita Kohli	4	No	-
6.	Mr. Anil Kumar Goyal	5	No	1

#### ☐ General Body Meetings

**Particulars of Annual General Meetings held in last three years & information related to Postal Ballot**

Meeting	Year	Venue	Day & Date	Time	Whether Special Resolution Passed
25th A.G.M.	2016	S.C.O. 80, Sector 47-D, Chandigarh-160047	Friday, 30th Sept., 2016	09.00 AM	Yes
24th A.G.M.	2015	S.C.O. 80, Sector 47-D, Chandigarh-160047	Wednesday, 30th Sept., 2015	09.00 AM	No
23rd A.G.M.	2014	S.C.O. 80, Sector 47-D, Chandigarh-160047	Tuesday, 30th Sept., 2014	09.30 AM	No

- Special Resolution passed through postal ballot**

No special resolution was put through postal ballot during the year 2016-17.

- Whether any Special Resolution is proposed to be conducted through postal ballot**

At present, no Special Resolution(s) are proposed to be passed through postal ballot.

#### ➤ Committees of Board

During the year, the Board had the following Committees –

1. Audit Committee
2. Stakeholders' Relationship Committee
3. Nomination & Remuneration Committee
4. Committee of Independent Directors

Each Committee has its own Charter and have been assigned with scope of responsibilities, duties, and authorities, which is reviewed by the Board from time to time in order to determine the appropriateness of the purpose for which the Committee was formed. Committee composition conforms to applicable laws and regulations. Minutes of all the Committee meetings are placed for information/noting in the subsequent Board meeting.

All decisions pertaining to the constitution of committees and its Charter including fixing of terms of service for committee members is taken by the Board of Directors. Details on the role and composition of these committees, including the number of meetings held during the financial year and the related attendance, are provided below:

#### ☐ Audit Committee

Our Audit Committee comprised three directors as on March 31, 2017 out of which two are independent directors and one is non-executive director. During the year, Mr. Ajay Jagga, member of the said committee have been replaced by Mr. Mahesh Kumar as Mr. Ajay Jagga has resigned from the Board. The Company Secretary acts as the secretary to the audit committee.

<input type="checkbox"/>	Mr. Anil Kumar Goyal	-	Chairman
<input type="checkbox"/>	Mr. Mahesh Kumar	-	Member
<input type="checkbox"/>	Mr. Mohnesh Kohli	-	Member

#### Audit Committee attendance:

During the Financial Year 2016-17, 7 (Seven) meetings of the committee were held on May 30, 2016, August 12, 2016, November 12, 2016, February 01, 2017, February 07, 2017, March 08, 2017 & March 15, 2017. For review of the annual financial results for the year ended March 31, 2017, the meeting of the Audit Committee was held on May 29, 2017. The attendance details of the audit committee meetings are as follows:

Name	Position	Status	Attendance on Dates of Audit Committee Meetings Held						
			28.05.2016	12.08.2016	12.11.2016	01.02.2017	07.02.2017	08.03.2017	15.03.2017
Mr. Anil Kumar Goyal	Chairman	Independent Director	✓	✓	✓	✓	✓	✓	✓
Mr. Ajay Jagga	Member	Independent Director	✓	✓	-	-	-	-	-
Mr. Mahesh Kumar	Member	Independent Director	-	-	✓	✓	✓	✓	✓
Mr. Mohnesh Kohli	Member	Non-Executive Director	✓	✓	✓	✓	✓	✓	✓

#### Brief Description of Terms of Reference

The functions and scope of the Audit Committee includes review of Company's financial reporting, internal controls, related party transactions, insider trading, disclosure in financial statements, management discussion and analysis, appointment of statutory auditor and internal auditor and all other aspects as specified in Section 177 of the Companies Act, 2013 and Regulation 18 read with Part C Schedule II of the Listing Regulations.

The Audit Committee has authority to undertake the specific duties and responsibilities set out in its Charter. The highlights of the terms of reference of the Audit Committee are enumerated below:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Discuss and review, with the management and auditors, the annual/quarterly financial statements before submission to the Board for approval, with particular reference to matters required to be included in the Director's Responsibility Statement, Disclosure under 'Management's Discussion and Analysis of Financial Condition and Results of Operations', Major accounting entries, Significant adjustments made in the financial statements arising out of audit findings, Compliance with listing and other legal requirements, Disclosure of Related Party Transactions, Audit Report, appointment of CFO etc.
3. Recommend the appointment, re-appointment and if required, the replacement or removal of the statutory auditors and fixation of their remuneration.
4. Review of internal control and internal audit system.
5. Review the functioning of the Whistle Blower Mechanism.
6. To oversee compliance with regulatory requirements and policies
7. To review and approve all Related Party Transactions or any subsequent modification thereof.
8. Setting forth the policies relating to and overseeing the implementation of the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (including any amendment thereof) and the Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices.

#### ☐ Nomination & Remuneration Committee

Our nomination and remuneration committee comprised the following directors as on March 31, 2017 :

<input type="checkbox"/>	Mr. Anil Kumar Goyal	-	Chairman (Non- Executive & Independent Director)
<input type="checkbox"/>	Mr. Mohnesh Kohli	-	Member (Non- Executive Director)
<input type="checkbox"/>	Mr. Mahesh Kumar	-	Member (Non- Executive & Independent Director)

During the Financial Year 2016-17, the Committee met once and all the members attended the said committee.

#### Brief Description of Terms of Reference

NRC, vide Committee Charter as approved by the Board, has been entrusted with the responsibility of formulating the criteria for determining qualifications, positive attributes and independence of a director including identifying, screening and reviewing candidates qualified to be appointed as directors and candidates who may be appointed in senior management.

**The Terms of Reference of the NRC, primarily include the following:**

1. Assisting the Board with respect to its composition so as to ensure that the Board is of a size and composition conducive to making appropriate decisions.
2. Reviewing the Board's Committee structures and to make recommendations for appointment of member/ Chairman of the Committees.
3. Ensuring that effective induction and education procedures exist for new Board appointees and senior management.
4. Ensuring that appropriate procedures exist to assess and review and evaluate the performance of the Directors, senior management, Board committees and the Board as a whole.
5. To formulate and recommend to the Board a remuneration policy for the directors, key managerial personnel and other employees.

**Performance Evaluation Criteria**

The Company believes in conducting its business affairs in a fair and transparent manner; giving highest regard to good Corporate Governance practices and ensuring transparency, accountability and equity across all facets of operation and in all interactions with Stakeholders. The Nomination and Remuneration Committee had laid down the evaluation criteria for performance evaluation of every director including Independent director and the Board pursuant to the Corporate Governance norms prescribed by the Companies Act, 2013 and SEBI Listing Regulations.

The criteria for performance evaluation cover the areas relevant to the functioning as Independent Directors such as preparation, participation, conduct and effectiveness. The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation the Directors who are subject to evaluation had not participated.

**Remuneration to Directors**

**Remuneration Policy:** The Company had formulated Remuneration Policy for Directors, Key Managerial Personnel and other employees on March 30, 2015 which was part of 24th Annual Report of the Company. It is same till date and will be updated on each & every amendment.

**Whole-Time Director:**

The Company pays remuneration to the Whole-Time Directors as approved by the Board of Directors and Members of the Company in the General Meeting. During the Financial Year 2016-17, the salary drew by Whole-Time Directors is as follows:

Sl. No.	Particulars of Remuneration	Name of Whole Time Directors		Total Amount (Rs. in Lacs)
		Rajnish Sharma	Aprajita Kohli	
1.	Basic Pay	5.94	0.75	6.69
2.	Other Perquisites	-	-	-
<b>Total</b>		<b>5.94</b>	<b>0.75</b>	<b>6.69</b>

**Non-Executive Directors:**

There were no pecuniary transactions with any Non-Executive Director of the Company.

**Service Contracts, Notice Period, Severance Fee**

The Company does not enter into service contracts with the Directors as they are appointed/re-appointed with the approval of the shareholders for the period permissible under the applicable provisions of the Companies Act, 2013 and/or Listing Regulations. Independent directors have been issued an appointment letter which prescribes that any Independent Director may resign from his office subject to reasonable written notice to the Board. The Company does not pay any severance fees or any other payment to the Directors.

**Stock option details**

The Company has not issued any shares to its employees/directors under the stock option scheme.

**Shareholding**

The details of the shares held by the Non-Executive Directors as on March 31, 2017 is given as follows:-

Sl. No.	Name of Director	No. of Shares Held	% to total paid-up capital
1.	Mr. Mohnesh Kohli	6,38,000	20.31
2.	Mr. Mahesh Kumar	0	-
3.	Mr. Anil Kumar Goyal	0	-



## ❑ Relationship inter se:

Except Mr. Mohnesh Kohli and Ms. Aprajita Kohli, none of the Directors of the Company is related to any other directors of the Company.

## ❑ Board Familiarization Program

Pursuant to provisions of Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Schedule IV of the Companies Act, 2013, the company has formulated 'Familiarisation Programmes' for the Independent Directors. The Program aims to provide insights into the Company to enable the Independent Directors to understand its business in-depth and contribute significantly to the Company.

The familiarization program has been uploaded on the website of the Company at <http://www.megrisoft.com/pdfs/fp-id.pdf>.

