

**Date: 13.10.2018**

To

BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400 001 Email Id: <a href="mailto:corp.compliance@bseindia.com">corp.compliance@bseindia.com</a> Scrip Code: <b>539012</b>	Head- Listing & Compliance Metropolitan Stock Exchange of India Ltd 4th floor, Vibgyor Towers, Plot No C 62, G - Block, Opp. Trident Hotel, Bandra Kurla Complex, Bandra (E), Mumbai – 400 098, Email Id: <a href="mailto:listingcompliance@msei.in">listingcompliance@msei.in</a> Symbol: <b>MEGRISOFT</b>
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**Subject: Compliance of Regulation 34 for submission of Annual report for FY 2017-18**

Dear Sir,

Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015, Please find enclosed herewith the Annual Report of Megri Soft Limited for the Financial Year 2017-18 duly adopted and approved by the shareholders of the Company in their Annual General Meeting held on September 29, 2018.

Kindly take the above in your records and oblige.

Thanking You,  
Yours Faithfully,

For Megri Soft Limited

  
(Pratima Yadav)  
Company Secretary



# **27th Annual Report 2017-18**

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>
Ms. Diksha	<i>Additional Director (Independent)</i>

### Chief Financial Officer

Mr. Rajnesh Sharma

### Registered Office

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

### Company Secretary

Ms. Pratima Yadav

### Auditors

M/s Kapil Sandeep & Associates  
Chartered Accountants  
Chandigarh

### Registrar & Transfer Agent

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

### Bankers

Karnataka Bank Limited

## 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, 2018.

### ➤ Results of operations

Particulars	Year Ended 31.03.2018 (Rs. In Lakhs)	Year Ended 31.03.2017 (Rs. In Lakhs)
Total Income	190.32	226.73
Depreciation	22.44	23.84
Profit/(Loss) Before Taxes	40.25	50.24
Provision for Taxation	9.65	13.39
Net Profit/(Loss) After Tax	30.60	36.85
Net Profit/(Loss) Carried To Balance Sheet	30.60	36.85
Paid Up Share Capital (Face Value Rs. 10/- each fully paid up)	314.07	314.07

**Indian Accounting Standards (Ind AS):** The Ministry of Corporate Affairs (MCA), vide its notification in the Official Gazette dated 16th February, 2015, notified the Ind AS applicable to certain classes of Companies. Ind AS has replaced the existing Indian GAAP prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. Ind AS is applicable on the Company from 1st April, 2017, with a transition date of 1st April, 2016.

### ➤ Financial Review

This year the Company registered income from operations around Rs. 190.32 Lakhs as compared to last year of Rs. 226.73 Lakhs and also registered a net profit (after taxes) of Rs. 30.60 Lakhs which is lower than last year's profits of Rs. 36.85 Lakhs (after taxes). There has been decline in profit as well as sales as compared 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 vortal on various subjects.

### ➤ Consolidated Financial Statement:

In accordance with the Companies Act, 2013 & Indian Accounting Standards (Ind AS) 110 on 'Consolidated Financial Statements', the Audited Consolidated Financial Statements is provided in the Annual Report.

### ➤ 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. 3.06 Lakhs (10% of the standalone net profit of the year) to the general reserve. An amount of 27.54 Lakhs proposed to be retained in surplus.

### ➤ Share Capital

There have been no changes in the Authorized Share Capital, issued subscribed and paid-up share capital during the year under review. The authorized share capital was Rs. 3,30,00,000/- divided into 33,00,000 equity shares of Rs. 10/- each and the issued, subscribed and paid up share capital remained Rs. 3,14,07,000/- divided into 31,40,700 equity shares of Rs. 10/- each fully paid.

### ➤ 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 2018-19 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

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. The Company has earned revenue from its operations of Rs 50.53 Lakhs during year under review. The Net Profit of the Company after its first year of operations worked out to Rs 4.62 Lakhs. Detail about the aforesaid wholly owned subsidiary is annexed as **Annexure I** in Form AOC 1 to 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.
3. During the year, MS Shoes East Limited (now known as Tomorrowland Technologies Exports Limited) has instituted a suit against the company for execution of ex-parte decree for an amount of Rs 85,76,928/- along with interest @18 % p a till date. The Company has taken suitable legal action in this regard.

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

☐ **Appointment**

During the year under review, one director Mr. Raman Seth have been appointed on the Board of the Company as an additional director (independent) w.e.f. November 11, 2017 on the place of Mr. Anil Kumar Goyal, Independent Director who has resigned from the said designation w.e.f. August 26, 2017.

However, Mr. Raman Seth has resigned from the board w.e.f 17th April, 2018 which was later replaced by Ms. Diksha on 16th July, 2018.

☐ **Change in Designation**

During the year under review, there is no change in designation of any director of the Company

☐ **Cessation**

During the year under review, one director Mr. Anil Kumar Goyal has resigned from the designation of independent Director of the Board w.e.f. August 26, 2017.

☐ **Retirement by Rotation (Ms. Aprajita Kohli)**

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

☐ **Key Managerial Personnel**

In compliance with provisions of Section 203 of the Companies Act, 2013, following are the KMPs of the Company as on 31st March, 2018:

S.No.	Name	Designation
1.	Mr. Rajnesh Sharma	Whole Time Director & Chief Financial Officer,
2.	Ms. Pratima Yadav*	Company Secretary

\* Ms. Ankita Jain, Company Secretary resigned from the Company w.e.f. 11th November, 2017 and Ms. Pratima Yadav has been appointed as Company Secretary in her place w.e.f. 20th November, 2017.

☐ **Declaration by Independent Directors**

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules thereof.

☐ **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.

☐ **Annual Evaluation of the Board Performance:**

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 10, 2018, without the attendance of Executive directors and members of Management to evaluate the performance of

Non-Independent Directors, Chairperson of the Company and the Board as a whole.. 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.

❑ **Company's Policy relating to Directors appointment, payment of remuneration and discharge of their duties:**

The Nomination & Remuneration Committee of the Company has formulated the Nomination & Remuneration Policy on Director's appointment and remuneration including the criteria for determining qualifications, positive attributes, independence of a director and other matters as provided under Section 178(3) of the Companies Act, 2013. The Nomination & Remuneration Policy is annexed hereto and forms part of this report as **Annexure II** and it may also be accessed on the Company's website at <https://www.megrisoft.com/pdfs/NMR-Policy.pdf>

➤ **Meetings of the Board**

During the Financial Year 2017-18, the Board met Eight (08) times i.e. on 29.05.2017, 12.08.2017, 26.08.2017, 26.08.2017, 28.10.2017, 11.11.2017, 20.11.2017, and 10.02.2018. 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. 160.42 Lakhs only (Previous Year Rs. 156.70 Lakhs) and expenditure in foreign currency is Rs. 10.09 Lakhs only (Previous year Rs. 3.80 Lakhs).

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, 2018 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, 2018 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 2017-18 does not contain any qualification, reservation or adverse remark.

❑ **Statutory Auditor**

M/s Kapil Sandeep & Associates, Chartered Accountants (Firm Registration No. 0016244N) were appointed as the statutory auditors of the Company by the Members at their 26th Annual General Meeting held on 30th September, 2017 to hold office for a period of five consecutive years from the conclusion of the 26th Annual General Meeting of the Company till the conclusion of the 31st Annual General Meeting to be held in the year 2022, subject to the annual ratification by members at every Annual General Meeting,

However, the Ministry of Corporate Affairs has vide notification dated May 7, 2018 omitted the requirement of annual ratification of the appointment of statutory auditors by the members of the company at every Annual General Meeting. Hence annual ratification shall not be required with effect from this Annual General Meeting to be held in the year 2018.



## ❑ 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 2018-19.

## ➤ 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.

## ➤ Risk Management Policy

The Company has an effective risk management procedure, which is governed at the highest level by the Board of Directors, covering the process of identifying, assessing, mitigating, reporting and review of critical risks impacting the achievement of Company's objectives or threaten its existence. To further strengthen & streamline the procedures about risk assessment and minimization procedures, the Board of Directors has formulated a Risk Management Policy which is available for view on the Company's website at the following link: <http://www.megrisoft.com/pdfs/rmp.pdf>

## ➤ 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 Kapil Sandeep & 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, 2018, 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. During the year, the Company employed around 13 employees on permanent rolls.

## ➤ 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.

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

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract/ arrangement/transaction with related parties which could be considered material in accordance with the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The particulars of Contracts or Arrangements made with related parties as required under Section 134(3)(h) of the Companies Act, 2013 are covered under Note No. 32 to the Financial statement, which is set out for related party transactions.

The Policy on dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: <http://www.megrisoft.com/pdfs/rptp.pdf>

## ➤ Annual Return

The extracts of Annual Return pursuant to the provisions of Section 92, 134 and Rule 12 of the Companies (Management and Administration) Rules, 2014 for the financial year 2017-18 in Form MGT-9 is annexed hereto and form part of this report as **Annexure IV**.

The Annual return of the Company for Financial Year 2017-18 can also be accessed on the Company's website at the link: <http://www.megrisoft.com/pdfs/annualreturn.pdf>

## ➤ 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

The disclosures in respect of managerial remuneration as required under section 197(12) read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is attached in **Annexure V** and forms part of this report. None of the employees has received salary of ` 1.02 crores per annum or ` 8.50 lakh per month or more during the Financial Year 2017-18. Accordingly, no particulars of employees are required to be given as per Rule 5 (2) and 5 (3) Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014. Since the Company has no Holding Company, no particulars are required to be given pursuant to the provisions of section 197(14) of the Companies Act, 2013.

## ➤ Material changes and commitment, if any, 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 the report:

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 on the date of this report.

## ➤ General Disclosures

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 2017-18 and the Notice of the 27th 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, 2018

**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 Indian Accounting Standards (Ind-AS) 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.

**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
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as Holding Company
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 (Rs. 92.28 as on March 31, 2018)
4.	Share capital	Rs 9,645 (100 pounds)
5.	Reserves & surplus	Rs 4.62 Lakhs
6.	Total assets	Rs 12.53 Lakhs
7.	Total Liabilities	Rs 12.53 Lakhs
8.	Investments	N.A.
9.	Turnover	Rs 50.53 Lakhs
10.	Profit before taxation	Rs 5.71 Lakhs
11.	Provision for taxation	Rs 1.08 Lakhs
12.	Profit after taxation	Rs 4.62 Lakhs
13.	Proposed Dividend	N.A.
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: Nil
- Names of subsidiaries which have been liquidated or sold during the year: Nil

**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.

**Place:** Chandigarh  
**Date:** May 29, 2018

**For and on behalf of the Board**

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

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

**Pratima Yadav**  
**Company Secretary**

**NOMINATION AND REMUNERATION POLICY  
OF**

**MEGRI SOFT LIMITED**

**(U/s 178 of the Companies Act, 2013 and Clause 49 (IV) of the Amended Listing Agreement)**

**1. PREFACE:**

In terms of the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, this policy on Nomination and Remuneration of Directors and Senior Management has been formulated by the Committee and approved by the Board of Directors in their meeting held on 1st November, 2014. The policy is as under:-

**2. ROLE OF THE COMMITTEE:**

- a) To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to Board their appointment and removal
- b) To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- c) To recommend to the Board, remuneration policy related to remuneration of Directors (whole time Directors, Executive Directors etc), Key Managerial Personnel and other employees while ensuring the following:-
  - i. That the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.
  - ii. That relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
  - iii. That remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate of the working of the company and its goals.
- d) To formulate criteria for evaluation of Directors and the Board.
- e) To devise a policy on Board diversity.

**3. MEMBERSHIP:**

- a) The Committee shall consist of a minimum 3 non executive directors, majority of them being independent.
- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

**4. CHAIRMAN:**

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairman of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

**5. FREQUENCY OF MEETINGS:**

The meeting of the Committee shall be held at such regular intervals as may be required.

**6. COMMITTEE MEMBERS' INTERESTS:**

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

**7. SECRETARY:**

The Company Secretary of the Company shall act as Secretary of the Committee.

**8. VOTING:**

- a) Decisions of the Committee shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

**9. MINUTES OF COMMITTEE MEETING:**

The minutes of all the proceedings of all meetings must be signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board meetings.

**10. EFFECTIVE DATE & AMENDMENTS:**

This policy will be effective from 1st November, 2014 and may be amended subject to the approval of Board of Directors.

**Form No. MR-3  
Secretarial Audit Report**

**For the Financial Year Ended March 31, 2018**

**[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, 2018**, 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, 2018** 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 to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - 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, 2018**

**For A.M. & Associates**

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



**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, 2018**

**For A.M. & Associates**

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

**Form No. MGT-9**
**Extract of Annual Return**
**As on the financial year ended on March 31, 2018**
**[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, 2018-</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]

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	3,06,801	73,600	3,80,401	12.11	2,52,216	73,600	3,25,816	10.37	-1.74
b)	Individuals									
i)	Individual shareholders holding nominal share capital up to Rs. 1 lakh	2,005	4,05,500	4,07,505	12.98	2,844	3,88,500	3,91,344	12.46	-0.52
ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	3,21,649	77,400	3,99,049	12.70	36,1895	77400	4,39,295	13.99	1.29
c)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
d)	Any Other	1695	-	1695	0.06	1695	-	1695	0.06	-
	<b>Sub-Total B(2)</b>	<b>6,32,150</b>	<b>5,56,500</b>	<b>11,88,650</b>	<b>37.85</b>	<b>6,18,650</b>	<b>5,39,500</b>	<b>11,58,150</b>	<b>36.88</b>	<b>-0.97</b>
	<b>Total Public Shareholding [B=B(1)+B(2)]</b>	<b>6,32,150</b>	<b>5,56,500</b>	<b>11,88,650</b>	<b>37.85</b>	<b>6,18,650</b>	<b>5,39,500</b>	<b>11,58,150</b>	<b>36.88</b>	<b>-0.97</b>
<b>C</b>	<b>Shares Held By Custodian For GDRS &amp; ADRS</b>	-	-	-	-	-	-	-	-	-
	<b>Grand Total (A+B+C)</b>	<b>25,84,200</b>	<b>5,56,500</b>	<b>31,40,700</b>	<b>100</b>	<b>26,01,200</b>	<b>5,39,500</b>	<b>31,40,700</b>	<b>100</b>	<b>-</b>

## ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding As on 01.04.2017			Shareholding As on 31.03.2018			
		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	-	668500	21.28	-	0.97
2.	Neena	3,91,100	12.45	-	3,91,100	12.45	-	-
3.	Aprajita Kohli	1,51,700	4.83	-	151700	4.83	-	-
4.	Austin Kohli	1,000	0.03	-	155200	4.94	-	4.91
5.	Rajnesh Sharma	60,800	1.94	-	0	0.00	-	-1.94
6.	M.L. Kohli	46,700	1.49	-	0	0.00	-	-1.49
7.	Mohnesh Kohli HUF	1,52,850	4.87	-	308350	9.82	-	4.95
8.	Shaveta Sharma	25,000	0.80	-	0	0.00	-	-0.80
9.	Mahesh Kohli	21,700	0.69	-	0	0.00	-	-0.69
10.	Basel Investments	3,07,700	9.80	-	3,07,700	9.80	-	-

	Limited							
11.	Kohli & Kohli Financial Consultants Limited	1,55,500	4.95	-	0	0.00	-	-4.95
	<b>Total</b>	<b>19,52,050</b>	<b>62.15</b>	<b>-</b>	<b>19,82,550</b>	<b>63.12</b>	<b>-</b>	<b>0.97</b>

**iii) Change in Promoters' Shareholding - There were following changes in Promoters Shareholding during FY 2017-18.**

Sl. No.	Name of Promoter	Shareholding		Date	Increase/ (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of Shares at the beginning/ end of year	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Mohnesh Kohli	6,38,000	20.31	01.04.2017				
				20.03.2018	30,500	Purchase	6,68,500	21.28
		6,68,500	21.28	31.03.2018				
2.	Neena	3,91,100	12.45	01.04.2017	0	Nil movement during the year	-	-
		3,91,100	12.45	31.03.2018			3,91,100	12.45
3.	Aprajita Kohli	1,51,700	4.83	01.04.2017	0	Nil movement during the year	-	-
		1,51,700	4.83	31.03.2018			1,51,700	4.83
4.	Austin Kohli	1,000	0.03	01.04.2017			-	-
				03.03.2018	1,54,200	Inter-promoter Transfer	1,55,200	4.94
		1,55,200	4.94	31.03.2018				
5.	Rajnesh Sharma	60,800	1.94	01.04.2017			-	-
				03.03.2018	60,800	Inter-promoter Transfer	0	-
		0	-	31.03.2018				
6.	M.L. Kohli	46,700	1.49	01.04.2017				
				03.03.2018	46,700	Inter-promoter Transfer	0	-
		0	-	31.03.2018				
7.	Mohnesh Kohli HUF	1,52,850	4.87	01.04.2017				
				08.01.2018	1,55,500	Inter-promoter Transfer	3,08,350	9.82
		308350	9.82	31.03.2018				
8.	Shaveta Sharma	25,000	0.80	01.04.2017				
				03.03.2018	25,000	Inter-promoter Transfer	0	-

		0	-	31.03.2018				
9.	Mahesh Kohli	21,700	0.69	01.04.2017				
				03.03.2018	21,700	Inter-promoter Transfer	0	-
		0	-	31.03.2018				
10.	Basel Investments Limited	3,07,700	9.80	01.04.2017	0	Nil movement during the year	-	-
		3,07,700	9.80	31.03.2018			3,07,700	9.80
11.	Kohli & Kohli Financial Consultants Limited	1,55,500	4.95	01.04.2017				
				08.01.2018	1,55,,500	Inter-promoter Transfer	0	0.80
		0	-	31.03.2018				

**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 (01.04.2017 to 31.03.2018)	
		No. of Shares at the beginning/ end of year	% 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	01.04.2017	0			
				27.03.2018	55,000	Sale	99,500	3.17
		99,500	3.17	31.03.2018				
2.	Tech Junkies Limited	1,52,300	4.85	01.04.2017	0	Nil movement during the year		
		1,52,300	4.85	31.03.2018			1,52,300	4.85
3.	O.M. Securities Limited	58,100	1.85	01.04.2017	0	Nil movement during the year		
		58,100	1.85	31.03.2018			58,100	1.85
4.	Komal Sharma	0	0.00	01.04.2017				
				27.02.2018	2,657	Purchase	2,657	0.08
				28.02.2018	302	Purchase	2,959	0.09
				05.03.2018	1,016	Purchase	3,975	0.13
				27.03.2018	55,000	Purchase	58,975	1.88
		58,975	1.88	31.03.2018				
5.	Sukhvir Singh	42,000	1.34	01.04.2017	0	Nil movement during the year		
		42,000	1.34	31.03.2018			42,000	1.34
6.	Arun Mahajan	31,200	0.99	01.04.2017	0	Nil movement during the year		
		31,200	0.99	31.03.2018			31,200	0.99
7.	Suveer Sachdeva	19,400	0.62	01.04.2017				
				12.04.2017	11,500	Purchase	30,900	0.98



		30,900	0.98	31.03.2018				
8.	Manjusha Bhanot	30,000	0.96	01.04.2017	0	Nil movement during the year	-	-
		30,000	0.96	31.03.2018			30,000	0.96
9.	Vipan Kumar	29,999	0.95	01.04.2017	0	Nil movement during the year	0	0
		29,999	0.95	31.03.2018	-		29,999	0.95
10.	Satvinder Singh	29,900	0.95	01.04.2017	0	Nil movement during the year	-	-
		29,900	0.95	31.03.2018			29,900	0.95

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

Sl. No.	Name	Shareholding		Date	Increase/ (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of Shares at the beginning/ end of year	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Mohnesh Kohli (Promoter & Director)	6,38,000	20.31	01.04.2017				
				20.03.2018	30,500	Purchase	6,68,500	21.28
		6,68,500	21.28	31.03.2018				
2.	Rajnesh Sharma (Whole-Time Director & CFO)	60,800	1.94	01.04.2017			-	-
				03.03.2018	60,800	Inter-promoter Transfer	0	0.00
		0	0.00	31.03.2018				
3.	Aprajita Kohli (Whole-Time Director)	1,51,700	4.83	01.04.2017	0	Nil movement during the year	-	-
		1,51,700	4.83	31.03.2018			1,51,700	4.83
4.	Raman Seth (Independent Director)	0	-	11.11.2017	0	Nil holding during the period	-	-
		0	-	31.03.2018				
5.	Mahesh Kumar (Independent Director)	0	-	01.04.2017	0	Nil holding during the period	-	-
		0	-	31.03.2018				
6.	Anil Kumar Goyal (Independent Director)	0	-	01.04.2017	0	Nil holding during the year	-	-
		0	-	26.08.2017			-	-
7.	*Ankita Jain (Company Secretary/ Compliance Officer)	0	-	01.04.2017	0	Nil holding during the year	0	-
		0	-	11.11.2017			0	-
8.	*Pratima Yadav (Company Secretary/ Compliance Officer)	0	-	20.11.2017	0	Nil holding during the year	0	-
		0	-	31.03.2018			0	-

\* Ms. Ankita Jain, Company Secretary resigned from the Company w.e.f. 11th November, 2017 and Ms. Pratima Yadav has been appointed as Company Secretary in her place w.e.f. 20th November, 2017.

## Attachment C

### Indebtness

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

Amount (in Lakhs)					
Particulars		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness as on 01.04.2017</b>					
i)	Principal Amount	Nil	Nil	Nil	Nil
ii)	Interest due but not paid	Nil	Nil	Nil	Nil
iii)	Interest accrued but not due	Nil	Nil	Nil	Nil
<b>TOTAL (i+ii+iii)</b>			-	-	
<b>Change in Indebtedness during the financial year</b>					
Addition			-	-	
Reduction			-	-	
Exchange Difference		-	-	-	-
<b>Net Change</b>			-	-	
<b>Indebtedness as on 31.03.2018</b>					
i)	Principal Amount	Nil	Nil	Nil	Nil
ii)	Interest due but not paid	Nil	Nil	Nil	Nil
iii)	Interest accrued but not due	Nil	Nil	Nil	Nil
<b>TOTAL (i+ii+iii)</b>		Nil	Nil	Nil	Nil

## 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 Lakhs)
		Rajnesh Sharma (Whole Time Director)	
1.	Basic Pay	3.06	3.06
2.	Other Perquisites	0.00	0.00
<b>Total</b>		<b>3.06</b>	<b>3.06</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 Lakhs)
		Rajnish Sharma (Chief Financial Officer)	*Ankita Jain (Company Secretary/Compliance Officer)	*Pratima Yadav(Company Secretary/Compliance Officer)	
1.	Basic Pay	Please refer table above for details	1.37	0.97	2.34
2.	Other Perquisites		0.00	0.00	0.00
Total			1.37	0.97	2.34

\* Ms. Ankita Jain, Company Secretary resigned from the Company w.e.f. 11th November, 2017 and Ms. Pratima Yadav has been appointed as Company Secretary in her place w.e.f. 20th November, 2017.

### Annexure V

#### DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

- The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2017-18 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2017-18 are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for Financial Year 2017-18 ( In Lakhs)	% increase in remuneration In Financial Year 2017-18	Ratio of remuneration of each Director to median remuneration of employees
1.	Rajnish Sharma, Whole Time Director & CFO	3.06	N.A	1.48
3.	*Pratima Yadav, Company Secretary	*0.96	N.A	N.A.

\* Ms. Pratima Yadav has been appointed as Company Secretary for the part of F Y 2017-18.

- The median remuneration of employees of the Company during the Financial Year was 2.06 Lakhs (previous year 2.14 Lakhs)
- In the Financial Year, there was an Decrease of 3.7 % in the median remuneration of employees.
- There were 13 permanent employees on the rolls of the Company as on 31st March, 2018.
- Average percentage increase made in the salaries of employees other than the managerial personnel in the last Financial Year i.e. 2017-18 was 7.50 %.
- It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

## Corporate Governance Report

This report on Corporate Governance forms part of the Annual Report. Corporate Governance refers to a combination of laws, regulations, procedures, implicit rules and good corporate practices that ensure that a Company meets its obligations to optimize shareholders' value and fulfill its responsibilities to the community, customers, employees, Government and other segments of society. This report on Corporate Governance, besides being in compliance of the mandatory SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, gives an insight into the functioning of the Company.

### ➤ 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, 2018, 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.

### ➤ 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 as on 31st March, 2018

Category	Name of Directors
Promoter Directors	# Mohnesh Kohli # Aprajita Kohli
Executive Director	Rajnesh Sharma- Whole time director
Independent Directors	Mahesh Kumar *Raman Seth

\*Mr. Raman Seth has resigned from the board w.e.f 17th April, 2018 which was later replaced by Ms. Diksha on 16th July, 2018.

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, 2018, our Board comprised 5 members, one of whom was executive ( whole-time) director, two of them were non-executive directors while two members were independent directors. One out of 5 Board members or 20% 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, 2018, was as follows:**

Name of the Director	Mr. Mohnesh Kohli	Mr. Rajnesh Sharma	Ms. Aprajita Kohli	Mr. Mahesh Kumar	Mr. Raman Seth
Category	Promoter & Non-Executive Director	Executive Director	Promoter & Non-Executive Director	Non-Executive & Independent Director	Non-Executive & Independent Director
Director Identification Number (DIN)	01784617	02528435	02489600	07584152	07986684
Date of Birth	16.08.1962	27.05.1969	25.10.1990	26.06.1989	08.09.1959
Date of Appointment	09.09.1994	18.08.1998	30.09.2009	12.08.2016	11.11.2017
Expertise in Specific Functional Area	Accountancy & Financial Consultancy	Finance & Web Services	Internet Technology	Corporate Laws, Financial Consultancy & Income Tax related matters	Financial Consultancy & Income Tax related matters
Qualification	B. Com., FCA & Grad. CWA	Graduate in Arts	Graduation in Journalism & PR, Advanced IT Course and MBA in International Business from University of Greenwich, London.	B. Com, LL.B. & CS	B. Com., FCA
No. of Shares Held	6,68,500	0	1,51,700	0	0
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 10, 2018, 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 F.Y. 2017-18 : **08**

Quarter – I [April'17-June'17]	Quarter – II [July'17-Sept'17]	Quarter – III [Oct'17-Dec'17]	Quarter – IV [Jan'18-Mar'18]
1. 29.05.2017	1. 12.08.2017 2. 26.08.2017 3. 26.08.2017	1. 28.10.2017 2. 11.11.2017 3. 20.11.2017	1. 10.02.2018

**Attendance of Directors at the Board Meetings held during F.Y. 2017-18 and the last Annual General Meeting of the company held on 30.09.2017 along with number of other directorship/chairmanship in Indian Public Limited Companies are as follows:**

Sr. No.	Name of Directors	No. of Board Meetings attended	Attendance at the last Annual General Meeting held on 30.09.2017	No. of other Directorships of public companies as on March 31, 2018
1.	Mr. Mohnesh Kohli	8	Yes	-
2.	Mr. Rajnesh Sharma	8	Yes	-
3	Mr. Anil Kumar Goyal	3	No	1
4.	Mr. Mahesh Kumar	6	Yes	-
5.	Ms. Aprajita Kohli	1	No	-
6.	Mr. Raman Seth	2	No	-

## ➤ Committees of Board

During the year, the Board had the following Committees –

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders' Relationship Committee
- 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, 2018 out of which two are independent directors and one is non-executive director. During the year, Mr. Anil Kumar Goyal, member of the said committee have been replaced by Mr. Raman Seth as Mr. Anil Kumar Goyal has resigned from the Board. The Company Secretary acts as the secretary to the audit committee.

❑	Mr. Mahesh Kumar	-	Chairman
❑	Mr. Raman Seth	-	Member
❑	Mr. Mohnesh Kohli	-	Member

### Audit Committee attendance:

During the Financial Year 2017-18, 4 (four) meetings of the committee were held on May 29, 2017, August 12, 2017, November 11, 2017 & February 10, 2018. For review of the annual financial results for the year ended March 31, 2018, the meeting of the Audit Committee was held on May 29, 2018. The attendance details of the audit committee meetings are as follows:



Name	Designation	Status	Attendance on Dates of Audit Committee Meetings Held			
			29.05.2017	12.08.2017	11.11.2017	10.02.2018
Mr. Mahesh Kumar	Chairman	Independent Director	✓	✓	✓	✓
Mr. Anil Kumar Goyal	Member	Independent Director	✓	✓	-	-
Mr. Raman Seth	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, 2018 :

<input type="checkbox"/> Mr. Raman Seth	-	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)

The Company Secretary acts as the secretary to the nomination and remuneration committee.

During the Financial Year 2017-18, the Committee met twice and requisite quorum attended the said meeting.

