

*15<sup>th</sup> Annual Report*  
*2008-09*



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**Board of Directors:**

1. BSN Suryanarayana
2. B Vijaya Lakshmi
3. Vishram Naniwadekar
4. V Satyanarayana

Managing Director  
Director  
Director  
Director

**Registered Office:**

"Nihar House", Plot No:34  
Ganesh Nagar,  
West Marredpally,  
Secunderabad-500026.

**Banker:**

Union Bank of India  
Jubilee Hills Branch  
Hyderabad-500033

**Auditors:**

M/s. C.Ramachandram & Co,  
Chartered Accountants  
Lingapur LA Builde Complex,  
Himayat Nagar, Hyderabad-500029.

**Share Transfer Agents:**

Aarthi Consultants Pvt Limited,  
1-2-285, Domulguda,  
Hyderabad-500029

### Notice of the 15<sup>th</sup> Annual General Meeting

Notice is hereby given that the 15th Annual General Meeting of the members of Nihar Info Global Limited will be held on Tuesday, 29th September, 2009 at Hotel Pearl Regency, Red Hills, Lakdikapool, Hyderabad - 500004 at 3:00PM to transact the following business:

#### Ordinary Business:

1. To receive, consider and adopt the Balance Sheet of the Company as on 31<sup>st</sup> March 2009 and Profit & Loss Account for the year ended on that date together with the reports of the Directors and Auditors thereon.
2. To appoint M/s. C. Ramachandram & Co., Chartered Accountants as statutory auditors of the company to hold office from conclusion of the Annual General Meeting till the conclusion of the next Annual General Meeting on such remuneration as may be decided by the board of Directors.

#### Special Business:

##### Item No.3

To consider and, if thought fit, to pass with or without modifications the following resolution as an ordinary resolution.

“Resolved That Mr. P.J. Sudhakar who was appointed as an Additional Director of the Company and who holds office until the date of this Annual General Meeting, pursuant to Sec 260 of the Companies Act, 1956 and Article 85 of the Articles of Association of Company, and in respect of whom the company has received a notice from a member under Sec 257 of the companies Act, 1956, proposing candidature, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

##### Item No.4

To consider and, if thought fit, to pass with or without modifications the following resolution as an ordinary resolution.

“RESOLVED THAT Pursuant to the Provisions of Sections 198, 269, 309 and 310 read with Schedule XIII of the Companies Act, 1956 and subject to the approval of the Central Government and such other approvals, if any, as may be required, the Company hereby accords its approval for the appointment of Mr. B. Divyesh Nihar, as a Whole-time Director of the Company for a period of 3 years with effect from 01<sup>st</sup> September, 2008 on the remuneration and terms and conditions as given below.

1. Basic Salary. Rs. 40,000 (Rupees Forty Thousand only) per month,
2. Perquisites & other Allowances:

#### Part. A:

Leave Travel Assistance: For self and family once in a year in accordance with the rules of the company

#### Part-B

- (i) Contribution to Provident Fund, superannuation fund or annuity fund will not be included in the computation of ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income-tax Act, 1961. Gratuity payable shall not exceed half a month's salary for each completed year of service.

- (ii) Encashment of leave at the end of the tenure will not be included in the computation of ceiling on perquisites
- (iii) Medical reimbursement: Expenses incurred for self and family subject to the ceiling of one month's salary per year or three month salary in period of 3 years

#### Part-C

- (i) Free use of Company's car on company's business and telephone at residence and mobile phone will not be considered as perquisites.
- (ii) Personal long distance calls and use of car for private purpose shall be billed by the company
- (iii) Reimbursement of entertainment expenses, traveling and all other expenses actually and properly incurred for the purpose of Company's business.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to vary or increase in the remuneration and perquisites including the monetary value thereof as specified above, to the extent the Board of Directors may consider appropriate, as may be permitted or authorized in accordance with any provision under the Companies Act, 1956, for the time being in force or any statutory modification or re-enactment thereof and/or any rules or regulations there under”

“RESOLVED FURTHER THAT in the cases of losses or inadequacy of Profits in any financial year, the above remuneration be paid to whole-time Director as the minimum remuneration”