## ❑ Shareholders'/Investors' Grievance Committee (Stakeholders Relationship)

The stakeholders relationship committee has the mandate to review and redress stakeholder grievances.

Our stakeholders relationship committee comprised the following directors as on March 31, 2017 :

❑ Mr. Mohnesh Kohli	-	Chairman (Non- Executive Director)
❑ Mr. Anil Kumar Goyal	-	Member (Non- Executive & Independent Director)
❑ Mr. Mahesh Kumar	-	Member (Non- Executive & Independent Director)

The quorum of the Committee is two members. During the Financial Year, a meeting of the Committee was held on February 07, 2017 and the same was attended by Mr. Anil Kumar Goyal, Mr. Mohnesh Kohli, Mr. Mahesh Kumar & Ms. Ankita Jain. The Board has appointed Ms. Ankita Jain, Company Secretary, as the Compliance Officer for the Listing Regulations with effect from December 1, 2015.

During the Financial Year 2016-17, the Company has not received any complaint from any shareholder.

## ➤ Means of Communication

- ❑ **Publication of Financial Results** - The Quarterly and Half-yearly/Annual financial results are published in prominent daily newspapers viz. the "Financial Express" and "Desh Sewak". The Financial Results, Annual Report, Company's Policies & other documents of the Company are also made available at the website of the Company [www.megrisoft.com](http://www.megrisoft.com).
- ❑ **Annual Report & other filings**- The Company communicates with the shareholders at large through its Annual Reports containing, inter alia, Audited Financial Statements, Directors' Report, Auditors' Report and by filing of various reports and returns with the Statutory Bodies like Stock Exchanges and the Registrar of Companies.
- ❑ **Designated Email-id:** For investors, the Company has created a separate email ID [investors@megrisoft.com](mailto:investors@megrisoft.com)
- ❑ **BSE & MSEI Corporate Compliance & Listing Centre** - Listing Centre of BSE Limited & Metropolitan Stock Exchange of India Limited (MSEI) is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report and financial results among the other compliances are also filed electronically on the Listing Centre.
- ❑ **SEBI Complaints Redress System (SCORES)** - The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

## ➤ General Shareholders' Information

### ❑ Details of 26th Annual General Meeting

Date, Time and Venue	September 30, 2017, 9.00 a.m., S.C.O. 80, Sector 47-D, Chandigarh-160047
Financial Year	April 1, 2016 to March 31, 2017
Book Closure	Tuesday, September 26, 2017 to Saturday, September 30, 2017 (Both days inclusive)
Dividend Payment Date	N.A.

### ❑ Financial Calendar 2017-18 (Tentative)

Q1 ending on 30 <sup>th</sup> June, 2017	Second Week of August, 2017
Q2 ending on 30 <sup>th</sup> September, 2017	Second Week of November, 2017
Q3 ending on 31 <sup>st</sup> December, 2017	Second Week of February, 2018
Q4 ending on 31 <sup>st</sup> March, 2018	By the end of May, 2018

#### ❑ 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 month-wise highest, lowest and closing stock prices on the BSE Limited during the Financial Year 2016-17 are given below :-

Financial Year 2016-17	Share Prices of the Company			
	Highest	Lowest	Closing	% Change over last month's closing
Apr-16	-	-	-	-
May-16	-	-	-	-
Jun-16	-	-	-	-
Jul-16	14.45	14.45	14.45	NIL
Aug-16	-	-	-	-
Sept-16	-	-	-	-
Oct-16	-	-	-	-
Nov-16	-	-	-	-
Dec-16	-	-	-	-
Jan-17	15.17	15.17	15.17	4.98
Feb-17	-	-	-	-
Mar-17	-	-	-	-

#### ❑ Distribution of Shareholding

Distribution of the shareholding of the Equity Shares of the Company by size and by ownership class as on March 31, 2017. Patterns of both the distribution models are given in **Table 1** and **Table 2** respectively.

#### ❑ Table 1: Shareholding Pattern by Size as on March 31, 2017

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares (Rs. 10 per share)	Amount in Rs.	% of Shareholding
0-500	327	64.11	77,206	7,72,060	2.46
501-1000	100	19.60	88,100	8,81,000	2.81
1001-2000	9	1.76	14,995	1,49,950	0.48
2001-3000	11	2.15	30,500	3,05,000	0.97
3001-4000	7	1.37	26,200	2,62,000	0.83
4001-5000	13	2.54	61,000	6,10,000	1.94
5001-10000	14	2.74	1,15,700	11,57,000	3.68
10001- ABOVE	29	5.68	27,26,999	2,72,69,990	86.83
<b>Total</b>	<b>510</b>	<b>100.00%</b>	<b>31,40,700</b>	<b>3,14,07,000</b>	<b>100.00%</b>

❑ **Table 2: Shareholding Pattern by Ownership as on March 31, 2017**

Category Of Shareholders	No. of Shares Held	Shareholding (%)
Promoters Holding	19,52,050	62.15%
Financial Institutions/Banks	0	0.00%
Bodies Corporate	3,82,096	12.17%
Individuals	8,06,554	25.68%
<b>Grand Total</b>	<b>31,40,700</b>	<b>100.00%</b>

❑ **Registrar and Transfer Agent**

Pursuant to guidelines of Securities and Exchange Board of India (SEBI), the work related to Share Transfer Registry, in terms of both physical and electronic mode, is being dealt at single point with M/s. Beetal Financial & Computer Services Pvt. Ltd at its address given below :-

Beetal Financial & Computer Services Pvt. Ltd  
Beetal House, 3rd Floor, 99 Madangir,  
Behind Local Shopping Centre, Near Dada Harsukhdas Mandir,  
New Delhi- 110062  
Phone- +911129961281-83, Fax- +911129961284  
Email- [beetal@beetalfinancial.com](mailto:beetal@beetalfinancial.com)

❑ **Investor grievance and Share Transfer System**

We have a Board-level stakeholders relationship committee to examine and redress complaints by shareholders and investors. The status of complaints and share transfers is reported to the entire Board. The details of shares transferred and the nature of complaints are provided in the Shareholder information section of the Annual Report. For shares transferred in physical form, the Company provides adequate notice to the seller before registering the transfer of shares. The stakeholders relationship committee will meet as often as required to approve share transfers. For matters regarding shares transferred in physical form, share certificates and change of address, shareholders should communicate with Beetal Financial & Computer Services Pvt. Ltd, our registrar and share transfer agent. Their address is published in the Shareholder information section of the Annual Report. Share transactions are simpler and faster in electronic form. After a confirmation of a sale / purchase transaction from the broker, shareholders should approach the depository participant with a request to debit or credit the account for the transaction. The depository participant will immediately arrange to complete the transaction by updating the account. There is no need for a separate communication to the Company to register the transfer.

The Board has authorised Registrar and Share Transfer Agents for processing of share transfers, which are approved by the Company's Share Transfer Committee. This Committee meets as and when required for approving the share transfers except those rejected on technical grounds. Pursuant to Regulation 40(9) of the SEBI Listing Regulation, certificate has been issued by a Company Secretary-in- Practice for due compliance of share transfer formalities by the Company. Also, pursuant to Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996, certification is done by a Company Secretary-in-Practice regarding timely dematerialisation of the shares of the Company.

❑ **Dematerialisation of shares & Liquidity**

Out of total number of equity shares, 82.28 % equity shares of the Company have been dematerialised as on March 31, 2017.

❑ **Outstanding GDRs/ADRs/Warrants or any Convertible instruments, Conversion dates and likely impact on equity**

The Company has not issued any GDRs/ADRs/Warrants or any Convertible instruments during the year.

❑ **Plant (Branch) Locations**

The company is operating from the following offices:

- a. Megri Soft Limited (Unit II), 2nd Floor, SCO 80, Sector 47 D, Chandigarh-160047
- b. Megri Soft Limited (Baddi Unit), SCo 8, Near Himachal Toll Barrier, Teh. Baddi, Dist. Solan, Himachal Pradesh-173205

## ❑ Company's Office Addresses

The address of Registered Office of the Company are as under:

**Registered Office**  
Megri Soft Limited  
S.C.O. 80, Sector 47-D,  
Chandigarh-160047  
Tel No.: +91-172-2631550  
**E-mail:** [legal@megrisoft.net](mailto:legal@megrisoft.net)

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DP).

## ➤ Other Disclosures

- ❑ There was no materially significant related party transactions that may have any potential conflict with interest of the Company at large.
- ❑ There has not been any non-compliance by the Company in respect of which penalties or strictures were imposed by the Stock Exchanges or Securities and Exchange Board of India (SEBI) or any other Statutory Authority during the last three years.
- ❑ Further, the Company has complied with all the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company may also take-up the non-mandatory requirements of the Listing Regulations, 2015 in due course of time.
- ❑ The Company don't have any "material" subsidiary having investment of the Company during the previous financial year.
- ❑ The Company has put in place a Related Party Transaction Policy in compliance with the provisions of Regulation 23(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013, other applicable laws on dealing with Related Party Transactions between the Company and its Related Parties to ensure the proper approval and reporting of such transactions. Such transactions are approved only if they are in the best interest of the Company and its shareholders.