#### 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.

#### ❑ **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, 2018 :

❑	Mr. Mohnesh Kohli	-	Chairman (Non- Executive Director)
❑	Mr. Raman Seth	-	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 10, 2018 and the same was attended by Mr. Mohnesh Kohli, Mr. Raman Seth, Mr. Mahesh Kumar & Ms. Pratima Yadav. The Board has appointed Ms. Pratima Yadav, Company Secretary, as the Compliance Officer for the Listing Regulations with effect from November 20, 2017.

During the Financial Year 2017-18, the Company has not received any complaint from any shareholder.

#### ❑ **Committee of Independent Directors**

The meeting of Independent Directors of the Company for the Financial Year 2017-2018 was held on 10th February, 2018 to evaluate the performance of Non-Independent Directors of the Company, Chairman of the Company and the Board as a whole.

##### **Performance Evaluation**

The performance evaluation of Non-Independent Directors of the Company, Chairman of the Company and the Board as a whole, was done by Independent Directors by way of discussions on their performance and the minutes of the meeting was submitted to the Chairman of the Company. A policy on the performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of non-executive directors and executive directors have been formulated by 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>.

#### ➤ **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 2017-18, the salary drew by Whole-Time Director is as follows:

Sl. No.	Particulars of Remuneration	Name of Whole Time Director	Total Amount (Rs. in Lakhs)
		Rajnesh Sharma	
1.	Basic Pay	3.06	3.06
2.	Other Perquisites	-	-
Total		3.06	3.06

##### ❑ **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 details of directors as on 31.03.2018

The shareholding of the Directors in the Equity Share Capital of the Company is given as follows:-

Sl. No.	Name of Director	No. of Shares Held	% to total paid-up capital
1.	Mr. Mohnesh Kohli	6,68,500	21.29
2.	Ms. Aprajita Kohli	1,51,700	4.83

#### ☐ 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.

#### ➤ General Body Meetings

##### ☐ The Particulars of Annual General Meetings & No. of Special Resolutions passed in last three financial years are as follows:

Meeting	Year	Venue	Day & Date	Time	Whether Special Resolution Passed
26th A.G.M.	2017	S.C.O. 80, Sector 47-D, Chandigarh-160047	Saturday, 30th Sept., 2017	09.00 AM	No
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

##### • Special Resolution passed through postal ballot

No special resolution was put through postal ballot during the year 2017-18.

##### • 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.

#### ➤ Means of Communication

- ☐ **Publication of Financial Results** - The Quarterly and Half-yearly/Annual financial results are published in prominent daily newspapers viz. the "Business Standard" 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 27th Annual General Meeting

Date, Time and Venue	September 29, 2018, 9.00 a.m., S.C.O. 80, Sector 47-D, Chandigarh-160047
Financial Year	April 1, 2017 to March 31, 2018
Book Closure	Tuesday, September 25, 2018 to Saturday, September 29, 2018 (Both days inclusive)
Dividend Payment Date	N.A.

### ❑ Financial Calendar 2018-19 (Tentative)

<b>Q1 ending on 30<sup>th</sup> June, 2018</b>	Second Week of August, 2018
<b>Q2 ending on 30<sup>th</sup> September, 2018</b>	Second Week of November, 2018
<b>Q3 ending on 31<sup>st</sup> December, 2018</b>	Second Week of February, 2019
<b>Q4 ending on 31<sup>st</sup> March, 2019</b>	By the end of May, 2019

### ❑ Details of Public Funding Obtained in the Last Three Years

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

### ❑ Listing

The Securities of the company are listed on the following Stock Exchange:-

1. The Bombay Stock Exchange- "Phiroze Jeejeebhoy Towers, Dalal Street, Fort Mumbai"
2. The Metropolitan Stock Exchange of India Limited- "Vibgyor Towers, Bandra Kurla Complex, Bandra (E), Mumbai "

The Company has duly paid the listing fees to the aforesaid Stock exchange for the Financial Year 2017-18

### ❑ Stock Code:

**BSE:** Scrip code: 539012  
**MSEI:** Symbol: MEGRISOFT

### ❑ Stock Market Data

The month-wise highest, lowest and closing stock prices on the BSE Limited during the Financial Year 2017-18 are given below :-

Financial Year 2017-18	Share Prices of the Company			
	Highest	Lowest	Closing	% Change over last month's closing
Apr-17	-	-	-	-
May-17	15.90	15.90	15.90	NIL
Jun-17	16.00	16.00	16.00	0.63
Jul-17	-	-	-	-
Aug-17	-	-	-	-
Sept-17	-	-	-	-
Oct-17	-	-	-	-
Nov-17	16.05	15.90	15.90	NIL
Dec-17	-	-	-	-
Jan-18	15.90	15.90	15.90	NIL
Feb-18	15.90	15.90	15.90	0.00
Mar-18	15.90	15.90	15.90	0.00

## ❑ Distribution of Shareholding

Distribution of the shareholding of the Equity Shares of the Company by size and by ownership class as on March 31, 2018. 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, 2018

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares (Rs. 10 per share)	Amount in Rs.	% of Shareholding
0-500	279	61.18	72,423	7,24,230	2.31
501-1000	99	21.71	87,037	8,70,370	2.77
1001-2000	8	1.76	13,295	1,32,950	0.42
2001-3000	11	2.41	30,500	3,05,000	0.97
3001-4000	8	1.76	30,175	3,01,750	0.96
4001-5000	13	2.85	61,000	6,10,000	1.94
5001-10000	13	2.85	1,06,800	10,68,000	3.40
10001- ABOVE	25	5.48	27,39,470	2,73,94,700	87.23
<b>Total</b>	<b>456</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, 2018

Category Of Shareholders	No. of Shares Held	Shareholding (%)
Promoters Holding	19,82,550	63.12%
Financial Institutions/Banks	0	0.00%
Bodies Corporate	3,25,816	10.37%
Individuals	8,32,334	26.51%
<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, 82.81 % equity shares of the Company have been dematerialised as on March 31, 2018.

## ☐ 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.com](mailto:legal@megrisoft.com)

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 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 "related party transaction" may be accessed on the Company's website at <https://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 2017-18, the Company did not receive any complaint on sexual harassment and no complaint was pending as of March 31, 2018.

➤ **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 2017-18, 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 to 27 and clauses (b) to (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, 2018, 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, 2018**

**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, 2018 as stipulated in Regulation 17 to, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph 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 Kapil Sandeep & Associates**  
**Chartered Accountants**  
**Firm Registration No: 016244N**

**Place: Chandigarh**  
**Date: May 29, 2018**

**(Kapil Sabharwal)**  
**Partner**  
**M. No. 096858**



## **Independent Auditors' Report**

To the Members of  
Megri Soft Limited

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

We have audited the accompanying standalone financial statements of Megri Soft Limited (hereinafter referred to as "the Company"), which comprise the Balance Sheet as at March 31, 2018, 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**

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 Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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**

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give 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.

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**

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, 2018;
- b. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), 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.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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;
  - d. On the basis of written representations received from the directors as on March 31, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act;
  - e. 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".
  - f. 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, 2018**

**For Kapil Sandeep & Associates**  
**Chartered Accountants**  
**Firm Registration No. 0016244N**

**(Kapil Sabharwal)**  
**Partner**  
**Membership No. 096858**

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

**Referred to in our report of even date on the financial statements for the period ended 31.03.2018 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.
  - c. According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the Balance Sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company.
2. The Company is in the business of rendering software 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, as applicable.
5. The Company has not accepted any deposits from the public during the year and hence the provisions of clause 3 (v) of the Order are not applicable to the company.
6. The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under Clause 3(vi) of the order is not applicable to the Company.
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, 2018 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	73,47,744/-	Assessment Year 2013-14	CIT(Appeals)
Income tax Act, 1961	Tax and interest	65,15,710/-	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. Hence, the provisions of clause 3 (vii) of the Order are not applicable to the Company.
9. 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.
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 3 (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, 2018**

**For Kapil Sandeep & Associates**  
**Chartered Accountants**  
**Firm Registration No. 0016244N**

**(Kapil Sabharwal)**  
**Partner**  
**Membership No. 096858**

## **“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, 2018 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, 2018, 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, 2018**

**For Kapil Sandeep & Associates**  
**Chartered Accountants**  
**Firm Registration No. 0016244N**

**(Kapil Sabharwal)**  
**Partner**  
**Membership No. 096858**



**MEGRI SOFT LIMITED**  
**CIN : L72200CH1992PLC011996**  
**Regd. Office : SCO 80, Sector 47D, Chandigarh -160047**  
**AUDITED STANDALONE BALANCE SHEET AS AT MARCH 31, 2018**

(Amount in '000)

S. No.	Particulars	Note	As At March 31,2018	As At March 31,2017	As At April 1,2016
<b>II</b>	<b>ASSETS</b>				
<b>1</b>	<b>NON-CURRENT ASSETS</b>				
	Property, Plant and Equipment	3	73084	42666	4975
	Other Intangible Assets	3	674	1822	2982
	Intangible Assets Under Development	3	17314	16228	13344
	Financial Assets				
	(a) Non-Current Investments	4	11074	15478	8073
	(b) Deferred Tax Assets (Net)	5	360	195	-89
	(c) Other Non-Current Assets	6	37198	50700	82327
	<b>Total Non-current Assets</b>		<b>139704</b>	<b>127089</b>	<b>111612</b>
<b>2</b>	<b>CURRENT ASSETS</b>				
	Financial Assets				
	a) Trade Receivables	7	3736	5038	6885
	b) Cash and Cash Equivalents	8	42866	47996	59993
	c) Bank balance other than (b) above	9	739	1080	210
	d) Other Current Assets	10	2692	6752	7481
	<b>Total current Asstes</b>		<b>50033</b>	<b>60866</b>	<b>74569</b>
	<b>Total Assets</b>		<b>189737</b>	<b>187955</b>	<b>186181</b>
<b>I</b>	<b>EQUITY &amp; LIABILITIES</b>				
<b>1</b>	<b>SHAREHOLDERS' FUNDS</b>				
	(a) Equity Share Capital	11	31407	31407	31407
	(b) Other Equity		156525	153465	149779
<b>2</b>	<b>NON CURRENT LIABILTIES</b>				
	Financial Liabilities				
	(a) Long-Term Borrowings	-	-	-	-
	(b) Deferred Tax Liabilities (Net)	-	-	-	-
	<b>Total Non-current Liabilities</b>		<b>187932</b>	<b>184872</b>	<b>181186</b>
<b>3</b>	<b>CURRENT LIABILITIES</b>				
	Financial Liabilities				
	(a) Borrowings	12	0	0	1905
	(b) Trade payables	13	178	178	178
	(c) Other current liabilities	14	185	815	327
	(d) Provisions	15	1442	2090	2585
	<b>Total Current Liabilities</b>		<b>1805</b>	<b>3083</b>	<b>4995</b>
	<b>Total Equity and Liabilities</b>		<b>189737</b>	<b>187955</b>	<b>186181</b>

Significant Accounting Policies 1-2  
Notes forming integral part of Financial Statements 3-33

**For Kapil Sandeep & Associates**  
**Chartered Accountants**  
**Firm Registration No. 0016244N**

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

**(Kapil Sabharwal)**  
**Partner**  
**Membership No. 096858**

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

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

**Pratima Yadav**  
**Company Secretary**  
**M. No.: ACS52785**

**Place: Chandigarh**  
**Date: May 29,2018**

**Place: Chandigarh**  
**Date: May 29,2018**

**MEGRI SOFT LIMITED**

CIN : L72200CH1992PLC011996

Regd. Office : SCO 80, Sector 47D, Chandigarh -160047

**STATEMENT OF AUDITED STANDALONE PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018**

(Amount in '000)

S. No.	Particulars	Note	As At March 31,2018	As At March 31,2017
<b>I</b>	Revenue From Opertions	<b>16</b>	16042	18283
<b>II</b>	Other income	<b>17</b>	2990	4390
<b>III</b>	<b>Total Revenue (I+II)</b>		<b>19032</b>	<b>22673</b>
<b>IV</b>	<b>EXPENSES</b>			
	a) Cost of Materials consumed		-	-
	b) Purchase of stock-in-trade		-	-
	c) Changes in inventories of finished goods, work-in-progress and stock- in-trade		-	-
	d) Employees Benefit Expenses	<b>18</b>	4264	5801
	e) Finance Cost	<b>19</b>	118	390
	f) Depreciation & Amortization Expenses	<b>20</b>	2244	2384
	g) Other Expenses	<b>21</b>	8381	9074
	<b>Total Expenses</b>		<b>15007</b>	<b>17649</b>
<b>V</b>	<b>Profit before exceptional items and tax from continuing operations (III-IV)</b>		<b>4025</b>	<b>5024</b>
<b>VI</b>	<b>Exceptional items</b>		0	0
<b>VII</b>	<b>Profit before tax (V-VI)</b>		4025	5024
<b>VIII</b>	<b>Tax Expenses</b>			
	a) Current Tax		1130	1623
	Add: MAT Credit Entitlement		0	0
	b) Deferred Tax (Assets)/Liabilities		(165)	(284)
	<b>Total Tax Expenses</b>		<b>965</b>	<b>1339</b>
<b>IX</b>	<b>Profit for the period from continuing operations (after tax) (VII-VIII)</b>		<b>3060</b>	<b>3685</b>
<b>X</b>	<b>Profit for the period from discontinuing operations</b>		0	0
<b>XI</b>	<b>Tax on discontinuing operations</b>		0	0
<b>XII</b>	<b>Profit /(loss) from discontinuing operations (after tax) (X-XI)</b>		0	0
<b>XIII</b>	<b>Profit for the period (IX+XII)</b>		<b>3060</b>	<b>3685</b>
<b>XIV</b>	<b>Other Comprehensive Income</b>		0	0
<b>XV</b>	<b>Total Comprehensive income (XIII+XIV)</b>		<b>3060</b>	<b>3685</b>
<b>XVI</b>	Paid-up Equity Share Capital (face value of Rs. 10 per equity share)		31407	31407
<b>XVII</b>	<b>Earning per Equity share of Rs. 10/- each (not annualised) :</b>			
	1) Basic		0.97	1.17
	2) Diluted		0.97	1.17

Significant Accounting Policies

1-2

Notes forming integral part of Financial Statements

3-33

**For Kapil Sandeep & Associates**

**Chartered Accountants**

**Firm Registration No. 0016244N**

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

**(Kapil Sabharwal)**

**Partner**

**Membership No. 096858**

**Mohnesh Kohli**

**(Director)**

**DIN: 01784617**

**Rajnesh Sharma**

**(Whole Time  
Director & CFO)**

**DIN: 02528435**

**Pratima Yadav**

**Company Secretary**

**M. No.: ACS52785**

**Place: Chandigarh**

**Date: May 29,2018**

**Place: Chandigarh**

**Date: May 29,2018**

**MEGRI SOFT LIMITED**  
**CIN : L72200CH1992PLC011996**  
**Regd. Office : SCO 80, Sector 47D, Chandigarh -160047**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018**