##### Item No. 5.

To consider and, if thought fit, to pass with or without modifications the following resolution as an Special Resolution

“RESOLVED THAT Pursuant to the Provisions of Section.372A of the Companies Act, 1956 and other applicable Provisions, if any of the Companies Act, 1956 ( including any statutory modification or re-enactment there of for the time being in force) and subject to the approval of statutory and other authorities as may be necessary and subject to such terms, conditions, alterations and modifications, if any, as may be prescribed and specified by such authorities while granting such approvals and which may be agreed by the Board of Directors of the Company the consent of the company be and is hereby accorded to the Board of Directors of the Company to make investments in excess of the 60% of paid-up capital and free reserves and/ or 100% or more of free reserves of the company as per limits prescribed under section 372A in the body corporate engaged in the power sector by subscription to new Proposed company or purchase of Equity shares of existing company at least 51%.

By order of the Board of Directors

Place :Secunderabad,  
Date : 01-09-2009

BSN Suryanarayana  
Managing Director

#### Notes:

1. A member of the company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. However, the proxy form, in order to be effective, must be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.



2. The Register of Members and Share transfer Books will be closed from 25/09/2009 to 29/09/2009 (Both dates Inclusive)
3. The Members are requested to notify promptly any change in their addresses to the Company's Registrar and Share transfer Agents, Aarthi Consultants Private Limited, 1-2-285, Domulguda, Hyderabad-500029.
4. Members / Proxies are requested to bring Annual Reports along with the attendances slips filled in for attending the meeting.
5. Explanatory statement pursuant to Section.173 (2) of the Companies Act, 1956 is annexed hereto and forms part of the notice.
6. Pursuant to Clause-49 of the listing agreement, particulars of Directors seeking appointment at this meeting are annexed hereto.

By order of the Board of Directors

Place : Secunderabad,  
Date : 01-09-2009

BSN Suryanarayana  
Managing Director

## Explanatory Statement

(Pursuant to Section 173 (2) of the Companies Act, 1956.

### Item No.3

Mr. P.J. Sudhakar was co-opted as an additional Director of the Company with effect from 01<sup>st</sup> September, 2009, pursuant to section 260 of the Companies Act, 1956, read with Article 84 of the Articles of Association of the Company. Mr. P.J. Sudhakar holds office of Director up to the date of the Annual General Meeting. The Company has received a notice in writing from a member along with deposit of Rs.500/-proposing the candidature of Mr. P.J. Sudhakar for the office of the Director under the Provisions of Section 257 of the Companies Act, 1956. None of the Directors of the Company are interested in this resolution.

### Item No.4

Mr. B. Divyesh Nihar, was co-opted as an additional Director of the Company with effect from 01<sup>st</sup> September, 2009, pursuant to section 260 of the Companies Act, 1956 , read with Article 84 of the Articles of Association of the Company. Mr. B. Divyesh Nihar holds office of Director up to the date of the Annual General Meeting. The Company has received a notice in writing from a member along with deposit of Rs.500/-proposing the candidature of Mr. B. Divyesh Nihar, for the office of the Director under the Provisions of Section 257 of the Companies Act, 1956. None of the Directors except B.S.N Suryanarayana who is related, of the Company are interested in this resolution.

### Item No.5

The Company is planning to Diversify its business by entering in to the power sector by subscription to new Proposed company or purchase of Equity shares of existing company at least 51% . Since the proposed investments will exceed the limits as stipulated under Section.372A of Companies Act, 1956.it is necessary to obtain the previous authorization of members for this purpose.

By order of the Board of Directors

Place : Secunderabad,  
Date : 01-09-2009

BSN Suryanarayana  
Managing Director

### Brief Profile of Directors seeking appointment:

1. B. Divyesh Nihar is an Engineering graduate and worked for about a year in UNISYS India Pvt. Ltd as Systems Analyst. He is a Microsoft and IBM FileNet Certified Professional.
2. P. J. Sudhakar who is a citizen of Singapore is an Engineering graduate with 25 years of experience in IT and managed various IT projects in China, Japan, Malaysia, Australia, Rome, Taiwan, Singapore and India. He is a Certified PMP, Certified TOGAF Architect and certified in Business Process Reengineering.