The policy on "Vigil mechanism and Whistle Blower" may be accessed on the Company's website at <http://www.megrisoft.com/pdfs/rptp.pdf>.

## ➤ Code of Conduct

The Company has in place a comprehensive Code of Conduct applicable to all the employees and Non-executive Directors including Independent Directors. The Code is applicable to Non-executive Directors including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law.

A properly formulated "Code of Conduct" is available for view on the Company's website at <http://megrisoft.com/pdfs/code-of-conduct.pdf>.

## ➤ Prohibition of Insider Trading

The Company has adopted a Code of Conduct for Prevention of Insider Trading in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations 2015 and Companies Act, 2013 with a view to regulate trading in securities by the Directors, KMPs and designated employees of the Company.

The Code prohibits the purchase or sale of Company shares by the Directors, KMPs and the employees while in possession of unpublished price sensitive information in relation to the Company and categorically prohibits the purchase or sale of Company shares by the Directors, KMPs and the designated employees during the period when the Trading Window is closed. The said code is placed at the website of the Company viz <http://megrisoft.com/pdfs/code-of-fair-practice.pdf>.

## ➤ Sexual Harassment Policy

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules framed thereunder.

During the financial year 2016-17, the Company did not receive any complaint on sexual harassment and no complaint was pending as of March 31, 2017.

## ➤ Whistle Blower Policy

The Company has put in place a Whistle Blower Policy in compliance with the provisions of Regulation 4(2)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013, other applicable laws and in accordance with principles of good corporate governance.

The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The policy on "Vigil mechanism and Whistle Blower" may be accessed on the Company's website at <http://www.megrisoft.com/pdfs/wbp.pdf>. During the year 2016-17, none of the personnel (Whistle blower) have been denied access to the Audit Committee of the Board.

➤ **Green Initiatives**

The Company has promoted and administered the 'Green Initiative' proposed by the Ministry of Corporate Affairs and the Company has been effecting the electronic delivery of Notice of Annual General Meeting and Annual Report to the shareholders whose email ids are registered with the respective depository participants. The Companies Act, 2013 and Rules thereunder, Listing Regulations provides for circulation of Financial Statements electronically to the shareholders.

The Company is also providing e-voting facility to all members to enable them to cast their votes electronically on all resolutions set forth in the Notice. This is pursuant to Section 108 of the Companies Act, 2013 read with relevant rules thereon. The instructions for e-voting are provided in the Notice of the meeting.

➤ **Confirmation of Compliance with the Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation 2 of Regulation 46**

The Company has adhered to all the mandatory requirements of Corporate Governance norms as prescribed by Regulation 17, 18, 19, 20, 22, 23, 25, 26, 27 and clauses (b) to (g) & (i) of sub-regulation (2) of regulation 46 of the Listing Regulations to the extent applicable to the Company. The Company also strictly complies with the notified Secretarial Standards on the Board and General Meetings as issued by the Institute of the Company Secretaries of India.

**DECLARATION UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS)  
REGULATIONS, 2015**

I confirm that the Company has in respect of financial year ended March 31, 2017, received from Members of the Board & Senior Management team of the Company a declaration of the compliance with the Code of Conduct as applicable to them.

**Place: Chandigarh  
Date: May 29, 2017**

**For Megri Soft Limited**

**Mohnesh Kohli  
(Director)**

**AUDITORS' CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE**  
**[Pursuant to Regulation 34 read with Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

**To**  
**The Members,**  
**Megri Soft Limited**

We have examined the compliance of conditions of Corporate Governance by Megri Soft Limited, for the year ended March 31, 2017 as stipulated in Regulation 17, 18, 19, 20, 22, 23, 25, 26, 27 and clauses (b) to (g) & (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015") of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

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

In our opinion and to the best of 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 SEBI Listing Regulations 2015.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Company, there were no investor grievances remaining unattended/pending for more than 30 days.

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

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

**Place: Chandigarh**  
**Date: May 29, 2017**

**K.K. Bassi**  
**Partner**  
**Membership No. 084597**

**Annexure I to Directors' Report**  
**Form AOC-1**

**(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)**  
**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

**Part "A": Subsidiaries**

**(Information in respect of each subsidiary to be presented with amounts in Rs.)**

Sl. No.	Particulars	Details
1.	Name of the subsidiary	MEGRISOFT LIMITED (UK)
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Yet to be decided by the management.
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	British Pound Sterling
4.	Share capital	100 pounds
5.	Reserves & surplus	-
6.	Total assets	-
7.	Total Liabilities	-
8.	Investments	-
9.	Turnover	-



10.	Profit before taxation	-
11.	Provision for taxation	-
12.	Profit after taxation	-
13.	Proposed Dividend	-
14.	% of shareholding	100%

**Notes:** The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations
- Names of subsidiaries which have been liquidated or sold during the year.

**Part "B": Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Name of Associates/Joint Ventures	N.A.		
1. Latest audited Balance Sheet Date			
2. Shares of Associate/Joint Ventures held by the company on the year end			
No.			
Amount of Investment in Associates/Joint Venture			
Extend of Holding%			
3. Description of how there is significant influence			
4. Reason why the associate/joint venture is not consolidated			
5. Net worth attributable to shareholding as per latest audited Balance Sheet			
6. Profit/Loss for the year			
i. Considered in Consolidation			
ii. Not Considered in Consolidation			

**Note:**

- Names of associates or joint ventures which are yet to commence operations.
- Names of associates or joint ventures which have been liquidated or sold during the year.

**Note:**

- Names of subsidiaries which are yet to commence operations** – MEGRISOFT LIMITED (UK)
- Names of subsidiaries which have been liquidated or sold during the year** - NIL

Place: Chandigarh  
Date: May 29, 2017

For and on behalf of the Board

**Mohnesh Kohli**  
Director  
DIN:01784617

**Rajnesh Sharma**  
Whole-Time Director  
DIN:02528435

**Ankita Jain**  
Company Secretary

## ANNEXURE II TO DIRECTORS' REPORT

### FORM NO. AOC -2

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014**

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Not Applicable
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	1. Mohnesh Kohli (Director) 2. Neena (Relative to Director)
b)	Nature of contracts/arrangements/transaction	Rent Agreement
c)	Duration of the contracts/arrangements/transaction	For One Year
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 7,62,000/- paid during the year.
e)	Date of approval by the Board	01.04.2015
f)	Amount paid as advances, if any	N.A.

**Annexure III to Directors' Report  
Form No. MR-3**

**Secretarial Audit Report**

**For the Financial Year Ended March 31, 2017**

**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,  
The Members,  
**Megri Soft Limited**  
S.C.O.80, Sector 47-D,  
Chandigarh-160047

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2017**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Megri Soft Limited** ("The Company") for the period ended on **March 31, 2017** according to the provisions of:
  - a. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
  - b. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made thereunder;
  - c. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - d. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder;
  - e. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**):
    - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not applicable to the Company during the Audit Period**);
    - iv. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on October 28, 2014 (**Not applicable to the Company during the Audit Period**);
    - v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company during the Audit Period**);
    - vi. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    - vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the Company during the Audit Period**);
    - viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the Company during the Audit Period**);

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

- I. Secretarial Standards issued by The Institute of Company Secretaries of India and effective from 01.07.2015.
- II. The Listing Agreements entered into by the Company with BSE Limited & Metropolitan Stock Exchange of India Limited (MSEI)/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.  
During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

**Place : Zirakpur  
Date : May 29, 2017**

**For A.M. & Associates**

**CS Ankur Mahindru (Proprietor)  
Membership No. 27853,  
C.P. NO. 9951**

**Note:** This report is to be read with our letter of even date which is annexed as **Annexure-A** and form forms an integral part of this report.

**Annexure-A**

To,  
The Members,  
**Megri Soft Limited**  
S.C.O.80, Sector 47-D,  
Chandigarh-160047

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Place : Zirakpur**  
**Date : May 29, 2017**

**For A.M. & Associates**

**CS Ankur Mahindru (Proprietor)**  
**Membership No. 27853,**  
**C.P. NO. 9951**

**Annexure IV to Directors' Report**  
**Form No. MGT-9**  
**Extract of Annual Return**

**As on the financial year ended on March 31, 2017**

**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]**

<b>I.</b>	<b>Registration And Other Details</b>	
i)	CIN (Corporate Identification Number)	L72200CH1992PLC011996
ii)	Registration Date	5th February 1992
iii)	Name of the Company	Megri Soft Limited
iv)	Category / Sub-Category of the Company	Public Company/Limited by shares
v)	Address of the Registered office and contact details	S.C.O. 80, FIRST FLOOR, BACK SIDE, SECTOR- 47, CHANDIGARH-160047 Tel No. : +91-0172-2631561 Fax No.: +91-0172- 5012787
vi)	Whether listed Company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent	Beetal Financial & Computer Services Pvt. Ltd Beetal House, 3rd Floor, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi- 110062 Phone: +911129961281-83 Fax: +911129961284 Email: <a href="mailto:beetal@beetalfinancial.com">beetal@beetalfinancial.com</a>
<b>II.</b>	<b>Principal Business Activities of the Company</b>	<b>As per Attachment A</b>
<b>III.</b>	<b>Particulars Of Holding, Subsidiary And Associate Companies</b>	<ul style="list-style-type: none"> <li>• <b>Name:</b> MEGRISOFT LIMITED</li> <li>• <b>Country :</b> U.K.</li> <li>• <b>Subsidiary Company</b></li> <li>• <b>Registration No. :</b> 10434642</li> <li>• <b>% Holding at March 31, 2017-</b> 100%</li> </ul>