(Amount in '000)

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Net Profit Before Tax</b>		4025		5024
Adjustments for:				
Interest Expenses	62		61	
Depreciation	2244		2384	
Profit on sale of Investments	(57)		(92)	
Interest on FDR's	(2586)		(4275)	
Dividend	(26)	(363)	(23)	(1945)
<b>Operating Profit before Working Capital Changes</b>		<b>3662</b>		<b>3079</b>
<b>Adjustments for:</b>				
Increase/(Decrease) in Short Term Borrowings	0		(1905)	
Increase/(Decrease) in Trade Payables	-		-	
Increase/(Decrease) in Other Current Liabilities	(630)		488	
Increase/(Decrease) in Provisions	(648)		(494)	
(Increase)/Decrease in Trade Receivables	1302		1846	
(Increase)/Decrease in Short Term Loans & Advances			(321)	
(Increase)/Decrease in Other Current Assets	4061		1050	
(Increase)/Decrease in Other Non Current Assets	13502	17587	31627	32291
<b>Cash generated from operations</b>		<b>21249</b>		<b>35370</b>
Income Tax		(1130)		(1623)
<b>Net Cash flow from Operating activities</b>		<b>20119</b>		<b>33747</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
(Purchase) of Fixed Assets	(32601)		(41943)	
Sale of Fixed Assets	25		237	
(Increase) /Decrease in FDR	5097		11926	
(Increase) /Decrease in Investment	4404		(7405)	
Interest on FDR's	2586		4275	
Dividend	58		23	
<b>Net Cash used in Investing activities</b>		<b>(20431)</b>		<b>(32887)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Interst on loan against FDR	(62)		(61)	
<b>Net Cash used in financing activities</b>		<b>(62)</b>		<b>(61)</b>
Net increase in cash & Cash Equivalents		(374)		799
Cash and Cash equivalents (Opening Balance)		1160		361
Cash and Cash equivalents (Closing Balance)		786		1160
<b>Net Decrease/(Increase) in Cash and Cash Equivalents</b>		<b>374</b>		<b>(799)</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 Kapil Sandeep & Associates**  
**Chartered Accountants**  
**Firm Registration No. 0016244N**

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

**(Kapil Sabharwal)**  
**Partner**  
**Membership No. 096858**

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

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

**Pratima Yadav**  
**Company Secretary**  
**M. No.: ACS52785**

**Place: Chandigarh**  
**Date: May 29,2018**

**Place: Chandigarh**  
**Date: May 29,2018**

**MEGRI SOFT LIMITED**  
**CIN : L72200CH1992PLC011996**  
**Regd. Office : SCO 80, Sector 47D, Chandigarh - 160047**  
**STATEMENT OF CHANGE IN EQUITY ( F.Y.2017-18)**

(Amount in '000)

Particulars	Equity Share Capital	Other Equity			Total equity attributable to equity holders
		Security Premium	General Reserves	Retained Earnings	
<b>Balance as at April 1, 2017</b>	<b>31407</b>		<b>4989</b>	<b>148476</b>	<b>184872</b>
<b>Changes in equity for the year ended March 31, 2018</b>					-
Profit for the period				3060	3060
Transfer to General Reserve			306	(306)	-
Dividends (including corporate dividend tax)					-
<b>Balance as at March 31, 2018</b>	<b>31407</b>	<b>-</b>	<b>5295</b>	<b>151230</b>	<b>187932</b>
<b>Statement of Change in Equity (FY 2016-17)</b>					
<b>Balance as at April 1, 2016</b>	<b>31407</b>	<b>-</b>	<b>4620</b>	<b>145159</b>	<b>181186</b>
<b>Changes in equity for the year ended March 31, 2017</b>					-
Profit for the period	-			3685	3685
Transfer to General Reserve	-		369	(369)	-
Dividends (including corporate dividend tax)	-		-		-
<b>Balance as at March 31, 2017</b>	<b>31407</b>	<b>-</b>	<b>4989</b>	<b>148476</b>	<b>184872</b>

**For Kapil Sandeep & Associates**  
**Chartered Accountants**  
**Firm Registration No. 0016244N**

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

**(Kapil Sabharwal)**  
**Partner**  
**Membership No. 096858**

<b>Mohnesh Kohli</b>	<b>Rajnesh Sharma</b>	<b>Pratima Yadav</b>
<b>(Director)</b>	<b>(Whole Time Director &amp; CFO)</b>	<b>Company Secretary</b>
<b>DIN: 01784617</b>	<b>DIN: 02528435</b>	<b>M. No.: ACS52785</b>

**Place: Chandigarh**  
**Date: May 29,2018**

**Place: Chandigarh**  
**Date: May 29,2018**

## **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 listing on BSE Limited and Metropolitan Stock Exchange of India Limited.

## **2.SIGNIFICANT ACCOUNTING POLICIES**

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

These financial statements have been prepared to comply with the Indian Accounting Standards (Ind AS). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The financial statements are prepared on accrual basis under the historical cost convention. The financial statements are presented in Indian rupees rounded off to the nearest thousands. The Company has adopted all the Ind AS standards mandatorily applicable and the adoption was carried out in accordance with Ind AS 101 "First time adoption of Indian Accounting Standards". The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations of Balance Sheet as at 01.04.2016 and as at 31.03.2017 along with Statement of Profit & Loss for the year ended 31.03.2017 has been summarized in Note no. 23 & 24. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

### **2.2 Use of Estimates**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements

### **2.3 Fixed Assets**

#### **a. Property, Plant & Equipment (Tangible Assets)**

Property, Plant & Equipment have been stated at cost, inclusive of attributable costs of bringing the assets to their working condition for their intended use, less depreciation and impairment loss, if any. Depreciation on assets is provided on straight line method in the manner prescribed in Schedule II to the Companies Act, 2013

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

Intangible assets are stated at cost less accumulated amortization and impairment, wherever applicable. Intangible assets are amortized over their respective individual estimated useful lives on a straight line basis, from the date they are available for use. The estimated useful life of an identifiable asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and

useful lives are reviewed periodically including at each financial year end. The research costs are expensed as incurred. The development costs, which can be capitalized, include the cost of material, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use.

- 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

i) Initial Recognition Investments in foreign entities are recorded at the exchange rate prevailing on the date of making the investment. Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

ii) Conversion Monetary assets and liabilities denominated in foreign currencies, as at the balance sheet date, not covered by forward exchange contracts, are translated at year end rates.

iii) Exchange Differences Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in the previous financial statements, are recognized as income or expense in the year in which they arise. The exchange difference on foreign currency denominated long term borrowings relating to the acquisition of depreciable capital assets are adjusted in the carrying cost of such assets for current year. The Company has opted for voluntary exemption given in Ind AS-101, which allows first time adopter to continue its Indian GAAP policy for accounting of exchange difference arising on translation of long term foreign currency monetary items recognized in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period.

## 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**

Investments are classified into current and long term investments. Long Term Investments are stated at cost and provision for diminution in value is made if decline is other than temporary in the opinion of the management. Current Investments are valued at cost and provision is made for decline in market value, if any

## **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**

i) Revenue from product sales is stated exclusive of returns, inter-division transfers, sales tax but includes excise duty.

ii) Dividend income is recognized as and when the right to receive is established.

iii) Export benefits and other benefits are accounted for on accrual basis. Export entitlements are recognized as reduction from material consumption when the right to receive credit is established in respect of the exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

## **2.11 Other Income**

Other income is comprised primarily of interest income, dividend income and profit/ loss on sale of investment/ fixed assets. Dividend income is recognized when the right to receive payment is established.

## **2.12 Earning Per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**Note 3****Fixed Assets****(Amount in '000)**

Particulars	Gross Block				Depreciation				Net Block		
	As On April 01,2017	Additions	Deductions	As On March 31,2018	As On March 31, 2017	Current Year	Written Off	Transfer	As On March 31, 2018	As On March 31, 2018	As On March 31, 2017
<b>(a) Land &amp; Building</b>											
Commercial Land	24891	31514	-	56406	-	-	-	-	-	56406	24891
Building	14018	-	-	14018	-	-	-	-	-	14018	14018
<b>Total</b>	<b>38909</b>	<b>31514</b>	<b>-</b>	<b>70423</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70423</b>	<b>38909</b>
<b>(b) Tangible Assets</b>											
Furniture & Fixtures	2310	-	-	2310	1306	213	-	-	1519	790	1004
Computer	2784	-	-	2784	2486	67	-	-	2554	231	298
Generator	727	-	-	727	690	-	-	-	690	36	36
Air Conditioner	604	-	-	604	524	12	-	-	537	68	80
Office Equipment	680	-	-	680	515	45	-	-	560	119	165
Vehicles	6437	-	602	5836	4263	758	-	602	4419	1416	2174
<b>Total</b>	<b>13542</b>	<b>-</b>	<b>602</b>	<b>12940</b>	<b>9785</b>	<b>1096</b>	<b>-</b>	<b>602</b>	<b>10279</b>	<b>2661</b>	<b>3757</b>
<b>(I) Property, Plant and Equipment (a+b)</b>	<b>52450</b>	<b>31514</b>	<b>602</b>	<b>83363</b>	<b>9785</b>	<b>1096</b>	<b>0</b>	<b>602</b>	<b>10279</b>	<b>73084</b>	<b>42666</b>
<b>(II) Other Intangible Assets</b>											
Computer Software	749	-	-	749	422	98	-	-	520	228	326
Web Properties	8909	-	-	8909	7413	1051	-	-	8464	445	1496
<b>Total</b>	<b>9658</b>	<b>-</b>	<b>-</b>	<b>9658</b>	<b>7835</b>	<b>1149</b>	<b>-</b>	<b>-</b>	<b>8984</b>	<b>674</b>	<b>1822</b>
<b>(II) Intangible Assets under Development</b>	16228	1086	-	17314	-	-	-	-	-	17314	16228
<b>GRAND TOTAL</b>	<b>78336</b>	<b>32601</b>	<b>602</b>	<b>110335</b>	<b>17620</b>	<b>2244</b>	<b>-</b>	<b>602</b>	<b>19263</b>	<b>91072</b>	<b>60716</b>



(Amount in '000)

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>(a) Land &amp; Building</b>											
Commercial Land	-	24891	-	24891	-	-	-	-	-	24891	-
Building	-	14018	-	14018	-	-	-	-	-	14018	-
<b>Total</b>	<b>-</b>	<b>38909</b>	<b>-</b>	<b>38909</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38909</b>	<b>-</b>
<b>(b) Tangible Assets</b>											
Furniture & Fixtures	2310	-	-	2310	1093	213	-	-	1306	1004	1217
Computer	4036	63	1315	2784	3555	113	-	1183	2486	298	481
Generator	727	-	-	727	690	-	-	-	690	36	36
Air Conditioner	540	64	-	604	452	72	-	-	524	80	88
Office Equipment	695	9	25	680	473	54	-	12	515	165	222
Vehicles	6437	-	-	6437	3505	758	-	-	4263	2174	2932
<b>Total</b>	<b>14745</b>	<b>136</b>	<b>1339</b>	<b>13542</b>	<b>9770</b>	<b>1210</b>	<b>-</b>	<b>1195</b>	<b>9785</b>	<b>3757</b>	<b>4975</b>
<b>(I) Property, Plant and Equipment (a+b)</b>	<b>14745</b>	<b>39045</b>	<b>1339</b>	<b>52450</b>	<b>9770</b>	<b>1210</b>	<b>0</b>	<b>1195</b>	<b>9785</b>	<b>42666</b>	<b>4975</b>
<b>(II) Other Intangible Assets</b>											
Computer Software	735	14	-	749	299	123	-	-	422	326	436
Web Properties	8909	-	-	8909	6363	1051	-	-	7413	1496	2547
<b>Total</b>	<b>9644</b>	<b>14</b>	<b>-</b>	<b>9658</b>	<b>6662</b>	<b>1174</b>	<b>-</b>	<b>-</b>	<b>7835</b>	<b>1822</b>	<b>2982</b>
<b>(III) Intangible Assets under Development</b>											
	13344	2884	-	16228	-	-	-	-	-	16228	13344
<b>GRAND TOTAL</b>	<b>37733</b>	<b>41943</b>	<b>1339</b>	<b>78336</b>	<b>16431</b>	<b>2384</b>	<b>-</b>	<b>1195</b>	<b>17620</b>	<b>60716</b>	<b>21301</b>

**Note 4**
**Non-Current Investments**

Particulars	Market Value per Share			As At March 31,2018		As At March 31,2017		As At April 1,2016	
	As At March 31, 2018	As At March 31, 2017	As At April 1, 2016						
				('000)		('000)		('000)	
A. Trade Investments									
B. Other Investments (At Cost)				Qty.	Value	Qty.	Value	Qty.	Value
a) Investment in Equity shares (Quoted)									
Himalyan Financial Services Ltd.	10.00	10.00	10.00	281600	2816	281600	2816	281600	2816
Infosys Limited	1134.40	788.05	1217.95	400	353	380	334	380	334
NTPC Limited	169.70	200.00	128.80	0	0	200	36	200	36
Reliance Industries	882.80	894.54	1045.25	140	62	70	62	70	62
State Bank of India	250.10	242.82	194.30	630	143	630	143	630	143
Sun Pharmaceuticals Industries	495.40	763.43	819.45	0	0	80	61	80	61
Axis Bank Ltd.	509.40	495.41	444.55	0	0	60	30	60	30
Tata Consultancy Services Ltd.	2460.50	2460.50	2516.05	90	222	90	222	90	222
Coal India Limited	283.50	328.13	292.00	0	0	110	36	110	36
<b>Total (I)</b>					3596		3740		3740
b) Investment in Equity shares (Unquoted)									
Dynamic Petro Products Limited	10	10	10	262000	2620	262000	2620	262000	2620
Basel Investments Limited	10	10	10	380000	3800	380000	3800	-	-
Kohli & Kohli Financial Consultants Limited	10	10	10	-	-	385000	3850	-	-
b) Investment in Subsidiary Companies (Unquoted)									
Megrisoft Limited (UK)				100	10	100	10	-	-
<b>Total (II)</b>					6430		10280		2620
c) Investment in Mutual Fund (Quoted)									
<b>Liquid Funds</b>									
HDFC Cash Management Fund-Saving Plan Growth					0		181	8.88	27
HDFC Liquid Funds -Daily Dividend					0		14	13.88	10
HDFC Liquid Fund Growth					0		123	4.42	13
JM High Liquidity Fund Regular Growth Plan					0		22	311.97	12
Birla sun Life manufacturing Equity Fund -Regular Growth					200		200	20000	200
Franklin India Prima Plus -Growth					215		215	925.60	400
Franklin India Short Term Income Plan -Retail Plan Growth					300		300	113.71	300
HDFC Balanced Equity Fund - Growth					88		88	1166.26	125
L&T Business Cycles Fund Growth					125		125	10133.36	125
Reliance Equity Opportunities Fund -Growth Plan Growth option					0		69	1326.88	100
SBI Banking and Financial Services Fund					54		54	15407.04	150
Reliance Fixed Horizon Fund -XXIV-Series9 Growth Plan					0		0	10000	100
Franklin India Smaller Companies Fund -Growth					66		66	4074.30	150
<b>Total (III)</b>					1048		1458		1713
<b>Total(I+II+III)</b>					<b>11074</b>		<b>15478</b>		<b>8073</b>