## DIRECTORS' REPORT

Your Directors are pleased to present the 15<sup>th</sup> Annual Report together with the statement of Accounts for the year ended 31 March 2009.

### FINANCIAL RESULTS:

Your company's results for the year in comparison with the previous year are given below in summarized form:

(Rs: in lakhs)

Particulars	2008-'09	2007-'08
Gross Revenue	70.02	365.47
Profit Before Interest, Depreciation & Taxes	(45.47)	24.13
Interest	10.14	11.28
Depreciation & Amortisation	34.98	24.87
Profit After Tax	(36.00)	(2.50)

### Results of operations and future outlook:

The turnover of the company for the year has fallen considerably as it came down from Rs.365 Lakhs (consolidated for 2007-08) to Rs 70.00Lakhs for 2008-09. The loss for the year 2008-09 is rupees 28.22 Lakhs against a profit of 5 Lakhs of the previous year. The company expects good results to follow in the years to come because of focus on IBM Technologies and SAP Technologies which are in great demand and also because of diversification in to power sector.

### Gartner Report:

Gartner offers world-class, objective insight on virtually any area of IT. The top 10 strategic technologies which Gartner has identified for 2009 are Virtualization, Cloud computing, Servers-Beyond Blades, Web oriented Architectures, Enterprise Mashups, Specialized systems, Social software and Social networking, Unified communication, Business Intelligence and Green IT. All these technologies can be delivered from solutions build around IBM products. Hence from the past six months Nihar Info Global Limited has changed its focus to Advanced and standardized technologies of IBM & SAP.

### IBM Technologies:

Your company is an IBM Business Partner and IBM ValueNet Partner for Enterprise Content Management solutions. NIHAR is also IBM FileNet Software ValueNet – Technical Service Provider. IBM FileNet is a world leader in ECM technologies. Your company is one of the few partners who can provide the First level Technical support on IBM FileNet.

NIHAR has recently got a project on IBM FileNet from Deccan Infrastructure & Land Holdings Limited (A joint venture of AP Housing Board and AP State Government). Apart from FileNet your company is also focusing on the other brands of IBM i.e. LOTUS, WEBSHERE, TIVOLI, and INFORMATION MANAGEMENT. NIHAR is focusing on building Line of Business solutions based on these technologies. NIHAR has plans to build strategic alliances in the near future to execute offshore projects related to IBM technologies.

### SAP Technologies:

SAP is the market and technology leader in ERP solutions. Due to increasing demand for standardized ERP solutions your company is focusing on SAP based ERP solutions. We have recently executed a project on SAP for Singareni Collieries Company Limited. We have got some serious leads for SAP, due to which we are also planning to become SAP Business Partners. NIHAR has adequate resources trained on IBM and SAP technologies. Many SAP customers rely on IBM's ECM solutions to manage their mission-critical SAP content and integrate with SAP business processes for minimizing risk, optimizing system performance, and lowering their cost

of ownership. Organizations having SAP environment are able to maximize the value of using an IBM ECM platform that unifies compliance, content and process management.

### Diversification into POWER Sector:

Power is one of the prime movers of economic development. The level of availability and accessibility of affordable and quality power is also one of the main determinants of the quality of life. The Government has, since Independence, been giving priority to this sector while fixing the Plan outlays. As a result, the installed generation capacity has risen from a mere 1,300 megawatt (MW) at the time of Independence to more than 1,00,000 MW today. Along with the growth in installed generation capacity, there has also been a phenomenal increase in the transmission and distribution (T&D) capacity. However, despite these achievements, the power sector has not kept pace with the growth in demand with the result that the country has always faced energy and peaking shortages.

### Convertible Warrants to Non Promoters:

The company had received Rs. 9,45,000/- as application money for allotment of convertible share warrants of 9,00,000 and the last date for payment of remaining money is 09-09-2009. As the balance money is not paid by the share warrant holders as per the terms of the share warrant, the share warrants lapsed on 09-09-2008. And the money received on Rs. 9,45,000/- is forfeited and the amount is transferred to capital reserves of the company.