<b>IV.</b>	<b>Shareholding Pattern (Equity Share Capital Breakup As Percentage Of Total Equity)</b>	<b>As per Attachment B</b>
i)	Category-wise Shareholding	
ii)	Shareholding of Promoters	
iii)	Change in Promoters' Shareholding	
iv)	Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	
v)	Shareholding of Directors and Key Managerial Personnel	
<b>V.</b>	<b>Indebtedness of the Company including interest outstanding/accrued but not due for payment</b>	<b>As per Attachment C</b>
<b>VI.</b>	<b>Remuneration Of Directors And Key Managerial Personnel</b>	<b>As per Attachment D</b>
A.	Remuneration to Managing Director, Whole-time Directors and/or Manager	
B.	Remuneration to other directors	
C.	Remuneration to Key Managerial Personnel other than MD/Manager/WTD	
<b>VII.</b>	<b>Penalties/Punishment/Compounding Of Offences</b>	<b>Nil</b>

## Attachment A

## Principal Business Activities of the Company

Details of all the business activities contributing 10% or more of the total turnover of the Company, as given below:-

SL. No.	Name & description of main products/services	NIC Code of the products/service	% to total Turnover of the Company
1.	Data processing, hosting and related activities	6311	100%

## Attachment B

### Shareholding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)

### i) Category-Wise Shareholding

[illegible]

b)	Other Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
d)	Banks/ FI	-	-	-	-	-	-	-	-	-
e)	Any Other	-	-	-	-	-	-	-	-	-
	<b>Sub-Total A(2)</b>	-	-	-	-	-	-	-	-	-
	<b>Total Shareholding Of Promoter [A=A(1)+A(2)]</b>	-	<b>19,52,050</b>	<b>19,52,050</b>	<b>62.15</b>	<b>19,52,050</b>	-	<b>19,52,050</b>	<b>62.15</b>	-
<b>B</b>	<b>Public</b>									
<b>(1)</b>	<b>Institutions</b>									
a)	Mutual Funds/UTI	-	-	-	-	-	-	-	-	-
b)	Banks/FI	-	-	-	-	-	-	-	-	-
c)	Central Govt. (s)	-	-	-	-	-	-	-	-	-
d)	State Govt. (s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
i)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
j)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-Total B(1)</b>	-	-	-	-	-	-	-	-	-
<b>(2)</b>	<b>Non- Institutions</b>									
a)	Bodies Corporate	3,08,500	73,600	3,82,100	12.17	3,08,496	73,600	3,82,096	12.16	-
b)	Individuals									
i)	Individual shareholders holding nominal share capital up to Rs. 1 lakh	27,700	4,30,700	4,58,400	14.60	2,005	4,05,500	4,07,505	12.97	-
ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	2,70,750	77,400	3,48,150	11.09	3,21,649	77,400	3,99,049	12.70	-
c)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
d)	Any Other	-	-	-	-	-	-	-	-	-
	<b>Sub-Total B(2)</b>	<b>6,06,950</b>	<b>5,81,700</b>	<b>11,88,650</b>	<b>37.85</b>	<b>6,32,150</b>	<b>5,56,500</b>	<b>11,88,650</b>	<b>37.85</b>	-
	<b>Total Public Shareholding [B=B(1)+B(2)]</b>	<b>6,06,950</b>	<b>5,81,700</b>	<b>11,88,650</b>	<b>37.85</b>	<b>6,32,150</b>	<b>5,56,500</b>	<b>11,88,650</b>	<b>37.85</b>	-
<b>C</b>	<b>Shares Held By Custodian For GDRS &amp; ADRS</b>	-	-	-	-	-	-	-	-	-
	<b>Grand Total (A+B+C)</b>	-	<b>31,40,700</b>	<b>31,40,700</b>	<b>100</b>	<b>25,59,000</b>	<b>5,81,700</b>	<b>31,40,700</b>	<b>100</b>	-



## ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding As on 01.04.2016			Shareholding As on 31.03.2017			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	% change during the year
1.	Mohnesh Kohli	6,38,000	20.31	-	6,38,000	20.31	-	-
2.	Neena	3,91,100	12.45	-	3,91,100	12.45	-	-
3.	Aprajita Kohli	1,51,700	4.83	-	1,51,700	4.83	-	-
4.	Austin Kohli	1,000	0.03	-	1,000	0.03	-	-
5.	Rajnesh Sharma	60,800	1.94	-	60,800	1.94	-	-
6.	M.L. Kohli	46,700	1.49	-	46,700	1.49	-	-
7.	Mohnesh Kohli HUF	1,52,850	4.87	-	1,52,850	4.87	-	-
8.	Shaveta Sharma	25,000	0.80	-	25,000	0.80	-	-
9.	Mahesh Kohli	21,700	0.69	-	21,700	0.69	-	-
10.	Basel Investments Limited	3,07,700	9.80	-	3,07,700	9.80	-	-
11.	Kohli & Kohli Financial Consultants Limited	1,55,500	4.95	-	1,55,500	4.95	-	-
	<b>Total</b>	<b>19,52,050</b>	<b>62.15</b>	<b>-</b>	<b>19,52,050</b>	<b>62.15</b>	<b>-</b>	<b>-</b>

## iii) Change in Promoters' Shareholding - No Change

## iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Name	Shareholding		Date	Increase/ (Decrease) in share-holding	Reason	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of Shares on 01.04.2016/ 31.03.2017	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Consolidated Capital Investcare Limited	1,54,500	4.92	01.04.2016	0	Nil movement during the year	-	-
		1,54,500	4.92	31.03.2017			1,54,500	4.92
2.	Tech Junkies Limited	1,52,300	4.85	01.04.2016	0	Nil movement during the year	-	-
		1,52,300	4.85	31.03.2017			1,52,300	4.85
3.	O.M. Security Limited	58,100	1.85	01.04.2016	0	Nil movement during the year	-	-
		58,100	1.85	31.03.2017			58,100	1.85
4.	Sukhvir Singh	42,000	1.38	01.04.2016	0	Nil movement during the year	-	-
		42,000	1.38	31.03.2017			42,000	1.38

5.	Arun Mahajan	9,800	0.31	01.04.2016	-	-	-	-
		0	0	09.09.2016	9,800	Transfer	19,600	0.62
		0	0	23.09.2016	11,600	Transfer	31,200	0.99
		31,200	0.99	31.03.2017	-	-	31,200	0.99
6.	Paramjit Kaur	30,200	0.96	01.04.2016	-	-	-	-
		0	0	21.10.2016	200	Transfer	30,400	0.97
		0	0	10.02.2017	100	Transfer	30,500	0.97
		30,500	0.97	31.03.2017	-	-	30,500	0.97
7.	Vikram Karam Chand Bhanot	30,100	0.96	01.04.2016	0	Nil movement during the year	-	-
		30,100	0.96	31.03.2017			30,100	0.96
8.	Manjusha Bhanot	30,000	0.96	01.04.2016	0	Nil movement during the year	-	-
		30,000	0.96	31.03.2017			30,000	0.96
9.	Vipan Kumar	30,000	0.96	01.04.2016	0	0	0	0
		0	0	27.01.2017	(1)	Transfer	29,999	0.95
		29,999	0.95	31.03.2017	-	-	29,999	0.95
10.	Satvinder Singh	29,900	0.95	01.04.2016	0	Nil movement during the year	-	-
		29,900	0.95	31.03.2017			29,900	0.95

#### v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name	Shareholding		Date	Increase/ (Decrease) in Share Holding	Reason	Cumulative Shareholding during the year	
		No. of Shares on 1.04.2016/ 31.03.2017	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Mohnessh Kohli (Promoter & Director)	6,38,000	20.31	01.04.2016	0	Nil movement during the year	-	-
		6,38,000	20.31	31.03.2017			6,38,000	20.31
2.	Rajnesh Sharma (Whole-Time Director & CFO)	60,800	1.94	01.04.2016	0	Nil movement during the year	-	-
		60,800	1.94	31.03.2017			60,800	1.94
3.	Aprajita Kohli (Whole-Time Director)	1,51,700	4.83	01.04.2016	0	Nil movement during the year	-	-
		1,51,700	4.83	31.03.2017			1,51,700	4.83
4.	Ajay Jagga (Independent Director)	500	0.16	01.04.2016	0	Nil movement during the period	-	-
		500	0.16	12.08.2016			500	0.16
5.	Mahesh Kumar (Independent Director)	0	-	12.08.2016	0	Nil holding during the period	-	-
		0	-	31.03.2017			0	-

6.	Anil Kumar Goyal (Independent Director)	0	-	01.04.2016	0	Nil holding during the year	-	-
		0	-	31.03.2017			0	-
7.	Ankita Jain (Company Secretary/ Compliance Officer)	0	-	01.04.2016	0	Nil holding/ movement during the year	0	-
		0	-	31.03.2017			0	-