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

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
	('000)	('000)	('000)
Opening Balance	195	-89	-470
Add: Deferred Tax Assets on Depreciation	165	284	-
Less: Deferred Tax Liabilities on Depreciation	-	-	381
	<b>360</b>	<b>195</b>	<b>-89</b>

**Note 6**
**Other Non-Current Assets**

Particulars	As At March 31,2018	As At March 31,2017	As At April 1, 2016
	('000)	('000)	('000)
Capital Advances (Against Land & Building)	21483	35058	67968
Other Loans and Advances	15338	15210	13873
Deferred revenue Expenditure	378	432	486
	<b>37198</b>	<b>50700</b>	<b>82327</b>

**Note 7****Trade Receivables**

Particulars	As At March 31,2018	As At March 31,2017	As At April 1, 2016
	('000)	('000)	('000)
Trade receivable outstanding for a period exceeding six months:-			
Unsecured			
Considered good	-	-	-
Considered doubtful	-	-	-
Other Debts:-			
Unsecured			
Considered good	3736	5038	6885
Considered doubtful	-	-	-
	<b>3736</b>	<b>5038</b>	<b>6885</b>

**Note 8****Cash & Cash Equivalents**

Particulars	As At March 31,2018	As At March 31,2017	As At April 1, 2016
	('000)	('000)	('000)
In Fixed deposit	42819	47916	59842
Cash in hand	47	80	151
	<b>42866</b>	<b>47996</b>	<b>59993</b>

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

**Note 9****Bank balance other then (15) above**

Particulars	As At March 31,2018	As At March 31,2017	As At April 1, 2016
	('000)	('000)	('000)
<u>Balances with bank:-</u>			
In Current Account	739	1080	211
	<b>739</b>	<b>1080</b>	<b>211</b>

**Note 10****Other Current Assets**

Particulars	As At March 31,2018	As At March 31,2017	As At April 1, 2016
	('000)	('000)	('000)
Advances with suppliers & others	1124	382	83
Other advances	157	791	769
Advance Tax	526	1001	2400
TDS	259	427	536
Other Current assets	627	4151	3693
	<b>2692</b>	<b>6752</b>	<b>7481</b>

**Note 11****Share Capital**

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
	('000)	('000)	('000)
<b>Authorised</b>			
3300000 Equity Shares of Rs. 10/- each	33000	33000	33000
	33000	33000	33000
<b>Issued &amp; subscribed</b>			
3140700 equity shares of Rs. 10/- each fully paid	31407	31407	31407
	31407	31407	31407
<b>Issued, Subscribed &amp; Paid up</b>			
3140700 equity shares of Rs. 10/- each fully paid	31407	31407	31407
	31407	31407	31407

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

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
	('000)	('000)	('000)
<b>EQUITY SHARES</b>			
At the beginning of the year	31407	31407	31407
Add: Issued during the year	-	-	-
<b>Outstanding at the end of the year</b>	31407	31407	31407

**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. 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, 2018	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
	('000)	('000)	('000)	('000)	('000)	('000)
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, 2018		As At March 31, 2017		As At April 1, 2016	
	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
Mohnesh Kohli	668500	21.29%	638000	20.31%	638000	20.31%
Neena	391100	12.45%	391100	12.45%	391100	12.45%
Basel Investment limited	307700	9.80%	307700	9.80%	307700	9.80%
Mohnesh Kohli HUF	308350	9.82%	152850	4.87%	152850	4.87%
	1675650	53.35%	1489650	47.43%	1489650	47.43%

**Note 12****Short term Borrowings**

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
	('000)	('000)	('000)
<b>Secured</b>			
Other Loans	0	0	1905
	0	0	1905

Other loan represent loan taken against FDR

**Note 13****Trade Payables**

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
	('000)	('000)	('000)
Trade Payables	178	178	178
	<b>178</b>	<b>178</b>	<b>178</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, 2018.

**Note 14****Other Current Liabilities**

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
	('000)	('000)	('000)
Audit Fees Payable	-	25	30
Contribution to Provident & Other Funds	-	6	3
Other payables	185	784	295
	<b>185</b>	<b>815</b>	<b>327</b>

**Note 15****Provisions**

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
	('000)	('000)	('000)
Provision for Income Tax	1130	1623	1692
Provision for Employee Benefits	312	468	893
	<b>1442</b>	<b>2090</b>	<b>2585</b>

**Note 16****Revenue From Operations**

Particulars	As At March 31,2018	As At March 31,2017
	('000)	('000)
<b><u>Information Technology Services</u></b>		
Income From IT Exports	16042	18283
	<b>16042</b>	<b>18283</b>

**Note 17****Other Income**

Particulars	As At March 31,2018	As At March 31,2017
	('000)	('000)
Interest on Fixed Deposits with Bank	2585	4275
Other Income (Dividend and Profits on Investments etc.)	58	115
Foreign Exchange fluctuation	216	
Interest on IT Refund AY 2016-17	106	
Profit on sale of Assets	25	
	<b>2990</b>	<b>4390</b>

**Note 18****Employee Benefit Expenses**

Particulars	As At March 31,2018	As At March 31,2017
	('000)	('000)
Salary & Wages (Including Director Remuneration see note no. 33)	4172	5574
Contribution to Provident & Other Funds	24	27
Staff Welfare Expenses	68	200
	<b>4264</b>	<b>5801</b>

**Note 19****Finance Cost**

<b>Particulars</b>	<b>As At March 31,2018</b>	<b>As At March 31,2017</b>
	<b>('000)</b>	<b>('000)</b>
Borrowings Cost	62	61
Foreign exchange Fluctuation	56	-
Collection Charges	0	329
	<b>118</b>	<b>390</b>

**Note 20****Depreciation & Amortisation**

<b>Particulars</b>	<b>As At March 31,2018</b>	<b>As At March 31,2017</b>
	<b>('000)</b>	<b>('000)</b>
Depreciation & amortization	2244	2384
	<b>2244</b>	<b>2384</b>

**Note 21****Other Expenses**

<b>Particulars</b>	<b>As At March 31,2018</b>	<b>As At March 31,2017</b>
	<b>('000)</b>	<b>('000)</b>
Advertisement & Marketing expenses	446	479
Bank Charges	64	94
Communication & Internet Expenses	316	350
Collection Charges	430	0
Insurance Expenses	90	99
IT Operating Expenses	4376	4503
Legal & Professional Expenses	438	548
Miscellaneous Expenses	199	355
Payment to auditors (refer Note 24.1 below)	25	25
Power Fuel & Water Charges	177	243
Printing & stationery	17	64
Rent Rates & Taxes	863	1110
Repair & Maintenance Expenses	93	92
Travelling & conveyance expenses (Including Director Foreign travelling Expenses)	847	1108
Foreign exchange Fluctuation	0	3
	<b>8381</b>	<b>9074</b>

**Note 21.1****Payment to Auditors**

<b>Particulars</b>	<b>As At March 31,2018</b>	<b>As At March 31,2017</b>
	<b>('000)</b>	<b>('000)</b>
<b>Payment to auditor</b>		
As Auditor-Statutory Audit	25	25
For Other Services	-	-
	<b>25</b>	<b>25</b>

**Note 22****Earning Per Share**

Particulars	As At March 31,2018	As At March 31,2017
<b>Earnings per share</b>	<b>( '000)</b>	<b>( '000)</b>
Basic		
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	3060	3685
Weighted average number of equity shares	3140700	3140700
Par value per share	10	10
Earnings per share from continuing operations - Basic	<b>0.97</b>	<b>1.17</b>
Diluted	<b>0.97</b>	<b>1.17</b>

**Note 23****Reconciliation of Equity as Previously Reported under IGAAP to Ind AS**

(Amount in '000)

Particulars	Opening Balance Sheet as at April 1,2016			Balance Sheet as at March 31, 2017		
	IGAAP	Effects of transition to Ind AS	Ind AS	IGAAP	Effects of transition to Ind AS	Ind AS
<b>ASSETS</b>						
<b>NON-CURRENT ASSETS</b>						
Property, Plant and Equipment	4975		4975	42666		42666
Other Intangible Assets	2982	-	2982	1822	-	1822
Intangible Assets Under Development	13344	-	13344	16228	-	16228
Financial Assets		-			-	
(a) Non-Current Investments	8073	-	8073	15478	-	15478
(b) Deferred Tax Assets (Net)	-89	-	-89	195	-	195
(c) Other Non-Current Assets						
d) Long-Term Loans and Advances						
(c) Other Non-Current Assets	82327		82327	50700		50700
<b>Total Non-current Assets</b>	<b>111612</b>		<b>111612</b>	<b>127089</b>		<b>127089</b>
<b>CURRENT ASSETS</b>		-			-	
Financial Assets		-			-	
a) Trade Receivables	6885	-	6885	5038	-	5038
b) Cash and Cash Equivalents	59993	-	59993	47996	-	47996
c) Bank balance other than (b) above	210		210	1080		1080
d) Other Current Assets	7481		7481	6752		6752
<b>Total current Asstes</b>	<b>74569</b>		<b>74569</b>	<b>60866</b>		<b>60866</b>
<b>Total Assets</b>	<b>186181</b>	-	<b>186181</b>	<b>187955</b>	-	<b>187955</b>
<b>EQUITY &amp; LIABILITIES</b>						
<b>SHAREHOLDERS' FUNDS</b>						
(a) Equity Share Capital	31407	-	31407	31407	-	31407
(b) Other Equity	149779	-	149779	153465	-	153465
<b>NON CURRENT LIABILITIES</b>						
Financial Liabilities						
(a) Long-Term Borrowings	-	-	-	-	-	-
(b) Deferred Tax Liabilities (Net)	-	-	-	-	-	-
<b>Total Non-current Liabilities</b>	<b>181186</b>		<b>181186</b>	<b>184872</b>		<b>184872</b>
<b>CURRENT LIABILITIES</b>						
Financial Liabilities						
(a) Borrowings	1905		1905	0		0
(b) Trade payables	178		178	178		178
(c) Other current liabilities	327		327	815		815
(d) Provisions	2585		2585	2090		2090
<b>Total Current Liabilities</b>	<b>4995</b>		<b>4995</b>	<b>3083</b>		<b>3083</b>
<b>Total Equity and Liabilities</b>	<b>186181</b>		<b>186181</b>	<b>187955</b>		<b>187955</b>

**Note 24****Reconciliation of Statement of Profit & Loss as Previously Reported under IGAAP TO IND AS**

S. No.	Particulars	Year Ended March 31, 2017		
		IGAAP	Effects of transition to Ind AS	Ind AS
		('000)		('000)
I	Revenue From Operations	18283	-	18283
II	Other income	4390	-	4390
III	<b>Total Revenue (I+II)</b>	<b>22673</b>		<b>22673</b>
IV	<b>EXPENSES</b>			
	a) Cost of Materials consumed	-	-	-
	b) Purchase of stock-in-trade	-	-	-
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	-	-
	d) Employees Benefit Expenses	5801	-	5801
	e) Finance Cost	390	-	390
	f) Depreciation & Amortization Expenses	2384	-	2384
	g) Other Expenses	9074	-	9074
	<b>Total Expenses</b>	<b>17649</b>		<b>17649</b>
V	<b>Profit before exceptional items and tax from continuing operations (III-IV)</b>	5024	-	5024
VI	<b>Exceptional items</b>			
VII	<b>Profit before tax (V-VI)</b>	5024	-	5024
VIII	<b>Tax Expenses</b>	-	-	-
	a) Current Tax	1623	-	1623
	Add: MAT Credit Entitlement	-	-	-
	b) Deferred Tax (Assets)/Liabilities	(284)	-	(284)
	<b>Total Tax Expenses</b>	<b>1339</b>		<b>1339</b>
IX	<b>Profit for the period from continuing operations (after tax) (VII-VIII)</b>	<b>3685</b>		<b>3685</b>
X	<b>Profit for the period from discontinuing operations</b>	0	-	0
XI	<b>Tax on discontinuing operations</b>	0	-	0
XII	<b>Profit/(loss) from discontinuing operations (after tax) (X-XI)</b>	0	-	0
XIII	<b>Profit for the period (IX+XII)</b>	3685	-	3685
XIV	<b>Other Comprehensive Income</b>	0	-	0
XV	<b>Total Comprehensive income (XIII+XIV)</b>	3685	-	3685
XVI	Paid-up Equity Share Capital (face value of Rs. 10 per equity share)	31407	-	31407
XVII	<b>Earning per Equity share of Rs. 10/- each (not annualised) :</b>			
	1) Basic	1.17	-	1.17
	2) Diluted	1.17	-	1.17



**Note 25****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 26****Impairment**

In the view of management no impairment conditions existed on 31st March, 2018. Hence, no provision is required in the accounts for the year under review.

**Note 27****Sitting Fees:**

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

**Note 28****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/-

During the year, MS Shoes East Limited (now known as Tomorrowland Technologies Exports Limited) has instituted a suit against the company for execution of ex-parte decree for an amount of Rs 85,76,928/- along with interest @18 % p a till date. The Company has taken suitable legal action in this regard.

**Note 29****Foreign Exchange Earnings**

The particulars regarding foreign exchange earnings during the year of Rs. 160.42 Lakhs only (Previous Year Rs. 156.70 Lakhs) and expenditure in foreign currency is Rs. 10.09 Lakhs only (Previous year 3.80 Lakhs).

**Note 30****Foreign Travelling Expenses**

Rs. 8.02Lakhs was incurred on foreign travelling during the financial year under review as compared to Rs. 7.68 Lakhs during the preceding financial year. The entire amount was incurred on foreign travelling expenses of director.