### Convertible Warrants to Promoters:

The shareholders at the Extra Ordinary General Meeting (EGM) of the Company held on February 02, 2008, have approved the allotment of 15,00,000 (Fifteen Lakhs only) convertible warrants at a price of Rs. 11.25/- convertible into a equity share of Rs.10/- each on preferential basis to promoters. And the company fulfilled most of the formalities with Bombay Stock Exchange (BSE). How ever permission was not received till date and the same is dropped by the company.

**US Subsidiary:** The Company sold 51% equity held in M/s. Massif Technologies Inc., of USA for an amount of US\$ 10,000 vide board meeting held on 31-07-2008 and Nihar Info Global Ltd is not having any stake on M/s. Massif Technologies Inc., as on today.

**U.S. Branch:** The US market was not encouraging and the Branch in the state of Texas is not active and the operations in the branch are meagre during the year 2008-2009.

**ESOP-2007:** Regarding the scheme of Employee's Stock Option Plan-2008(ESOP-2008) which was approved in the previous Annual General Meeting, the company submitted almost all the required documents with Bombay Stock Exchange (BSE) to get the in Principle Approval to implement this scheme. And, the management is confident that the company will get the Approval from BSE soon.

### Auditors:

The present Auditors of your company, M/s. C. Ramchandram & Co., Chartered Accountants, hold office until the conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment.

### Replies to Auditors report:

With reference to Auditor's observation under (7) of the annexure referred to paragraph 3, in connection with the failure of the depositing statutory dues to the appropriate authorities, your directors hereby state that the income tax, income tax deducted source and fringe benefit tax have been paid and the company has been putting in immense efforts in remitting other statutory dues and your directors expect the statutory dues will be cleared soon.

### Report on corporate Governance:

The disclosure as required under the Corporate Governance standards have been furnished as a part of this report. The company has taken requisite steps to comply with the recommendations concerning the corporate governance. A certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.



**DIRECTORS RESPONSIBILITY STATEMENT:**

In terms of the provisions of section 217(2AA) of the Companies Act, 1956 your Directors confirm as under.

1. That in the preparation of the annual accounts, the applicable Accounting Standards had been followed along with the proper explanation relating to material departures.
2. That the directors had selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit and Loss of the Company for the period.
3. That the Directors had taken proper and sufficient care for the 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 fraud and other irregularities.
4. That the directors have prepared the accounts on going concern basis.

**Particulars of conservation of energy etc:**

The particulars of conservation of energy, Technology absorption and foreign Exchange earnings and outgo as required under Section 217(1)(e) of The Companies Act, 1956 are provided below:

- A) **Conservation of Energy:** The operations of the company are not energy intensive. Adequate measures have been taken to conserve by using energy efficient computers and equipment with latest technologies. The company has been taking adequate measures to reduce energy consumption at all levels such as electrical energy used for air-conditioning of the premises, lighting and supply of electrical energy to computer systems.
- B) **Research and Development:** No amount was spent in Research and Development during the year 2008-09.
- C) **Technology Absorption:** Your Company is constantly upgrading its technological excellence with emerging technologies.
- D) **Foreign Exchange Earnings and outgo:** Total foreign exchange earnings during the year was about Rs.       Lakhs (Previous Year: Rs.60.17 Lakhs) and foreign exchange outgo was Rs.       Lakhs (Previous Year Rs.3.69)

**Particulars of Employees pursuant to Section 217 (2A):**

Employees of are not drawing remuneration above the limits as specified under section 217(2A) of the Companies, Act 1956. So their particulars are not required to be furnished in this report.

**Fixed Deposits:**

The company has not raised any Fixed deposits during the year so as to attract the provision of Section 58A of the Companies Act, 1956, read with Companies (Acceptance of deposits) rules, 1975 as amended from time to time.

**Acknowledgement:**

The Board thanks all the clients, investors and bankers for their continuing support. The Board also places on record its sincere appreciation towards the effort put in by the employees of the company for their hard work and positive attitude.