## Attachment C

### Indebtedness

#### Indebtedness Of The Company Including Interest Outstanding/accrued But Not Due For Payment

Amount (in Lacs)					
Particulars		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness as on 01.04.2016</b>					
i)	Principal Amount	19,05,012	-	-	19,05,012
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-
<b>TOTAL (i+ii+iii)</b>		<b>19,05,012</b>	<b>-</b>	<b>-</b>	<b>19,05,012</b>
<b>Change in Indebtedness during the financial year</b>					
Addition		90,00,000	-	-	90,00,000
Reduction		1,09,05,012	-	-	1,09,05,012
Exchange Difference		-	-	-	-
<b>Net Change</b>		<b>19,05,012</b>	<b>-</b>	<b>-</b>	<b>19,05,012</b>
<b>Indebtedness as on 31.03.2017</b>					
i)	Principal Amount	-	-	-	-
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-
<b>TOTAL (i+ii+iii)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Attachment D

### Remuneration Of Directors And Key Managerial Personnel

#### A. Remuneration To Managing Director, Whole-Time Directors And/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount (Rs. in Lacs)
		Rajnesh Sharma (Whole Time Director)	Aprajita Kohli (Whole Time Director)	
1.	Basic Pay	5.94	0.75	6.69
2.	Other Perquisites	0.00	0.00	0.00
<b>Total</b>		<b>5.94</b>	<b>0.75</b>	<b>6.69</b>

#### B. Remuneration to other directors: Nil

#### C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Name of KMP other than MD/Manager/WTD		Total Amount (Rs. in Lacs)
		Rajnesh Sharma (Chief Financial Officer)	Ankita Jain (Company Secretary/Compliance Officer)	
1.	Basic Pay	Please refer table VI. A for details	2.45	2.45
2.	Other Perquisites		0.00	0.00
Total			2.45	2.45

## **Independent Auditors' Report**

To the Members of  
Megri Soft Limited

### **Report on the Financial Statements**

1. We have audited the accompanying financial statements of Megri Soft Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2017, 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 management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An

audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, 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 on financial statements.

### **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, 2017;
  - 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, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "A" a statement on the matters Specified in paragraphs 3 and 4 of the Order to the extent applicable.
8. As required by section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;
  - e. on the basis of written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014.



- i. The Company has disclosed the pending litigation in its financial statements -Refer Note 29 to the financial statements
- ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise;
- iii. There has been no occasion during the year under review to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

**Place: Chandigarh**

**Date: May 29, 2017**

**For K.K. Bassi & Associates**

**Chartered Accountants**

**Firm Registration Number: 005539N**

**K.K. Bassi**

**Partner**

**Membership Number 084597**

## **Annexure “A” To Auditor’s Report**

**Referred to in our report of even date on the financial statements for the period ended 31.03.2017 of Megri Soft Limited.**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

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. The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
2. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause (ii) of paragraph 3 of the said Order are not applicable to the Company.
3. According to the information and explanations furnished to us, the company has not granted secured or unsecured loans to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
5. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
6. As informed to us, the Central Government has not prescribed maintenance of cost records for any of the products of the Company under sub-section (1) of Section 148 of the Act.
7. According to the information and explanations given to us and based on the records of the company examined by us:
  - a. the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable.

- b. There are no material dues of duty of customs, duty of excise, sales tax, service tax, Value added tax which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax have not been deposited by the Company on account of dispute:

Nature of Statute	Nature of Dues	Amount (in Rs.)	Period to which amount relates	Forum where dispute is pending
Income tax Act, 1961	Tax and interest	7347744/-	Assessment Year 2013-14	CIT(Appeals)
Income tax Act, 1961	Tax and interest	6515710/-	Assessment Year 2014-15	CIT(Appeals)

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
9. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised money by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon
10. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
11. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**Place: Chandigarh**  
**Date: May 29, 2017**

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

**K.K. Bassi**  
**Partner**  
**Membership Number 084597**

## **“Annexure B” to the Independent Auditor’s Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Megri Soft Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by Institute of Chartered Accountants of India (ICAI).

**Place: Chandigarh**

**Date: May 29, 2017**

**For K.K. Bassi & Associates**

**Chartered Accountants**

**Firm Registration Number: 005539N**

**K.K. Bassi**

**Partner**

**Membership Number 084597**

**MEGRI SOFT LIMITED**  
**CIN : L72200CH1992PLC011996**  
**Regd. Office : SCO 80, Sector 47D, Chandigarh -160047**  
**BALANCE SHEET AS AT MARCH 31, 2017**

(Amount in Rs.)

S. No.	Particulars	Note	As At March 31,2017	As At March 31,2016
<b>I</b>	<b><u>EQUITY &amp; LIABILITIES</u></b>			
<b>1</b>	<b>SHAREHOLDERS' FUNDS</b>			
	(a) Share Capital	<b>3</b>	31407000	31407000
	(b) Reserves and Surplus	<b>4</b>	153464604	149779453
<b>2</b>	<b>NON CURRENT LIABILITIES</b>			
	(a) Long-Term Borrowings		-	-
	(b) Deferred Tax Liabilities (Net)	<b>5</b>	(194575)	89177
<b>3</b>	<b>CURRENT LIABILITIES</b>			
	(a) Short-term borrowings	<b>6</b>	0	1905012
	(b) Trade payables	<b>7</b>	177951	177951
	(c) Other current liabilities	<b>8</b>	815040	327245
	(d) Short-term provisions	<b>9</b>	2090462	2584671
	<b>Total</b>		<b>187760482</b>	<b>186270509</b>
<b>II</b>	<b><u>ASSETS</u></b>			
<b>1</b>	<b>NON-CURRENT ASSETS</b>			
	a) Fixed Assets			
	i) Tangible Assets	<b>10</b>	42665325	4975286
	ii) Intangible Assets	<b>10</b>	1822441	2982112
	iii) Intangible Assets Under Development	<b>10</b>	16227779	13343752
	b) Non-Current Investments	<b>11</b>	15478012	8073150
	c) Deffered Tax Assets (Net)		-	-
	d) Long-Term Loans and Advances	<b>12</b>	50268287	81841275
	e) Other Non-Current Assets	<b>13</b>	432000	486000
<b>2</b>	<b>CURRENT ASSETS</b>			
	a) Trade Receivables	<b>14</b>	5038630	6884740
	b) Cash and Cash Equivalents	<b>15</b>	49076482	60203411
	c) Short-Term Loans and Advances	<b>16</b>	1172732	851614
	d) Other Current Assets	<b>17</b>	5578794	6629169
	<b>Total</b>		<b>187760482</b>	<b>186270509</b>

Significant Accounting Policies 1-2  
Notes forming integral part of Financial Statements 3-34

**For K.K.Bassi & Associates**  
**Chartered Accountants**  
**Firm Registration No. 005539N**

**For and on behalf of Board Of Directors**

**(K.K.Bassi)**  
**Partner**  
**Membership No. 084597**

**Mohnesh Kohli**  
**(Director)**  
**DIN: 01784617**

**Rajnish Sharma**  
**(Whole Time**  
**Director & CFO)**  
**DIN: 02528435**

**Place: Chandigarh**  
**Date: May 29,2017**

**Ankita Jain**  
**Company Secretary**  
**M. No.: ACS37016**

**Place: Chandigarh**  
**Date: May 29,2017**

**MEGRI SOFT LIMITED**  
**CIN : L72200CH1992PLC011996**  
**Regd. Office : SCO 80, Sector 47D, Chandigarh -160047**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017**

(Amount in Rs.)

S. No.	Particulars	Note	As At March 31,2017	As At March 31,2016
<b>I</b>	Revenue From Opertions	<b>18</b>	18282984	26719706
<b>II</b>	Other income	<b>19</b>	4387008	5727391
<b>III</b>	<b>Total Revenue (I+II)</b>		<b>22669992</b>	<b>32447097</b>
<b>IV</b>	<b>EXPENSES</b>			
	a) IT Operating Expenses	<b>20</b>	4502733	8826183
	b) Employees Benefit Expenses	<b>21</b>	5801335	6393192
	c) Finance Cost	<b>22</b>	389567	402992
	d) Depreciation & Amortization Expenses	<b>23</b>	2383737	2985003
	e) Other Expenses	<b>24</b>	4568500	4935940
	<b>Total Expenses</b>		<b>17645872</b>	<b>23543310</b>
<b>V</b>	<b>Profit/(Loss) Before Tax (III-IV)</b>		<b>5024120</b>	<b>8903787</b>
<b>VI</b>	<b>Tax Expenses</b>			
	a) Current Tax		1622721	1691959
	Add: MAT Credit Entitlement		0	(1545819)
	b) Deffered Tax (Assets)/Liabilities		(283752)	(381307)
	<b>Total Tax Expenses</b>		<b>1338969</b>	<b>(235167)</b>
<b>VII</b>	<b>Profit/(Loss) For The Year (V-VI)</b>		<b>3685151</b>	<b>9138954</b>
	Earning per Equity share of Rs. 10/- each:			
	1) Basic	<b>25</b>	<b>1.17</b>	<b>2.91</b>