**Note 31****Auditor's Remuneration**

Auditors remuneration for the financial year 2017-18 is Rs. 25000 (Previous Year Rs. 25000)

**Note 32****Related Party Disclosures:**

In accordance with the requirements of IND AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reporting period, are:

**A) Disclosure of Related Parties and relationship between the parties.**

Sr.No.	Name of Related Party	Relationship
1.	Mr. Mohnesh Kohli	Promoter, Director & Person having significant influence
2.	Mrs. Neena Kohli	Relative of person having significant influence
3.	Ms. Aprajita Kohli	
4.	*Mr. Mahesh Kohli	
5.	Mr. Austin Kohli	

6.	*Mr. M.L. Kohli	
7.	Mr. Rajnesh Sharma (Whole Time Director)	Key Managerial Personnel
8.	*Ms. Ankita Jain (Company Secretary)	
9.	Ms. Pratima Yadav (Company Secretary)	
10.	*Ms. Shaveta Sharma	Relative of Key Managerial Personnel
11.	Mohnesh Kohli & Co.	Enterprise Over which controlling person have significant influence
12.	Mohnesh Kohli HUF	
13.	Megrisoft Limited (UK)	Subsidiary Company

\* ceased to be related party during the year under review.

**B) Details of transactions with related party for the year ended March 31, 2018 in the ordinary course of business:** (Rs. in Lakhs)

Sr No.	Nature of Relationship/ transaction	Person having Significant Influence & their relatives	Key Managerial Personnel & relatives	Enterprise over which controlling person have significant influence	Subsidiary Company	Total
1.	<b>KMP Remuneration:</b> Mr. Rajnesh Sharma *Ms. Ankita Jain Ms. Pratima Yadav	- - -	3.06 1.37 0.96	- - -	- - -	3.06 1.37 0.96
2.	<b>Rent paid:</b> Mohnesh Kohli Ms. Neena Kohli	2.40 3.60	- -	- -	- -	2.40 3.60
3.	<b>Reimbursement of expenses receivable</b>				20.19	20.19

\* ceased to be related party during the year under review.

**Note 33**

**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 Kapil Sandeep & Associates**  
**Chartered Accountants**  
**Firm Registration No. 0016244N**

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

**(Kapil Sabharwal)**  
**Partner**  
**Membership No. 096858**

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

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

**Pratima Yadav**  
**Company Secretary**  
**M. No.: ACS52785**

**Place: Chandigarh**  
**Date: May 29, 2018**

**Place: Chandigarh**  
**Date: May 29, 2018**

## **Independent Auditors' Report**

To the Members of  
Megri Soft Limited

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

We have audited the accompanying consolidated financial statements of Megri Soft Limited (hereinafter referred to as “the Company”) and its subsidiary (the Company and its subsidiary together referred to as “the Group”) comprising the Consolidated Balance Sheet as at March 31, 2018, and the Consolidated Statement of Profit and Loss and Consolidated 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**

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 consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

### **Auditors’ Responsibility**

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the

assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give 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.

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**

In our opinion, and to the best of our information and according to the explanations given to us, the accompanying consolidated 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 Ind AS and other accounting principles generally accepted in India in respect of:

- a. In case of Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2018;
- b. In case of Consolidated Statement of Profit and Loss, of the consolidated profit and consolidated total comprehensive income for the year ended, on that date; and
- c. In case of Consolidated Cash Flow Statement, of the consolidated cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

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 of the aforesaid consolidated financial statements;
- 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 Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of accounts;
- d. In our opinion, the aforesaid consolidated financial statements comply with the applicable Indian Accounting Standards specified under Section 133 of the Act;
- e. On the basis of written representations received from the directors as on March 31, 2018, taken on record by the Board of Directors of the company and its subsidiary, none of the directors of the Group companies is disqualified as on March 31, 2018, 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 A".

- 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 Consolidated Financial Statements disclose the impact of pending litigation on the Consolidated Financial Position of the group
  - 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, 2018**

**For Kapil Sandeep & Associates**  
**Chartered Accountants**  
**Firm Registration No. 0016244N**

**(Kapil Sabharwal)**  
**Partner**  
**Membership No. 096858**

## **“Annexure A” 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”)**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Megri Soft Limited (hereinafter referred to as ‘the Company’) and its subsidiary company, which is incorporated outside India, as on that date.

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

The Board of Directors of the Company and its subsidiary company, which is incorporated outside india, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by respective companies 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 internal financial controls over financial reporting of the company and its subsidiary, 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 internal financial controls system over financial reporting of the company and its subsidiary company.

## **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 and its subsidiary company, have, 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, 2018, 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, 2018**

**For Kapil Sandeep & Associates**  
**Chartered Accountants**  
**Firm Registration No. 0016244N**

**(Kapil Sabharwal)**  
**Partner**  
**Membership No. 096858**

**MEGRI SOFT LIMITED**  
**CIN : L72200CH1992PLC011996**  
**Regd. Office : SCO 80, Sector 47D, Chandigarh -160047**  
**AUDITED CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018**

(Amount in '000)

S. No.	Particulars	Note	As At March 31,2018	As At March 31,2017	As At April 1,2016
<b>II</b>	<b>ASSETS</b>				
<b>1</b>	<b>NON-CURRENT ASSETS</b>				
	a) Property, Plant and Equipment	<b>3</b>	73198	42666	4975
	b) Other Intangible Assets	<b>3</b>	674	1822	2982
	c) Intangible Assets Under Development	<b>3</b>	17314	16228	13344
	<b>Fianancial Assets</b>				
	a) Non-Current Investments	<b>4</b>	11065	15478	8073
	b) Deferred Tax Assets (Net)	<b>5</b>	359	195	(89)
	c) Other Non-Current Assets	<b>6</b>	36513	50700	82327
	<b>Total Non-current Assets</b>		<b>139123</b>	<b>127089</b>	<b>111612</b>
<b>2</b>	<b>CURRENT ASSETS</b>				
	<b>Fianancial Assets</b>				
	a) Trade Receivables	<b>7</b>	3736	5038	6885
	b) Cash and Cash Equivalents	<b>8</b>	42871	47996	59993
	c) Bank balance other then (b) above	<b>9</b>	2502	1080	210
	d) Other Current Assets	<b>10</b>	2758	6752	7481
	<b>Total Current Assets</b>		<b>51867</b>	<b>60866</b>	<b>74569</b>
	<b>Total Assets</b>		<b>190990</b>	<b>187955</b>	<b>186181</b>
<b>I</b>	<b>EQUITY &amp; LIABILITIES</b>				
<b>1</b>	<b>SHAREHOLDERS' FUNDS</b>				
	(a) Equity Share Capital	<b>11</b>	31407	31407	31407
	(b) Other Equity		156987	153465	149779
<b>2</b>	<b>NON CURRENT LIABILTIES</b>				
	<b>Fianancial Liabilities</b>				
	(a) Long-Term Borrowings		-	-	-
	(b) Deferred Tax Liabilities (Net)		-	-	-
	<b>Total non-current Liabilities</b>		<b>188394</b>	<b>184872</b>	<b>181186</b>
<b>3</b>	<b>CURRENT LIABILITIES</b>				
	<b>Fianancial Liabilities</b>				
	(a) Borrowings	<b>12</b>	0	0	1905
	(b) Trade payables	<b>13</b>	178	178	178
	(c) Other current liabilities	<b>14</b>	490	815	327
	(d) Provisions	<b>15</b>	1928	2090	2585
	<b>Total Current Liabilities</b>		<b>2596</b>	<b>3083</b>	<b>4995</b>
	<b>Total Equity and Liabilities</b>		<b>190990</b>	<b>187955</b>	<b>186181</b>

Significant Accounting Policies 1-2  
Notes forming integral part of Financial Statements 3-33

**For Kapil Sandeep & Associates**  
**Chartered Accountants**  
**Firm Registration No. 0016244N**

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

**(Kapil Sabharwal)**  
**Partner**  
**Membership No. 096858**

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

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

**Pratima Yadav**  
**Company Secretary**  
**M. No.: ACS52785**

**Place: Chandigarh**  
**Date: May 29,2018**

**Place: Chandigarh**  
**Date: May 29,2018**



**MEGRI SOFT LIMITED**

**CIN : L72200CH1992PLC011996**

**Regd. Office : SCO 80, Sector 47D, Chandigarh -160047**

**STATEMENT OF AUDITED CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018**

(Amount in '000)

S. No.	Particulars	Note	As At March 31,2018	As At March 31,2017
<b>I</b>	Revenue From Operations	<b>16</b>	21095	18283
<b>II</b>	Other income	<b>17</b>	2990	4390
<b>III</b>	<b>Total Revenue (I+II)</b>		<b>24085</b>	<b>22673</b>
<b>IV</b>	<b>EXPENSES</b>			
	a) Cost of Materials consumed		-	-
	b) Purchase of stock-in-trade		-	-
	c) Changes in inventories of finished goods, work-in-progress and stock- in-trade		-	-
	d) Employees Benefit Expenses	<b>18</b>	7711	5801
	e) Finance Cost	<b>19</b>	118	390
	f) Depreciation & Amortization Expenses	<b>20</b>	2263	2384
	g) Other Expenses	<b>21</b>	9397	9074
	<b>Total Expenses</b>		<b>19489</b>	<b>17649</b>
<b>V</b>	<b>Profit before exceptional items and tax from continuing operations (III-IV)</b>		<b>4596</b>	<b>5024</b>
<b>VI</b>	<b>Exceptional items</b>		0	0
<b>VII</b>	<b>Profit before tax (V-VI)</b>		4596	5024
<b>VIII</b>	<b>Tax Expenses</b>			
	a) Current Tax		1238	1623
	Add: MAT Credit Entitlement		0	0
	b) Deferred Tax (Assets)/Liabilities		(165)	(284)
	<b>Total Tax Expenses</b>		<b>1073</b>	<b>1339</b>
<b>IX</b>	<b>Profit for the period from continuing operations (after tax) (VII-VIII)</b>		<b>3523</b>	<b>3685</b>
<b>X</b>	<b>Profit for the period from discontinuing operations</b>		0	0
<b>XI</b>	<b>Tax on discontinuing operations</b>		0	0
<b>XII</b>	<b>Profit /(loss) from discontinuing operations (after tax) (X-XI)</b>		0	0
<b>XIII</b>	<b>Profit for the period (IX+XII)</b>		3523	3685
<b>XIV</b>	<b>Other Comprehensive Income</b>		0	0
<b>XV</b>	<b>Total Comprehensive income (XIII+XIV)</b>		3523	3685
<b>XVI</b>	<b>Paid-up Equity Share Capital (face value of Rs. 10 per equity share)</b>		31407	31407
<b>XVII</b>	<b>Earning per Equity share of Rs. 10/- each (not annualised) :</b>			
	1) Basic		1.12	1.17
	2) Diluted		1.12	1.17

Significant Accounting Policies

1-2

Notes forming integral part of Financial Statements

3-33

**For Kapil Sandeep & Associates**  
**Chartered Accountants**  
**Firm Registration No. 0016244N**

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

**(Kapil Sabharwal)**  
**Partner**  
**Membership No. 096858**

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

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

**Pratima Yadav**  
**Company Secretary**  
**M. No.: ACS52785**

**Place: Chandigarh**  
**Date: May 29,2018**

**Place: Chandigarh**  
**Date: May 29,2018**

**MEGRI SOFT LIMITED**  
**CIN : L72200CH1992PLC011996**  
**Regd. Office : SCO 80, Sector 47D, Chandigarh -160047**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018**

(Amount in '000)

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Net Profit Before Tax</b>		4596		5024
Adjustments for:				
Interest Expenses	62		61	
Depreciation	2263		2384	
Profit on sale of Investments	(57)		(92)	
Interest on FDR's	(2586)		(4275)	
Dividend	(26)	(344)	(23)	(1945)
<b>Operating Profit before Working Capital Changes</b>		<b>4252</b>		<b>3079</b>
<b>Adjustments for:</b>				
Increase/(Decrease) in Short Term Borrowings	0		(1905)	
Increase/(Decrease) in Trade Payables	-		-	
Increase/(Decrease) in Other Current Liabilities	(324)		488	
Increase/(Decrease) in Provisions	(162)		(494)	
(Increase)/Decrease in Trade Receivables	1302		1846	
(Increase)/Decrease in Short Term Loans & Advances			(321)	
(Increase)/Decrease in Other Current Assets	3993		1050	
(Increase)/Decrease in Other Non Current Assets	14187	18996	31627	32291
<b>Cash generated from operations</b>		<b>23248</b>		<b>35370</b>
Income Tax		<b>(1238)</b>		<b>(1623)</b>
<b>Net Cash flow from Operating activities</b>		<b>22009</b>		<b>33747</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
(Purchase) of Fixed Assets	(32733)		(41943)	
Sale of Fixed Assets	25		237	
(Increase) /Decrease in FDR	5097		11926	
(Increase) /Decrease in Investment	4413		(7405)	
Interest on FDR's	2586		4275	
Dividend	58		23	
<b>Net Cash used in Investing activities</b>		<b>(20554)</b>		<b>(32887)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Interst on loan against FDR	(62)		(61)	
<b>Net Cash used in financing activities</b>		<b>(62)</b>		<b>(61)</b>
Net increase in cash & Cash Equivalents		1393		799
Cash and Cash equivalents (Opening Balance)		1160		361
Cash and Cash equivalents (Closing Balance)		2554		1160
<b>Net Decrease/(Increase) in Cash and Cash Equivalents</b>		<b>(1393)</b>		<b>(799)</b>

Notes:

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

**For Kapil Sandeep & Associates**  
**Chartered Accountants**  
**Firm Registration No. 0016244N**

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

**(Kapil Sabharwal)**  
**Partner**  
**Membership No. 096858**

<b>Mohnesh Kohli</b>	<b>Rajnesh Sharma</b>	<b>Pratima Yadav</b>
<b>Director</b>	<b>(Whole Time Director &amp; CFO)</b>	<b>Company Secretary</b>
<b>DIN: 01784617</b>	<b>DIN: 02528435</b>	<b>M. No.: ACS52785</b>

**Place: Chandigarh**  
**Date: May 29,2018**

**Place: Chandigarh**  
**Date: May 29,2018**

**MEGRI SOFT LIMITED**  
**CIN : L72200CH1992PLC011996**  
**Regd. Office : SCO 80, Sector 47D, Chandigarh -160047**  
**CONSOLIDATED STATEMENT OF CHANGE IN EQUITY ( F.Y.2017-18)**

(Amount in '000)

Particulars	Equity Share Capital	Other Equity			Total equity attributable to equity holders
		Security Premium	General Reserves	Retained Earnings	
<b>Balance as at April 1, 2017</b>	<b>31407</b>		<b>4989</b>	<b>148476</b>	<b>184871</b>
<b>Changes in equity for the year ended March 31, 2018</b>					-
Profit for the period				3523	3523
Transfer to General Reserve			352	(352)	-
Dividends (including corporate dividend tax)					-
<b>Balance as at March 31, 2018</b>	<b>31407</b>	<b>-</b>	<b>5341</b>	<b>151646</b>	<b>188394</b>
<b>Statement of Change in Equity (FY 2016-17)</b>					
<b>Balance as at April 1, 2016</b>	<b>31407</b>	<b>-</b>	<b>4620</b>	<b>145159</b>	<b>181186</b>
<b>Changes in equity for the year ended March 31, 2017</b>					-
Profit for the period	-			3685	3685
Transfer to General Reserve	-		368	(368)	-
Dividends (including corporate dividend tax)	-		-		-
<b>Balance as at March 31, 2017</b>	<b>31407</b>	<b>-</b>	<b>4989</b>	<b>148476</b>	<b>184872</b>

**For Kapil Sandeep & Associates**  
**Chartered Accountants**  
**Firm Registration No. 0016244N**

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

**(Kapil Sabharwal)**  
**Partner**  
**Membership No. 096858**

<b>Mohnesh Kohli</b>	<b>Rajnesh Sharma</b>	<b>Pratima Yadav</b>
<b>(Director)</b>	<b>(Whole Time Director &amp; CFO)</b>	<b>Company Secretary</b>
<b>DIN: 01784617</b>	<b>DIN: 02528435</b>	<b>M. No.: ACS52785</b>

**Place: Chandigarh**  
**Date: May 29,2018**

**Place: Chandigarh**  
**Date: May 29,2018**

## **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 listing on BSE Limited and Metropolitan Stock Exchange of India Limited.