For and on behalf of the Board of directors

Place : Secunderabad  
Date : 01-09-2009

Sd/-  
BSN Suryanarayana

Sd/-  
B. Vijaya Lakshmi

**REPORT ON CORPORATE GOVERNANCE****1. Company's philosophy on code of conduct:**

The Corporate Governance Policy is an instrument that guides the conduct of the affairs of the Company and the policy delineates the roles, responsibilities and authorities of the key entities in the governance structure of the Company. This Code is an integral part of the Company's Governance Policy. The directors, senior management must adhere to the Corporate Governance Policy of the Company. The Company's philosophy of corporate governance is to protect the long-term interest of the shareholders while respecting interest of the other stakeholders and society at large. We are making continuous efforts to adopt the best practices in corporate governance and we believe that the practice we are putting into place for the company shall go beyond adherence to regulatory framework. Our corporate structure, business and disclosure practices have been aligned to our corporate governance philosophy.

**2. BOARD OF DIRECTORS**

The present strength of the Board of Directors of the Company consists of four members. Composition and category of Directors are as follows:

Sl. No.	Name	Category	Designation
1	Mr. BSN Suryanarayana	Non-Independent	Managing Director
3	Mrs. B Vijaya Lakshmi	Non-Independent	Director
5	Mr. Vishram Naniwadekar	Independent	Director
6	Mr. V Satyanarayana	Independent	Director

- i) None of the Directors on the Board are members in more than ten committees and they do not act as chairman of more than five committees across all companies in which they are Directors.

**Board Meetings:**

The meetings of the Board of Directors are held at the registered office of the company. Six Board Meetings were held during the financial year 2008-2009. The dates on which the said meetings were held are as follows:

- i) 30.04.2008
- ii) 25.05.2008
- iii) 31.07.2008
- iv) 27.08.2008
- v) 31.10.2008
- vi) 09.01.2009

Details of the number of Board Meetings attended by the Directors, attendance at the last AGM and all other details are given below:-

**Details of Attendance:**

Name of the Director	No. of Board meetings	Board meetings attended	Whether attended last AGM
Mr. BSN Suryanarayana	06	06	Yes
Mrs. B Vijaya Lakshmi	06	-	No
Mr. Vishram Naniwadekar	06	06	Yes
Mr. V Satyanarayana	06	-	No



**Shareholding details of non-executive directors:-** Details of the shares of the company held by non-executive directors of the company is as follows:

Name of the director	Shares Held
Mrs. B. Vijaya Lakshmi	367
Mr. Vishram Naniwadekar	Nil
Mr. V Satyanarayana	Nil

#### Board Committees:

There are three committees viz. audit committee, compensation committee and share transfer & shareholders grievance committee. Details of which are given below:

#### Audit Committee:

The Audit Committee comprises of three non-executive independent directors:

1. Mr. BSN Suryanarayana
2. Mr. Vishram Naniwadekar
3. Mr. V Satyanarayana

**Mr. V Satyanarayana is the Chairman of the Audit Committee.**

The Committee met for four times in the Financial Year 2007-08

Name of the Director	No. of meetings	Audit committee meetings attended
Mr. BSN Suryanarayana	04	04
Mr. Vishram Naniwadekar	04	02
Mr. V. Satyanarayana	04	04

#### Terms of Reference:

The constitution of the Audit Committee meets all the requirements of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. The terms of reference for the Audit Committee are as follows:

Reviewing with the Management the periodical and the annual financial statement before submission to the Board, focusing primarily on:

- Any change in the accounting policies and the practices.
- Qualification in draft audit report.
- The Going concern concept.
- Compliance with accounting standard.
- Compliance with the requirement of stock exchanges and legal requirements concerning financial statements.
- Recommend to the Board the appointment and removal of Statutory Auditors, fixation of Audit fees and also approve payment for any other service.
- Reviewing related party transactions.
- Reviewing of Company's financial and risk management policies.
- The Audit Committee can seek information from any employee and can obtain from outside any legal or other professional advice.
- Review the adequacy of internal audit function, including the structure of internal audit department, reporting structure and frequency of internal audit. The audit committee also reviews the findings of any internal investigations by the internal control systems of a material nature and report the matter to the Board.
- The Chairman of the Committee would attend the Annual General Meetings of the Company to provide any clarification on matters relating to audit sought by the members of the Company.