Significant Accounting Policies

1-2

Notes forming integral part of Financial Statements

3-34

**For K.K.Bassi & Associates**  
**Chartered Accountants**  
**Firm Registration No. 005539N**

**For and on behalf of Board Of Directors**

**(K.K.Bassi)**  
**Partner**  
**Membership No. 084597**

**Mohnesh Kohli**  
**(Director)**  
**DIN: 01784617**

**Rajnesh Sharma**  
**(Whole Time Director**  
**& CFO)**  
**DIN: 02528435**

**Place: Chandigarh**  
**Date: May 29,2017**

**Ankita Jain**  
**Company Secretary**  
**M. No.: ACS37016**

**Place: Chandigarh**  
**Date: May 29,2017**



**MEGRI SOFT LIMITED**  
**CIN : L72200CH1992PLC011996**  
**Regd. Office : SCO 80, Sector 47D, Chandigarh -160047**

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017**

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Net Profit Before Tax</b>		5024120		8903787
Adjustments for:				
Interest Expenses	60954		5012	
Depreciation	2383737		2985003	
Profit on sale of Investments	(92394)		(151652)	
Interest on FDR's	(4274513)		(5370620)	
Dividend	(22702)	(1944918)	(25313)	(2557570)
<b>Operating Profit before Working Capital Changes</b>		<b>3079202</b>		<b>6346217</b>
<b>Adjustments for:</b>				
Increase/(Decrease) in Short Term Borrowings	(1905012)		1900000	
Increase/(Decrease) in Trade Payables	-		-	
Increase/(Decrease) in Other Current Liabilities	487795		266523	
Increase/(Decrease) in Provisions	(494209)		(1438886)	
(Increase)/Decrease in Short Term Receivables	1846110		(700920)	
(Increase)/Decrease in Short Term Loans & Advances	(321119)		(113997)	
(Increase)/Decrease in Other Current Assets	1050376		1670646	
(Increase)/Decrease in Other Non Current Assets	54000	717941	54000	1637366
<b>Cash generated from operations</b>		<b>3797143</b>		<b>7983583</b>
Income Tax		<b>(1622721)</b>		<b>(146140)</b>
<b>Net Cash flow from Operating activities</b>		<b>2174422</b>		<b>7837443</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
(Increase) /Decrease in Loan Term Loans & Advances	31572988		(9383169)	
(Purchase) of Fixed Assets	(41942626)			
Sale of Fixed Assets	236888		(6896662)	
(Increase) /Decrease in FDR	11926152		1454848	
(Increase) /Decrease in Investment	(7404862)		(1056211)	
Interest on FDR's	4274513		5370620	
Dividend	22702		25313	
<b>Net Cash used in Investing activities</b>		<b>(1314245)</b>		<b>(10485261)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Interest on loan against FDR	(60954)		-	
<b>Net Cash used in financing activities</b>		<b>(60954)</b>		<b>0</b>
Net increase in cash & Cash Equivalents		799223		(2647818)
Cash and Cash equivalents (Opening Balance)		361269		3009087
Cash and Cash equivalents (Closing Balance)		1160492		361269
<b>Net Decrease/(Increase) in Cash and Cash Equivalents</b>		<b>(799223)</b>		<b>2647818</b>

Notes:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as Set Out in Accounting Standard 3 on Cash Flow Statement notified under section 211 (3C) (Companies Accounting Standard) Rules 2006 as amended and other relevant provisions of Companies Act 2013
- Figures in brackets indicate cash outflow.
- Previous year's figures have been regrouped or reclassified wherever necessary.

**For K.K.Bassi & Associates**  
**Chartered Accountants**  
**Firm Registration No. 005539N**

**For and on behalf of Board Of Directors**

**(K.K.Bassi)**  
**Partner**  
**Membership No. 084597**

**Mohnesh Kohli**  
**Director**  
**DIN: 01784617**

**Rajnesh Sharma**  
**(Whole Time**  
**Director & CFO)**  
**DIN: 02528435**

**Ankita Jain**  
**Company Secretary**  
**M. No.: ACS37016**

**Place: Chandigarh**  
**Date: May 29,2017**

**Place: Chandigarh**  
**Date: May 29,2017**

## **1.COMPANY OVERVIEW:**

**Megri Soft Limited** is a public and profitable company and is among leading information technology consulting, services and Web Solutions organization that envisioned and pioneered the adoption of the flexible global business practices that today enable companies to operate more efficiently and produce more value. Megri Soft achieved this by creating and perfecting the global expertise and delivering high quality, high value services and products in IT consulting and Web Development which have helped reshape business and deliver competitive advantage. Most of Megri Soft's customers reward the company's reliability, passion, creativity and unique ability to handle the broadest range of their Web Services needs by continually extending and deepening their partnerships with Megrisoft.

The Company is a public Limited Company Incorporated and domiciled in India and has its registered office at Chandigarh, India. The company has its primary listing on BSE Limited.

## **2.SIGNIFICANT ACCOUNTING POLICIES**

### **2.1 Basis of Preparation of Financial Statements**

These financial statements have been prepared to comply with Generally Accepted Accounting Principles in India (Indian GAAP) including the Accounting Standards notified under the relevant provisions of the Companies Act 2013. These Financial Statements are prepared on accrual basis under historical cost convention. These Financial Statements are presented in Indian Rupees rounded off to the nearest Rupees.

### **2.2 Use of Estimates**

The preparation of financial statements in conformity with Indian GAAP requires judgements, estimates and assumptions to be made that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities on the date of financial statements and reported amount of revenue and expenses during the reporting period. Difference between actual results and estimates are recognised in the period in which the results are known.

### **2.3 Fixed Assets**

#### **a. Tangible Assets**

Tangible Assets are stated at cost of acquisition along with related taxes, duties and incidental expenses related to these assets, net of accumulated depreciation and accumulated impairment, if any. Direct costs are capitalised until the assets are ready for use and include inward freight, taxes and expenses incidental to acquisition and installation.

#### **b. Intangible Assets**

Intangible Assets are stated at their cost of acquisition, net of accumulated amortisation and accumulated impairment, if any.

#### **c. Subsequent expenditures** related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

#### **d. Gain/losses** arising from disposal of fixed assets are recognised in the Statement of Profit and Loss.

## 2.4 Depreciation & Amortization

**Tangible Assets** - Depreciation on tangible assets is provided on the straight-line method over the useful life of the assets as prescribed in the Schedule II to the Companies Act 2013 except in respect of the following assets:

Client Computer - 5 years\*

**Intangible assets** are amortised over their respective individual estimated useful lives on straight line basis, commencing from the date asset is available for use to the company.

Computer Software - 6 Years\*

Web Properties - 10 Years\*

(\*Note: for this based on internal assessment and independent technical evaluation carried out by external valuer, the management believes that the useful life as given above best represents the period over which management expects to use the assets.)

## 2.5 Impairment

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to Profit & Loss Statement in the year in which asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimated recoverable amount.

## 2.6 Foreign Currency Transactions

- a. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate as at the date of transaction.
- b. Any income or expenses on account of exchange differences either on settlement or translation/restatement is recognised in the Profit and Loss statement.

## 2.7 Income Taxes

Tax expense comprises of current tax & deferred tax. Income taxes are accrued in the same period that the related revenue and expenses arise. A provision is made for income tax, based on the tax liability computed, after considering tax allowances and exemptions. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognized as an asset in the Balance Sheet if there is convincing evidence that the Company will pay normal tax after the tax holiday period and the resultant asset can be measured reliably.

The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter a deferred tax asset or liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount of timing difference. Deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized. Deferred tax assets, other than in situation of unabsorbed depreciation and carried forward business losses, are recognized only if there is reasonable certainty that they will be realized. Deferred tax assets are reviewed for the appropriateness of their respective carrying values at each reporting date. Deferred tax assets and liabilities have been

offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

## **2.8 Investments**

Current Investments, if any, are stated at cost or fair market value, whichever is lower. Non current investments are stated at cost. Provision for diminution in the value of Non current investments is made, only if a decline is other than temporary.

## **2.9 Provisions & Contingent Liabilities**

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability.

A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

The company has adopted the following accounting policy for making provision in respect of income-tax cases under appeal:

“In respect of disputed income-tax demand, where the company is in appeal, provision for tax is made when the matter is finally decided.”

## **2.10 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 Statement of Profit & Loss as follows:

- ❖ Revenue from services rendered is recognized as the service is performed.
- ❖ Revenue from the sale of Software products is recognized when the sale is completed with the passing of title.
- ❖ Incomes from domain registration, web hosting, set-up and configuration charges are recognized on activation of customer account.
- ❖ Revenue from software and web development contracts are recognized on the completion of development work.
- ❖ Interest income is recognised on accrual basis.

## **2.11 Earning Per Share**

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period.