## **2.SIGNIFICANT ACCOUNTING POLICIES**

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

These financial statements have been prepared to comply with the Indian Accounting Standards (Ind AS). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The financial statements are prepared on accrual basis under the historical cost convention. The financial statements are presented in Indian rupees rounded off to the nearest thousands. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

### **2.2 Basis of Consolidation**

The Company has adopted all the Ind AS standards mandatorily applicable and the adoption was carried out in accordance with Ind AS 101 "First time adoption of Indian Accounting Standards". The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations of Balance Sheet as at 01.04.2016 and as at 31.03.2017 along with Statement of Profit & Loss for the year ended 31.03.2017 has been summarized in Note no. 23 & 24.

### **2.3 Use of Estimates**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements

### **2.4 Fixed Assets**

#### **a. Property, Plant & Equipment (Tangible Assets)**

Property, Plant & Equipment have been stated at cost, inclusive of attributable costs of bringing the assets to their working condition for their intended use, less depreciation and impairment loss, if any. Depreciation on assets is provided on straight line method in the manner prescribed in Schedule II to the Companies Act, 2013

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

Intangible assets are stated at cost less accumulated amortization and impairment, wherever applicable. Intangible assets are amortized over their respective individual estimated useful lives on a straight line basis, from the date they are available for use. The estimated useful life of an identifiable asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances), and the level of maintenance

expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end. The research costs are expensed as incurred. The development costs, which can be capitalized, include the cost of material, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use.

- 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.

## 2.5 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.)

## 2.6 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.

## 2.7 Foreign Currency Transactions

- i) Initial Recognition Investments in foreign entities are recorded at the exchange rate prevailing on the date of making the investment. Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.
- ii) Conversion Monetary assets and liabilities denominated in foreign currencies, as at the balance sheet date, not covered by forward exchange contracts, are translated at year end rates.
- iii) Exchange Differences Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in the previous financial statements, are recognized as income or expense in the year in which they arise. The exchange difference on foreign currency denominated long term borrowings relating to the acquisition of depreciable capital assets are adjusted in the carrying cost of such assets for current year. The Company has opted for voluntary exemption given in Ind AS-101, which allows first time adopter to continue its Indian GAAP policy for accounting of exchange difference arising on translation of long term foreign currency monetary items recognized in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period.

## 2.8 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.

## **2.9 Investments**

Investments are classified into current and long term investments. Long Term Investments are stated at cost and provision for diminution in value is made if decline is other than temporary in the opinion of the management. Current Investments are valued at cost and provision is made for decline in market value, if any.

## **2.10 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.”

## **2.11 Revenue Recognition**

i) Revenue from product sales is stated exclusive of returns, inter-division transfers, sales tax but includes excise duty.

ii) Dividend income is recognized as and when the right to receive is established.

iii) Export benefits and other benefits are accounted for on accrual basis. Export entitlements are recognized as reduction from material consumption when the right to receive credit is established in respect of the exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

## **2.12 Other Income**

Other income is comprised primarily of interest income, dividend income and profit/ loss on sale of investment/ fixed assets. Dividend income is recognized when the right to receive payment is established.

## **2.13 Earning Per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**Note 3****Fixed Assets****(Amount in '000)**

Particulars	Gross Block				Depreciation				Net Block		
	As On April 01,2017	Additions	Deductions	As On March 31,2018	As On March 31, 2017	Current Year	Written Off	Transfer	As On March 31, 2018	As On March 31, 2018	As On March 31, 2017
<b>(a) Land &amp; Building</b>											
Commercial Land	24891	31514	-	56406	-	-	-	-	-	56406	24891
Building	14018	-	-	14018	-	-	-	-	-	14018	14018
<b>Total</b>	<b>38909</b>	<b>31514</b>	<b>-</b>	<b>70423</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70423</b>	<b>38909</b>
<b>(b) Tangible Assets</b>											
Furniture & Fixtures	2310	-	-	2310	1306	213	-	-	1519	790	1004
Computer	2784	133	-	2917	2486	86	-	-	2572	344	298
Generator	727	-	-	727	690	-	-	-	690	36	36
Air Conditioner	604	-	-	604	524	12	-	-	537	68	80
Office Equipment	680	-	-	680	515	45	-	-	560	119	165
Vehicles	6437	-	602	5836	4263	758	-	602	4419	1416	2174
<b>Total</b>	<b>13542</b>	<b>133</b>	<b>602</b>	<b>13073</b>	<b>9785</b>	<b>1115</b>	<b>-</b>	<b>602</b>	<b>10298</b>	<b>2775</b>	<b>3757</b>
<b>(I) Property, Plant and Equipment (a+b)</b>	<b>52450</b>	<b>31647</b>	<b>602</b>	<b>83496</b>	<b>9785</b>	<b>1115</b>	<b>0</b>	<b>602</b>	<b>10298</b>	<b>73198</b>	<b>42666</b>
<b>(II) Other Intangible Assets</b>											
Computer Software	749	-	-	749	422	98	-	-	520	228	326
Web Properties	8909	-	-	8909	7413	1051	0	-	8464	445	1496
<b>Total</b>	<b>9658</b>	<b>-</b>	<b>-</b>	<b>9658</b>	<b>7835</b>	<b>1149</b>	<b>0</b>	<b>-</b>	<b>8984</b>	<b>674</b>	<b>1822</b>
<b>(III) Intangible Assets under Development</b>	16228	1086	-	17314	-	-	-	-	-	17314	16228
<b>GRAND TOTAL</b>	<b>78336</b>	<b>32733</b>	<b>602</b>	<b>110467</b>	<b>17620</b>	<b>2263</b>	<b>-</b>	<b>602</b>	<b>19282</b>	<b>91186</b>	<b>60716</b>

(Amount in '000)

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>(a) Land &amp; Building</b>											
Commercial Land	-	24891	-	24891	-	-	-	-	-	24891	-
Building	-	14018	-	14018	-	-	-	-	-	14018	-
<b>Total</b>	<b>-</b>	<b>38909</b>	<b>-</b>	<b>38909</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38909</b>	<b>-</b>
<b>(b) Tangible Assets</b>											
Furniture & Fixtures	2310	-	-	2310	1093	213	-	-	1306	1004	1217
Computer	4036	63	1315	2784	3555	113	-	1183	2486	298	481
Generator	727	-	-	727	690	0	-	-	690	36	36
Air Conditioner	540	64	-	604	452	72	-	-	524	80	88
Office Equipment	695	9	25	680	473	54	-	12	515	165	222
Vehicles	6437	-	-	6437	3505	758	-	-	4263	2174	2932
<b>Total</b>	<b>14745</b>	<b>136</b>	<b>1339</b>	<b>13542</b>	<b>9770</b>	<b>1210</b>	<b>-</b>	<b>1195</b>	<b>9785</b>	<b>3757</b>	<b>4975</b>
<b>(I) Property, Plant and Equipment (a+b)</b>	<b>14745</b>	<b>39045</b>	<b>1339</b>	<b>52450</b>	<b>9770</b>	<b>1210</b>	<b>0</b>	<b>1195</b>	<b>9785</b>	<b>42666</b>	<b>4975</b>
<b>(II) Other Intangible Assets</b>											
Computer Software	735	14	-	749	299	123	-	-	422	326	436
Web Properties	8909	-	-	8909	6363	1051	-	-	7413	1496	2547
<b>Total</b>	<b>9644</b>	<b>14</b>	<b>-</b>	<b>9658</b>	<b>6662</b>	<b>1174</b>	<b>-</b>	<b>-</b>	<b>7835</b>	<b>1822</b>	<b>2982</b>
<b>(III) Intangible Assets under Development</b>											
	13344	2884	-	16228	-	-	-	-	-	16228	13344
<b>GRAND TOTAL</b>	<b>37733</b>	<b>41943</b>	<b>1339</b>	<b>78336</b>	<b>16431</b>	<b>2384</b>	<b>-</b>	<b>1195</b>	<b>17620</b>	<b>60716</b>	<b>21301</b>



**Note 4**
**Non-Current Investments**

Particulars	Market Value per Share			As At March 31,2018		As At March 31,2017		As At April 1,2016	
	As At March 31, 2018	As At March 31, 2017	As At April 1, 2016						
				('000)		('000)		('000)	
A. Trade Investments									
B. Other Investments (At Cost)				Qty.	Value	Qty.	Value	Qty.	Value
a) Investment in Equity shares (Quoted)									
Himalyan Financial Services Ltd.	10.00	10.00	10.00	281600	2816	281600	2816	281600	2816
Infosys Limited	1134.40	788.05	1217.95	400	353	380	334	380	334
NTPC Limited	169.70	200.00	128.80	0	0	200	36	200	36
Reliance Industries	882.80	894.54	1045.25	140	62	70	62	70	62
State Bank of India	250.10	242.82	194.30	630	143	630	143	630	143
Sun Pharmaceuticals Industries	495.40	763.43	819.45	0	0	80	61	80	61
Axis Bank Ltd.	509.40	495.41	444.55	0	0	60	30	60	30
Tata Consultancy Services Ltd.	2460.50	2460.50	2516.05	90	222	90	222	90	222
Coal India Limited	283.50	328.13	292.00	0	0	110	36	110	36
<b>Total (I)</b>					3596		3740		3740
b) Investment in Equity shares (Unquoted)									
Dynamic Petro Products Limited	10	10	10	262	2620	262	2620	262	2620
Basel Investments Limited	10	10	10	380	3800	380	3800	-	-
Kohli & Kohli Financial Consultants Limited	10	10	10	-	-	385	3850	-	-
b) Investment in Subsidiary Companies (Unquoted)									
Megrisoft Limited (UK)						100	10	-	-
<b>Total (II)</b>					6420		10280		2620
c) Investment in Mutual Fund (Quoted)									
<b>Liquid Funds</b>									
HDFC Cash Management Fund-Saving Plan Growth					0		181	8.88	27
HDFC Liquid Funds -Daily Dividend					0		14	13.88	10
HDFC Liquid Fund Growth					0		123	4.42	13
JM High Liquidity Fund Regular Growth Plan					0		22	311.97	12
Birla sun Life manufacturing Equity Fund -Regular Growth					200		200	20000	200
Franklin India Prima Plus -Growth					215		215	925.60	400
Franklin India Short Term Income Plan -Retail Plan Growth					300		300	113.71	300
HDFC Balanced Equity Fund - Growth					88		88	1166.26	125
L&T Business Cycles Fund Growth					125		125	10133.36	125
Reliance Equity Opportunities Fund -Growth Plan Growth option					0		69	1326.88	100
SBI Banking and Financial Services Fund					54		54	15407.04	150
Reliance Fixed Horizon Fund -XXIV-Series9 Growth Plan					0		0	10000	100
Franklin India Smaller Companies Fund -Growth					66		66	4074.30	150
<b>Total (III)</b>					1048		1458		1713
<b>Total(I+II+III)</b>					<b>11065</b>		<b>15478</b>		<b>8073</b>

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

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
	('000)	('000)	('000)
Opening Balance	195	-89	-470
Add: Deferred Tax Assets on Depreciation	165	284	-
Less: Deferred Tax Liabilities on Depreciation	-	-	381
	<b>359</b>	<b>195</b>	<b>-89</b>

**Note 6**
**Other Non-Current Assets**

Particulars	As At March 31,2018	As At March 31,2017	As At April 1, 2016
	('000)	('000)	('000)
Capital Advances (Against Land & Building)	21483	35058	67968
Other Loans and Advances	13319	15210	13873
Deffered revenue Expenditure	1712	432	486
	<b>36513</b>	<b>50700</b>	<b>82327</b>

**Note 7****Trade Receivables**

Particulars	As At March 31,2018	As At March 31,2017	As At April 1, 2016
	(‘000)	(‘000)	(‘000)
Trade receivable outstanding for a period exceeding six months:-			
Unsecured			
Considered good	-	-	-
Considered doubtful	-	-	-
Other Debts:-			
Unsecured			
Considered good	3736	5038	6885
Considered doubtful	-	-	-
	<b>3736</b>	<b>5038</b>	<b>6885</b>

**Note 8****Cash & Cash Equivalents**

Particulars	As At March 31,2018	As At March 31,2017	As At April 1, 2016
	(‘000)	(‘000)	(‘000)
In Fixed deposit	42819	47916	59842
Cash in hand	52	80	151
	<b>42871</b>	<b>47996</b>	<b>59993</b>

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

**Note 9****Bank balance other then (15) above**

Particulars	As At March 31,2018	As At March 31,2017	As At April 1, 2016
	(‘000)	(‘000)	(‘000)
<u>Balances with bank:-</u>			
In Current Account	2502	1080	210
	<b>2502</b>	<b>1080</b>	<b>210</b>

**Note 10****Other Current Assets**

Particulars	As At March 31,2018	As At March 31,2017	As At April 1, 2016
	(‘000)	(‘000)	(‘000)
Advances with suppliers & others	1124	382	83
Other advances	223	791	769
Advance Tax	526	1001	2400
TDS	259	427	536
Other Current assets	627	4151	3693
	<b>2758</b>	<b>6752</b>	<b>7481</b>

**Note 11****Share Capital**

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
	('000)	('000)	('000)
<b>Authorised</b>			
3300000 Equity Shares of Rs. 10/- each	33000	33000	33000
	33000	33000	33000
<b>Issued &amp; subscribed</b>			
3140700 equity shares of Rs. 10/- each fully paid	31407	31407	31407
	31407	31407	31407
<b>Issued, Subscribed &amp; Paid up</b>			
3140700 equity shares of Rs. 10/- each fully paid	31407	31407	31407
100 equity shares of 1 GBP each of Megrisoft Limited UK		-	-
	31407	31407	31407

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

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
	('000)	('000)	('000)
<b>EQUITY SHARES</b>			
At the beginning of the year	31407	31407	31407
Add: Issued during the year	-	-	-
<b>Outstanding at the end of the year</b>	31407	31407	31407

**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. 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, 2018	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
	('000)	('000)	('000)	('000)	('000)	('000)
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, 2018		As At March 31, 2017		As At April 1, 2016	
	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
Mohnesh Kohli	668500	21.29%	638000	20.31%	638000	20.31%
Neena	391100	12.45%	391100	12.45%	391100	12.45%
Basel Investment limited	307700	9.80%	307700	9.80%	307700	9.80%
Mohnesh Kohli HUF	308350	9.82%	152850	4.87%	152850	4.87%
	1675650	53.35%	1489650	47.43%	1489650	47.43%

**Note 12****Short term Borrowings**

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
	('000)	('000)	('000)
<b>Secured</b>			
Other Loans	0	0	1905
	0	0	1905

Other loan represent loan taken against FDR

**Note 13****Trade Payables**

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
	('000)	('000)	('000)
Trade Payables	178	178	178
	<b>178</b>	<b>178</b>	<b>178</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, 2018.