#### Compensation Committee:

The members of the Compensation Committee of the Board of Directors of the Company are, Mr. V Satyanarayana, and Mr. Vishram Naniwadekar. As there were no changes in the remuneration of the Directors in the said year hence there was no requirement of the Committee Meeting.

**Mr. Vishram Naniwadekar is the Chairman of the compensation committee.**

#### Terms of reference:

The terms of reference of the Remuneration Committee are:

- To review and approve/recommend the remuneration for the corporate Officers and Managing Director of the Company.
- To review and recommend to the board the remuneration policy for the company.
- To approve grant of stock options to the employees and/ or directors of the company and subsidiary.
- To discharge such other functions or exercise such powers as may be delegated to the Committee by the Board from time to time.

The details of remuneration and sitting fees paid or provided to each of the directors during the year 2007-08 are as follows:

Name of the Director	Designation	Salary & Perks	Commission	Sitting Fees
Mr. BSN Suryanarayana	Managing Director	Rs. 3.00 Lakhs p.a.	Nil	Nil
Mrs. B Vijaya Lakshmi	Director	Nil	NIL	Nil
Mr. Vishram Naniwadekar	Director	Nil	Nil	6000
Mr. V Satyanarayana	Director	Nil	Nil	Nil

No other benefits, bonuses, stock options, pensions or performance-linked incentives are paid to directors except as mentioned above:

#### Share Transfer and Shareholders Grievance Committee:

Mrs. B Vijaya Lakshmi, Mr. BSN Suryanarayana, and Mr. Vishram Naniwadekar are the members of the share transfer and share holders grievance committee.

**Mrs. B Vijaya lakshmi is the Chairman of the said committee.**

The Committee met 12 times during the year to approve share transfers and to review matters connected with the shareholders complaints, grievances and other related issues.

Mr. Y Gopal Rao is the Compliance officer.

#### Terms of reference:

In view of the SEBI Corporate Governance norms, which have been incorporated in the listing Agreement, the Share transfer and shareholder Grievances Committee, has been constituted to undertake the following activities:

- To review and take all necessary actions for redressal of investor's grievances and complaints as may be required in the interest of the investors.
- To approve request for share transfers, transmission, transpositions, Rematerialisation split and duplicate share certificates.
- To oversee the performance of the share Transfer Agents (M/s Aarthi Consultants Private Limited) and recommend measures for overall improvement in the quality of investor's service.



**Annual General Meeting:****Details of the last three annual general meetings:**

Year	Day, Date & Time	Location
2005-06	Friday-29 <sup>th</sup> September 2006 at 3.00PM	Hotel Pearl Regency Red Hills, Lakdikapool,Hyderabad-500004
2006-07	Saturday-29 <sup>th</sup> September 2007 at 3.00 P.M.	Hotel Pearl Regency Red Hills, Lakdikapool,Hyderabad-500004
2007-08	Monday-29 <sup>th</sup> September 2005 at 3.00 PM	Hotel Pearl Regency Red Hills, Lakdikapool,Hyderabad-500004

No business was transacted through postal ballot at the last three AGMs and also no business is required to be transacted through postal ballot on the forthcoming Annual General Meeting. The Special Resolution in the last AGM was passed with regard to the Employee Stock option Scheme for the employees in India as well as the employees of the subsidiary companied abroad. The required form is filed with the ROC.

**Disclosures:**

- There are no materially significant transactions with the related parties viz., Promoters Directors of the management, their subsidiaries or relatives conflicting with the interest of the company.
- There are no pecuniary relationships or transactions of non-executive directors viz a viz the company, which has potential conflict with the interest of the company at large.
- The company has complied with the requirements of the stock exchange, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No penalties have been imposed on the company by the stock exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

**Means of Communication:**

The quarterly, half yearly and yearly financial results of the company have been furnished to the stock exchange where shares have been listed as per the listing agreement and are also published in 'Business Standard' (An English Daily) and in 'Andhra Prabha' (vernacular Telugu daily). It is also displayed on the company's website, www.niharinfo.com. In addition to these, our company's information can be found in the official website of Bombay Stock Exchange, i.e. www.bseindia.com.