**Note 3****Share Capital**

Particulars	As At March 31, 2017	As At March 31, 2016
	(Rs.)	(Rs.)
<b>Authorised</b>		
3300000 Equity Shares of Rs. 10/- each	33000000	33000000
	33000000	33000000
<b>Issued &amp; subscribed</b>		
3140700 equity shares of Rs. 10/- each fully paid	31407000	31407000
	<b>31407000</b>	<b>31407000</b>
<b>Issued, Subscribed &amp; Paid up</b>		
3140700 equity shares of Rs. 10/- each fully paid	31407000	31407000
	<b>31407000</b>	<b>31407000</b>

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

Particulars	As At March 31, 2017	As At March 31, 2016
	(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>	<b>31407000</b>	<b>31407000</b>

**b. Terms/Rights attached to equity shares**

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 preceeding the reporting date:-**

Particulars	As At March 31, 2017	As At March 31, 2016	As At March 31, 2015	As At March 31, 2014	As At March 31, 2013	As At March 31, 2012
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Equity Shares allotted as fully paid Bonus shares by capitalisation of Securities Premium	-	-	-	-	-	-
	-	-	-	-	-	-

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

Particulars	As at March 31,2017		As At March 31, 2016	
	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%
	<b>1336800</b>	<b>42.56%</b>	<b>1336800</b>	<b>42.56%</b>

**Note 4****Reserves & Surplus**

Particulars	As At March 31, 2017	As At March 31, 2016
	(Rs.)	(Rs.)
<b>General Reserve</b>		
Opening Balance	4620127	3706232
Add: Transfer from Statement of Profit & Loss	368515	913895
Closing Balance	<b>4988642</b>	<b>4620127</b>
<b>Surplus in Statement of Profit &amp; Loss</b>		
Opening Balance	145159326	136934267
Add: Net Profit after Tax transferred from statement of Profit & Loss	3685151	9138954
<b>Less: Appropriations</b>		
Transfer to General Reserve	368515	913895
Closing Balance	<b>148475962</b>	<b>145159326</b>
<b>Total</b>	<b>153464604</b>	<b>149779453</b>

**Note 5****Deferred Tax Liabilities (Net)**

Particulars	As At March 31, 2017	As At March 31, 2016
	(Rs.)	(Rs.)
Opening Balance	89177	470484
Add: Deferred Tax Liabilities on Depreciation	-	-
Less: Deferred Tax Assets on Depreciation	283752	381307
	<b>-194575</b>	<b>89177</b>

**Note 6****Short term Borrowings**

Particulars	As At March 31, 2017	As At March 31, 2016
	(Rs.)	(Rs.)
<b>Secured</b>		
Other Loans	0	1905012
	<b>0</b>	<b>1905012</b>

Other loan represent loan taken against FDR

**Note 7****Trade Payables**

Particulars	As At March 31, 2017	As At March 31, 2016
	(Rs.)	(Rs.)
Trade Payables	177951	177951
	<b>177951</b>	<b>177951</b>

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, 2017.

**Note 8****Other Current Liabilities**

Particulars	As At March 31, 2017	As At March 31, 2016
	(Rs.)	(Rs.)
Audit Fees Payable	25000	30000
Contribution to Provident & Other Funds	5892	2742
Other payables	784148	294503
	<b>815040</b>	<b>327245</b>

**Note 9****Short-Term Provisions**

Particulars	As At March 31, 2017	As At March 31, 2016
	(Rs.)	(Rs.)
Provision for Income Tax	1622721	1691959
Provision for Employee Benefits	467741	892712
	<b>2090462</b>	<b>2584671</b>

**Note 10**

**Fixed Assets**

(Amount in Rs.)

Particulars	Gross Block				Depreciation				Net Block		
	As On April 01,2016	Additions	Deductions	As On March 31,2017	As On March 31, 2016	Current Year	Written Off	Transfer	As On March 31, 2017	As On March 31, 2017	As On March 31, 2016
<b><u>Land &amp; Building</u></b>											
Commercial Land	0	24891115	0	24891115	0	0	0	0	0	24891115	0
Building	0	14017517	0	14017517	0	0	0	0	0	14017517	0
<b>Total</b>	<b>0</b>	<b>38908632</b>	<b>0</b>	<b>38908632</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>38908632</b>	<b>0</b>
<b><u>Tangible Assets</u></b>											
Furniture & Fixtures	2309629		0	2309629	1092928	213106	0	0	1306034	1003595	1216701
Computer	4036104	62840	1314792	2784152	3555391	113482	0	1182568	2486305	297847	480713
Generator	726625	0	0	726625	690294			0	690294	36331	36331
Air Conditioner	540137	64000	0	604137	452371	71986		0	524357	79780	87766
Office Equipment	695117	9253	24500	679870	473334	53833	0	12230	514937	164933	221783
Vehicles	6437362		0	6437362	3505370	757785	0	0	4263155	2174207	2931992
<b>Total</b>	<b>14744974</b>	<b>136093</b>	<b>1339292</b>	<b>13541775</b>	<b>9769688</b>	<b>1210192</b>	<b>0</b>	<b>1194798</b>	<b>9785082</b>	<b>3756693</b>	<b>4975286</b>
<b><u>Intangible Assets</u></b>											
Computer Software	734683	13874	0	748557	299177	122970	0	0	422147	326410	435506
Web Properties	8909155	0	0	8909155	6362549	1050575	0	0	7413124	1496031	2546606
<b>Total</b>	<b>9643838</b>	<b>13874</b>	<b>0</b>	<b>9657712</b>	<b>6661726</b>	<b>1173545</b>	<b>0</b>	<b>0</b>	<b>7835271</b>	<b>1822441</b>	<b>2982112</b>
<b><u>Intangible Assets under Development</u></b>											
	13343752	2884027	0	16227779	0	0	0	0	0	16227779	13343752
<b>GRAND TOTAL</b>	<b>37732564</b>	<b>41942626</b>	<b>1339292</b>	<b>78335898</b>	<b>16431414</b>	<b>2383737</b>	<b>0</b>	<b>1194798</b>	<b>17620353</b>	<b>60715545</b>	<b>21301150</b>
<b>PREVIOUS YEAR FIGURES</b>	30835902	6896662	-	37732564	13446411	2985003	-	-	16431414	21301150	17389491

**Note 11****Non-Current Investments**

Particulars	Market Value per Share		As At March 31, 2017		As At March 31, 2016	
	As At March 31, 2017	As At March 31, 2016				
			(Rs.)		(Rs.)	
A. Trade Investments						
B. Other Investments (At Cost)			Qty.	Value	Qty.	Value
a) Investment in Equity shares (Quoted)						
Himalyan Financial Services Ltd.	10.00	10.00	281600	2816000	281600	2816000
Infosys Limited	788.05	1217.95	400	334389	380	334389
NTPC Limited	200.00	128.80	200	35667	200	35667
Reliance Industries	894.54	1045.25	70	62172	70	62172
State Bank of India	242.82	194.30	630	143342	630	143342
Sun Pharmaceuticals Industries	763.43	819.45	80	61135	80	61135
Axis Bank Ltd.	495.41	444.55	60	29755	60	29755
Tata Consultancy Services Ltd.	2460.50	2516.05	90	221665	90	221665
Coal India Limited	328.13	292.00	110	36131	110	36131
<b>Total (I)</b>				3740255		3740256
b) Investment in Equity shares (Unquoted)						
Dynamic Petro Products Limited	10	10	262000	2620000	262000	2620000
Basel Investments Limited	10	10	380000	3800000	-	-
Kohli & Kohli Financial Consultants Limited	10	10	385000	3850000	-	-
Megrisoft Limited (UK)			100	9645	-	-
<b>Total (II)</b>				10279645		2620000
c) Investment in Mutual Fund (Quoted)						
<b>Liquid Funds</b>						
HDFC Cash Management Fund-Saving Plan Growth				181497	8.88	26811
HDFC Liquid Funds -Daily Dividend				14298	13.88	10456
HDFC Liquid Fund Growth				122614	4.42	12615
JM High Liquidity Fund Regular Growth Plan				22291	311.97	12226
Birla sun Life manufacturing Equity Fund -Regular Growth				200112	20000.00	200112
Franklin India Prima Plus -Growth				215415	925.60	400225
Franklin India Short Term Income Plan -Retail Plan Growth				300000	113.71	300000
HDFC Balanced Fund -Growth				87739	1166.26	125225
L&T Business Cycles Fund Growth				125112	10133.36	125000
Reliance Equity Opportunities Fund -Growth Plan Growth option				69221	1326.88	100112
SBI Banking and Financial Services Ltd				54050	15407.04	150112
Reliance Fixed Horizon Fund -XXIV-Series9 Growth Plan				0	10000.00	100000
Franklin India Smaller Companies Fund -Growth				65763	4074.30	150000
<b>Total (III)</b>				1458112		1712894
<b>Total(I+II+III)</b>				<b>15478012</b>		<b>8073150</b>

**Note 12****Long Term Loans And Advances - Secured & Considered Good**

Particulars	As At March 31, 2017	As At March 31, 2016
	(Rs.)	(Rs.)
Capital Advances (Against Land & Building)	35057832	67968006
Other Loans and Advances	15210454	13873269
	<b>50268287</b>	<b>81841275</b>

**Note 13****Other Non-Current Assets**

Particulars	As At March 31, 2017	As At March 31, 2016
	(Rs.)	(Rs.)
Deffered revenue Expenditure	432000	486000
	<b>432000</b>	<b>486000</b>

**Note 14****Trade Receivables**

Particulars	As At March 31, 2017	As At March 31, 2016
	(Rs.)	(Rs.)
Trade receivable outstanding for a period exceeding six months:-		
Unsecured		
Considered good	-	-
Considered doubtful	-	-
Other Debts:-		
Unsecured		
Considered good	5038630	6884740
Considered doubtful	-	-
	<b>5038630</b>	<b>6884740</b>