**Note 14****Other Current Liabilities**

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
	('000)	('000)	('000)
Audit Fees Payable	-	25	30
Contribution to Provident & Other Funds	-	6	3
Other payables	490	784	295
	<b>490</b>	<b>815</b>	<b>327</b>

**Note 15****Short-Term Provisions**

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
	('000)	('000)	('000)
Provision for Income Tax	1238	1623	1692
Provision for Employee Benefits	690	468	893
	<b>1928</b>	<b>2090</b>	<b>2585</b>

**Note 16****Revenue From Operations**

Particulars	As At March 31,2018	As At March 31,2017
	('000)	('000)
<b>Information Technology Services</b>		
Income From IT Exports	21095	18283
	<b>21095</b>	<b>18283</b>

**Note 17****Other Income**

Particulars	As At March 31,2018	As At March 31,2017
	('000)	('000)
Interest on Fixed Deposits with Bank	2585	4275
Other Income (Dividend and Profits on Investments etc.)	58	115
Foreign Exchange fluctuation	216	
Interest on IT Refund AY 2016-17	106	
Profit on sale of Assets	25	
	<b>2990</b>	<b>4390</b>

**Note 18****Employee Benefit Expenses**

Particulars	As At March 31,2018	As At March 31,2017
	('000)	('000)
Salary & Wages (Including Director Remuneration see note no. 33)	7620	5574
Contribution to Provident & Other Funds	24	27
Staff Welfare Expenses	67	200
	<b>7711</b>	<b>5801</b>

**Note 19****Finance Cost**

<b>Particulars</b>	<b>As At March 31,2018</b>	<b>As At March 31,2017</b>
	<b>(‘000)</b>	<b>(‘000)</b>
Borrowings Cost	62	61
Foreign exchange Fluctuation	56	0
Collection Charges	0	329
	<b>118</b>	<b>390</b>

**Note 20****Depreciation & Amortisation**

<b>Particulars</b>	<b>As At March 31,2018</b>	<b>As At March 31,2017</b>
	<b>(‘000)</b>	<b>(‘000)</b>
Depreciation & amortization	2263	2384
	<b>2263</b>	<b>2384</b>

**Note 21****Other Expenses**

<b>Particulars</b>	<b>As At March 31,2018</b>	<b>As At March 31,2017</b>
	<b>(‘000)</b>	<b>(‘000)</b>
Advertisement & Marketing expenses	447	479
Bank Charges	64	94
Communication & Internet Expenses	316	350
Collection Charges	462	0
Insurance Expenses	90	99
IT Operating Expenses	4908	4503
Legal & Professional Expenses	438	548
Miscellaneous Expenses	650	355
Payment to auditors (refer Note 24.1 below)	25	25
Power Fuel & Water Charges	177	243
Printing & stationery	17	64
Rent Rates & Taxes	863	1110
Repair & Maintenance Expenses	93	92
Travelling & conveyance expenses (Including Director Foreign travelling Expenses)	847	1108
Foreign exchange Fluctuation	0	3
	<b>9397</b>	<b>9074</b>

**Note 21.1****Payment to Auditors**

<b>Particulars</b>	<b>As At March 31,2018</b>	<b>As At March 31,2017</b>
<b>Payment to auditor</b>	<b>(‘000)</b>	<b>(‘000)</b>
As Auditor-Statutory Audit	25	25
For Other Services	-	-
	<b>25</b>	<b>25</b>

**Note 22****Earning Per Share**

Particulars	As At March 31,2018	As At March 31,2017
<b>Earnings per share</b>		
Basic		
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	3523	3685
Weighted average number of equity shares	3140700	3140700
Par value per share	10	10
Earnings per share from continuing operations - Basic	<b>1.12</b>	<b>1.17</b>
Diluted	<b>1.12</b>	<b>1.17</b>

**Note 23****Reconciliation of Equity as Previously Reported under IGAAP to Ind AS**

Amount in ('000)

Particulars	Opening Balance Sheet as at April 1,2016			Balance Sheet as at March 31, 2017		
	IGAAP	Effects of transition to Ind AS	Ind AS	IGAAP	Effects of transition to Ind AS	Ind AS
<b>ASSETS</b>						
<b>NON-CURRENT ASSETS</b>						
a) Property, Plant and Equipment	4975		4975	42666		42666
b) Other Intangible Assets	2982	-	2982	1822	-	1822
c) Intangible Assets Under Development	13344	-	13344	16228	-	16228
<b>Financial Assets</b>		-			-	
a) Non-Current Investments	8073	-	8073	15478	-	15478
b) Deferred Tax Assets (Net)	-89	-	-89	195	-	195
c) Other Non-Current Assets	82327	-	82327	50700	-	50700
<b>Total Non-current Assets</b>	<b>111612</b>	-	<b>111612</b>	<b>127089</b>	-	<b>127089</b>
<b>CURRENT ASSETS</b>						
<b>Financial Assets</b>						
a) Trade Receivables	6885	-	6885	5038	-	5038
b) Cash and Cash Equivalents	59993	-	59993	47996	-	47996
c) Bank balance other than (b) above	210	-	210	1080	-	1080
d) Other Current Assets	7481	-	7481	6752	-	6752
<b>Total Current Assets</b>	<b>74569</b>		<b>74569</b>	<b>60866</b>		<b>60866</b>
<b>Total Assets</b>	<b>186181</b>		<b>186181</b>	<b>187955</b>		<b>187955</b>
<b>EQUITY &amp; LIABILITIES</b>						
<b>SHAREHOLDERS' FUNDS</b>						
(a) Equity Share Capital	31407	-	31407	31407	-	31407
(b) Other Equity	149779	-	149779	153465	-	153465
<b>NON CURRENT LIABILITIES</b>						
<b>Financial Liabilities</b>		-			-	
(a) Long-Term Borrowings		-		-	-	-
(b) Deferred Tax Liabilities (Net)	-	-	-	-	-	-
<b>Total non-current Liabilities</b>	<b>181186</b>	-	<b>181186</b>	<b>184872</b>	-	<b>184872</b>
<b>CURRENT LIABILITIES</b>						
<b>Financial Liabilities</b>						
(a) Borrowings	1905	-	1905	0	-	0
(b) Trade payables	178	-	178	178	-	178
(c) Other current liabilities	327	-	327	815	-	815
(d) Provisions	2585	-	2585	2090	-	2090
<b>Total Current Liabilities</b>	<b>4995</b>		<b>4995</b>	<b>3083</b>		<b>3083</b>
<b>Total Equity and Liabilities</b>	<b>186181</b>		<b>186181</b>	<b>187956</b>		<b>187955</b>

**Note 24**
**Reconciliation of Statement of Profit & Loss as Previously Reported under IGAAP TO IND AS**

Amount in ('000)

S. No.	Particulars	Year Ended March 31, 2017		
		IGAAP	Effects of transition to Ind AS	Ind AS
I	Revenue From Operations	18283	-	18283
II	Other income	4390	-	4390
III	<b>Total Revenue (I+II)</b>	<b>22673</b>		<b>22673</b>
IV	<b>EXPENSES</b>			
	a) Cost of Materials consumed	-	-	-
	b) Purchase of stock-in-trade	-	-	-
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	-	-
	d) Employees Benefit Expenses	5801	-	5801
	e) Finance Cost	390	-	390
	f) Depreciation & Amortization Expenses	2384	-	2384
	g) Other Expenses	9074	-	9074
	<b>Total Expenses</b>	<b>17649</b>		<b>17649</b>
V	<b>Profit before exceptional items and tax from continuing operations (III-IV)</b>	5024	-	5024
VI	<b>Exceptional items</b>			
VII	<b>Profit before tax (V-VI)</b>	5024	-	5024
VIII	<b>Tax Expenses</b>	-	-	-
	a) Current Tax	1623	-	1623
	Add: MAT Credit Entitlement	-	-	-
	b) Deferred Tax (Assets)/Liabilities	(284)	-	(284)
	<b>Total Tax Expenses</b>	<b>1339</b>		<b>1339</b>
IX	<b>Profit for the period from continuing operations (after tax) (VII-VIII)</b>	<b>3685</b>		<b>3685</b>
X	<b>Profit for the period from discontinuing operations</b>	0	-	0
XI	<b>Tax on discontinuing operations</b>	0	-	0
XII	<b>Profit /(loss) from discontinuing operations (after tax) (X-XI)</b>	0	-	0
XIII	<b>Profit for the period (IX+XII)</b>	3685	-	3685
XIV	<b>Other Comprehensive Income</b>	0	-	0
XV	<b>Total Comprehensive income (XIII+XIV)</b>	3685	-	3685
XVI	Paid-up Equity Share Capital (face value of Rs. 10 per equity share)	31407	-	31407
XVII	<b>Earning per Equity share of Rs. 10/- each (not annualised) :</b>			
	1) Basic	1.17	-	1.17
	2) Diluted	1.17	-	1.17

**Note 25****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 26****Impairment**

In the view of management no impairment conditions existed on 31st March, 2018. Hence, no provision is required in the accounts for the year under review.

**Note 27****Sitting Fees**

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

**Note 28****Provisions & Contingent Liabilities**

No provision has been made to write off Rs. 1.85 Lakhs of Deferred Revenue expenditure / intangible assets of Megrisoft Limited, a wholly owned subsidiary of the Company, duly incorporated in UK.

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/-

During the year, MS Shoes East Limited (now known as Tomorrowland Technologies Exports Limited) has instituted a suit against the company for execution of ex-parte decree for an amount of Rs 85,76,928/- along with interest @18 % p a till date. The Company has taken suitable legal action in this regard.

**Note 29****Foreign Exchange Earnings**

The particulars regarding foreign exchange earnings during the year of Rs. 160.42 Lakhs only (Previous Year Rs. 156.70 Lakhs) and expenditure in foreign currency is Rs. 10.09 Lakhs only (Previous year 3.80 Lakhs).

**Note 30****Foreign Travelling Expenses**

Rs. 8.02Lakhs was incurred on foreign travelling during the financial year under review as compared to Rs. 7.68 Lakhs during the preceding financial year. The entire amount was incurred on foreign travelling expenses of director.

**Note 31****Auditor's Remuneration**

Auditors remuneration for the financial year 2017-18 is Rs. 25000 (Previous Year Rs. 25000)

**Note 32: Related Party Disclosures:**

In accordance with the requirements of IND AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reporting period, are:

**A) Disclosure of Related Parties and relationship between the parties.**

Sr.No.	Name of Related Party	Relationship
1.	Mr. Mohnesh Kohli	Promoter, Director & Person having significant influence
2.	Mrs. Neena Kohli	Relative of person having significant influence
3.	Ms. Aprajita Kohli	
4.	*Mr. Mahesh Kohli	



5.	Mr. Austin Kohli	
6.	*Mr. M.L. Kohli	
7.	Mr.. Rajnesh Sharma (Whole Time Director)	
8.	*Ms. Ankita Jain (Company Secretary)	Key Managerial Personnel
9.	Ms. Pratima Yadav (Company Secretary)	
10.	*Ms. Shaveta Sharma	
11.	Mohnesh Kohli & Co.	Relative of Key Managerial Personnel
12.	Mohnesh Kohli HUF	
13.	Megrisoft Limited (UK)	Enterprise Over which controlling person have significant influence
		Subsidiary Company

\* ceased to be related party during the year under review.

**B) Details of transactions with related party for the year ended March 31, 2018 in the ordinary course of business:** (Rs. in Lakhs)

Sr No.	Nature of Relationship/ transaction	Person having Significant Influence & their relatives	Key Managerial Personnel & relatives	Enterprise over which controlling person have significant influence	Subsidiary Company	Total
1.	<b>KMP Remuneration:</b> Mr. Rajnesh Sharma *Ms. Ankita Jain Ms. Pratima Yadav	- - -	3.06 1.37 0.96	- - -	- - -	3.06 1.37 0.96
2.	<b>Rent paid:</b> Mohnesh Kohli Ms. Neena Kohli	2.40 3.60	- -	- -	- -	2.40 3.60
3.	<b>Reimbursement of expenses receivable</b>				20.19	20.19

\* ceased to be related party during the year under review.

**Note 33**

**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 Kapil Sandeep & Associates**  
Chartered Accountants  
Firm Registration No. 0016244N

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

(Kapil Sabharwal)  
Partner  
Membership No. 096858  
Place: Chandigarh  
Date: May 29, 2018

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

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

**Pratima Yadav**  
Company Secretary  
M. No.: ACS52785  
Place: Chandigarh  
Date: May 29, 2018