**GENERAL SHAREHOLDERS INFORMATION****Annual General Meeting:**

Date : 29<sup>th</sup> September 2009  
Day : Monday  
Time : 3.00 p.m.  
Venue : Hotel Pearl Regency, Red Hills, Lakadipool, Hyderabad-500 004

Financial Year : April to March  
Date of Annual General Meeting : 29.09.2009  
First Quarter Results : 31.07.2008  
Second Quarter Results : 31.10.2008  
Third Quarter Results : 31.01.2009  
Fourth Quarter Results : 30.04.2008

**Dates of Book Closure:**

From : 25.9.2009  
To : 29.9.2009  
(Both Days inclusive)

**Listing on Stock Exchange:**

At the Bombay Stock Exchange

Stock code : 531083 at BSE

ISIN Number in NSDL and CDSL: INE876E01025

**Electronic Connectivity:**

1. National Securities Depository Limited  
Trade World, Kamala Mills Compound,  
Senapati Bapat Marg, Lower Parel  
Mumbai- 400 013
2. Central Depository Services (India) Limited  
Phiroze Jeejeebhoy Towers  
28<sup>th</sup> floor, Dalal Street,  
Mumbai- 400 023

**Registrar and Share Transfer Agents:**

Aarhi Consultants Private Limited  
1-2-285, Domulguda,  
Hyderabad-500 029

**share Transfer System:**

Equity shares lodged for transfer in physical mode are normally registered within 15 days from the date of receipt. The share transfer agent is handling all the share transfers and related transactions.

**Market Price Data:**

Table below shows the monthly high and lows of the company's shares on the Bombay Stock Exchange Limited (BSE):

Sl. No.	Month	High(Rs.)	Low(Rs.)
1.	April	7.24	5.00
2.	May	6.50	4.94
3.	June	5.11	3.80
4.	July	4.49	3.66
5.	August	4.41	3.45
6.	September	4.36	3.45
7.	October	3.50	2.60
8.	November	2.83	2.55
9.	December	2.80	2.45
10.	January	4.17	2.75
11.	February	5.26	3.79
12.	March	4.35	3.24



Share holding pattern as on 31 March 2009

Category	No. of shares	% of shareholding
Promoters	522820	8.45
NRI/OCB	NIL	NIL
FII/Banks	NIL	NIL
Mutual Funds and UTI	NIL	NIL
Foreign Institutional Investors	NIL	NIL
Body Corporate	1160820	18.76
Indian Public	4504827	72.80
Total	6188467	100

### CERTIFICATION

To  
The Board of Directors,  
NIHAR INFO GLOBAL LIMITED

I, the undersigned, in my capacities as the Finance Incharge of Nihar Info Global Limited. ("The Company"), to the best of my knowledge and belief certify that:

- a) I have reviewed Financial Statements and the Cash Flow Statements for the Year Ended 31<sup>st</sup> March, 2009 and based on our knowledge and belief:
  - i. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the company's affairs and are in compliance with the existing Accounting Standards, applicable Laws and Regulations.
- b) I further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) I am responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the Financial Reporting of the Company and have disclosed to the Auditors and the Audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps we have taken or propose to take rectify these deficiencies.
- d) I have indicated, based on my most recent valuation, wherever applicable, to the Auditors and audit Committee;
  - i. Significant changes, if any, in internal control over financial reporting during the year.
  - ii. Significant changes, if any, in Accounting Policies made during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which I have become aware and the involvement therein, if any, of the Management or an Employee having a significant role in the Company's internal control system over financial reporting.

For Nihar Info Global Limited

Place: Hyderabad  
Date: 01.09.2009

Y. Gopal Rao  
Finance Incharge

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### POWER sector:

##### Industry Structure and Development of Power Sector:

India had been traditionally depending on thermal power as a major source of power generation, which constitutes about 65% of current capacity. Balance is contributed by Hydel power (26%), Nuclear (3 %) and Renewable energy (6%). Over 87% of the current installed capacity in the country is by the government, the state governments having lion's share of over 52% and the balance by central (federal) government. Due to the initiative of government of India to encourage Public Private Partnerships in power sector, share of private companies has gone up to about 13 % of the installed capacity. According to CEA, the country faced peaking shortage of more than 12% and energy shortage of about 11% during 2008-09. To bridge the demand supply gap, the government has introduced policies and reforms to promote competition and make the sector open to all players. The government has also set ambitious targets for capacity addition for the XI and XII Plans. According to experts the private sector would play a greater role in power generation and foreign investments would increase considerable in his sector.