**Note 15****Cash & Cash Equivalents**

Particulars	As At March 31,2017	As At March 31,2016
	(Rs.)	(Rs.)
Balances with bank:-		
In Current Account	1080920	210593
In Fixed deposit	47915990	59842142
Cash in hand	79572	150676
	<b>49076482</b>	<b>60203411</b>

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

**Note 16****Short Term Loans & Advances**

Particulars	As At March 31,2017	As At March 31,2016
	(Rs.)	(Rs.)
Advances with suppliers & others	381903	82789
Other advances	790829	768825
	<b>1172732</b>	<b>851614</b>

**Note 17****Other Current Assets**

Particulars	As At March 31,2017	As At March 31,2016
	(Rs.)	(Rs.)
Advance Tax	1001000	2400000
TDS	427112	536145
Interest accrued but not due	2854490	3575993
Other Current assets	1296191	117031
	<b>5578793</b>	<b>6629169</b>

**Note 18****Revenue From Operations**

Particulars	As At March 31,2017	As At March 31,2016
	(Rs.)	(Rs.)
<b>Information Technology Services</b>		
Income From IT Exports	18282984	26719706
	<b>18282984</b>	<b>26719706</b>

**Note 19****Other Income**

Particulars	As At March 31,2017	As At March 31,2016
	(Rs.)	(Rs.)
Interest on Fixed Deposits with Bank	4274513	5370620
Other Income (Dividend and Profits on Investments etc.)	115096	189750
Foreign Exchange fluctuation	-2600	167021
	<b>4387008</b>	<b>5727391</b>

**Note 20****IT Operating Expenses**

Particulars	As At March 31,2017	As At March 31,2016
	(Rs.)	(Rs.)
<b>Software Development Expenses</b>		
SEO & Development Expenses	4502733	8826183
	<b>4502733</b>	<b>8826183</b>

**Note 21****Employee Benefit Expenses**

Particulars	As At March 31,2017	As At March 31,2016
	(Rs.)	(Rs.)
Salary & Wages (Including Director Remuneration see note no. 33)	5573676	6123080
Contribution to Provident & Other Funds	27301	15815
Staff Welfare Expenses	200358	254297
	<b>5801335</b>	<b>6393192</b>

**Note 19****Other Income**

Particulars	As At March 31,2017	As At March 31,2016
	(Rs.)	(Rs.)
Interest on Fixed Deposits with Bank	4274513	5370620
Other Income (Dividend and Profits on Investments etc.)	115096	189750
Foreign Exchange fluctuation	-2600	167021
	<b>4387008</b>	<b>5727391</b>

**Note 20****IT Operating Expenses**

Particulars	As At March 31,2017	As At March 31,2016
	(Rs.)	(Rs.)
<b>Software Development Expenses</b>		
SEO & Development Expenses	4502733	8826183
	<b>4502733</b>	<b>8826183</b>

**Note 21****Employee Benefit Expenses**

Particulars	As At March 31,2017	As At March 31,2016
	(Rs.)	(Rs.)
Salary & Wages (Including Director Remuneration see note no. 33)	5573676	6123080
Contribution to Provident & Other Funds	27301	15815
Staff Welfare Expenses	200358	254297
	<b>5801335</b>	<b>6393192</b>

**Note 22****Finance Cost**

Particulars	As At March 31,2017	As At March 31,2016
	(Rs.)	(Rs.)
Borrowings Cost	60954	5012
Foreign exchange Fluctuation	-	-
Collection Charges	328613	397980
	<b>389567</b>	<b>402992</b>

**Note 23****Depreciation & Amortisation**

Particulars	As At March 31,2017	As At March 31,2016
	(Rs.)	(Rs.)
Depreciation & amortization	2383737	2985003
	<b>2383737</b>	<b>2985003</b>

**Note 24****Other Expenses**

Particulars	As At March 31,2017	As At March 31,2016
	(Rs.)	(Rs.)
Advertisement & Marketing expenses	479416	530854
Bank Charges	94232	86154
Communication & Internet Expenses	349560	423528
Insurance Expenses	98803	97560
Legal & Professional Expenses	547850	536087
Miscellaneous Expenses	355150	385571
Payment to auditors (refer Note 24.1 below)	25000	30000
Power Fuel & Water Charges	243339	290282
Printing & stationery	64470	34863
Rent Rates & Taxes	1110434	1501128
Repair & Maintenance Expenses	92144	235125
Travelling & conveyance expenses (Including Director Foreign travelling Expenses)	1108103	784788
	<b>4568500</b>	<b>4935940</b>

**Note 24.1 -Payment to Auditors**

Particulars	As At March 31,2017	As At March 31,2016
<b>Payment to auditor</b>	(Rs.)	(Rs.)
As Auditor-Statutory Audit	25000	30000
For Other Services	-	-
	<b>25000</b>	<b>30000</b>

**Note 25 Earning Per Share**

Particulars	As At March 31,2017	As At March 31,2016
<b>Earnings per share</b>		
Basic		
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	3685151	9138954
Weighted average number of equity shares	3140700	3140700
Par value per share	10	10
Earnings per share from continuing operations - Basic	<b>1.17</b>	<b>2.91</b>

**Note 26****Current Assets, Loans & Advances:**

In the opinion of the Board, current assets, loan and advances have a value at least equal to the amount shown in the balance sheet, if realized in the ordinary course of the business. The provisions for all known liabilities are made and not in excess of the amount considered reasonably necessary.

**Note 27****Impairment**

In the view of management no impairment conditions existed on 31st March, 2017. Hence, no provision is required in the accounts for the year under review.

**Note 28****Sitting Fees:**

No Sitting Fees has been paid to non-executive directors during the period under review.

**Note 29****Contingent Liabilities**

In view of accounting policies, Contingent Liability not provided for: Disputed Income Tax Demand against which company has gone into appeal in view of facts of the cases/ opinion obtained Rs. 1,38,63,454/-

**Note 30****Foreign Exchange Earnings**

The particulars regarding foreign exchange earnings during the year of Rs. 156.70 Lacs only (Previous Year Rs. 255.65 Lacs) and expenditure in foreign currency is Rs. 3.80 Lacs only (Previous year 6.52 Lacs).

**Note 31****Foreign Travelling Expenses**

Rs. 7.68 Lacs was incurred on foreign traveling during the financial year under review as compared to Rs. 3.43 Lacs during the preceding financial year. The entire amount was incurred on foreign travelling expenses of director.

**Note 32****Auditor's Remuneration**

Auditors remuneration for the financial year 2015-16 is Rs. 25000 (Previous Year Rs. 30000)

**Note 33****Related Party Disclosures: March 31, 2017**

**A) Names of related parties and description of relationship as identified and certified by the Company as per the requirements of Accounting Standard – 18 specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and where control exists for the year ended March 31, 2017:**

Sr.No.	Name of Related Party	Relationship
1.	Mr. Mohnesh Kohli	Promoter Director & Person having significant influence
2.	Mrs. Neena Kohli	

3.	Ms. Aprajita Kohli (Whole Time Director)	Relative of person having significant influence
4.	Mr. Mahesh Kohli	
5.	Mr. Austin Kohli	
6.	Mr. M.L. Kohli	
7.	Mr.. Rajnesh Sharma	Key Managerial Personnel
8.	MS. Shaveta Sharma	Relative of Key Managerial Personnel
9.	Mohnesh Kohli & Co.	Enterprise Over which controlling person have significant influence
10.	Mohnesh Kohli HUF	

**B) Details of transactions with related party for the year ended March 31, 2017 in the ordinary course of business:**

(Rs. in Lacs)

Sr No.	Nature of Relationship/ transaction	Person having Significant Influence & their relatives	Key Managerial Personnel & relatives	Enterprise over which controlling person have significant influence	Total
1.	<b>Remuneration paid:</b> Mr. Rajnesh Sharma Ms. Aprajita Kohli	- -	5.94 0.75	- -	5.94 0.75
2.	<b>Rent paid:</b> Mohnesh Kohli Ms. Neena Kohli	1.50 6.12	- -	- -	1.50 6.12

**C) Amount due to / from related parties as at March 31, 2017**

Sr No.	Nature of Relationship/ transaction	Person having significant Influence & their relatives	Key Managerial Personnel & relatives	Enterprise Over which controlling person have significant influence	Total
-----NIL-----					

**Note 34****Previous Year Figures Regrouping/Reclassification**

Previous year figures have been regrouped/reclassified to conform to the current year classification.

**As per the report of even date attached.**

**For K.K.Bassi & Associates  
Chartered Accountants  
Firm Registration No. 005539N**

**For and on the behalf of Board of  
Directors**

**(K.K.Bassi)  
Partner  
Membership No. 084597**

**Mohnesh Kohli  
Director  
DIN: 01784617**

**Rajnesh  
Sharma  
Whole Time  
Director & CFO  
DIN: 02528435**

**Place: Chandigarh  
Date: May 29, 2017**

**Ankita Jain  
Company Secretary  
M. No.: ACS37016  
Place: Chandigarh  
Date: May 29, 2017**