##### Opportunities, Threats, Risk and Concerns:

###### Opportunities:

Since the private companies in the power sector are going to play a major role in the capacity additions of Eleventh Plan (2007-12) and Twelfth Plan (2012-17), the power sector holds a major potential in the coming future.

###### Threats, Risk and concerns:

Also, entering into the power generation business requires heavy investment initially. The other barriers are fuel linkages, payment guarantees from state governments that buy power and various government clearances. Your company is aware of all these things and is also designing a strategic road map to achieve all the necessary things and to go aggressively into this sector.

##### Outlook:

Since there is huge potential in the power sector, we are also building our capability and bringing in the industry experts to build a successful roadmap into the power sector.

#### IT sector:

##### Industry Structure & Development:

As per the industry predictions, India would continue to dominate as an offshore destination in the foreseeable future. Global Corporations have adopted offshore outsourcing as their ready choice for cost effectiveness. Large clients are now more knowledgeable in evaluating and recognizing the true value of working with the smaller but competent vendor than before. Therefore the opportunities for special and niche service is now more abundant than before.

##### Opportunities, Threats, Risk and Concerns:

While the global IT market is growing at competitive phase it also has the risk and threats associated with it. We highlight hereunder the opportunities and associated risks existing in the market and your company's capabilities in brief. They are:

###### Opportunities:

The opportunities in the global market for special and niche services that your company is offering are plenty. Your company appears to be in good position to add the new clients and good projects that many others of similar size. Company intends to consolidate its domestic and overseas operations.



**Threats, Risk and concerns:**

Some of the risk and threats associated are discussed in brief:

- Competition from other vendors. Your company has established strong differentiators where possible in certain areas to minimize the competition from the other firms.
- Your company has adopted the best methods to mitigate the threats and concerns, which are common to the IT industry in general. It shall continue to do so depending on the business needs from time to time.

**Outlook:**

The quality of the revenues, profile of new clients that we acquire, and the average size of orders from new clients will improve in the coming year. We anticipate higher percentage of gross profits from the new projects that we undertake during the next year.

**Human Resources:**

The company understands the significance of human resources in the growth of an organization and is committed to build a highly motivated and committed human resources team especially when we are in growth mode. Your company looks for quality human resources with great skills and advancement of their abilities to be able to adapt the fast changing industry demands successfully.

**Financial performance:**

The information under this head is given in the Directors Report

**Internal controls:**

The internal control systems of the company are implemented with a view to achieve good ethical culture in the organization. The internal control systems of the company would ensure that any vulnerability in the achievement of the company's objectives caused by the risk factors whether internal or external, existing or emerging, is detected and reported in a timely manner and is met out with appropriate corrective action.

**Cautionary Statement:**

Comments in this Management Discussion and Analysis outlining the company's strategies, approaches and objectives are believed by the management to be true to the best of its knowledge at the time of preparation of this report. Actual results may vary materially from those expressed or implied and hence the company and the management shall not be held responsible for any loss that may arise as a result of any action taken on the basis of the information contained herein.

**C.Ramachandram & CO.,**  
 CHARTED ACCOUNTANTS

3-6-237, Unit # 606,  
 Lingapur house,  
 Himayat nagar,  
 Hyderabad,  
 Ph: 23223787.

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

**To the Members of Nihar info Global Limited**

We have examined the compliance of conditions of corporate governance NIHAR INFO GLOBAL LIMITED for the year ended 31<sup>st</sup> March, 2009, as stipulated in clause 49 of the Listing Agreement of the Company with Stock Exchanges.

The compliance of the conditions of the 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 the Corporate Governance. It is neither an audit nor expression of the 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, we certify that the Company has complied with the conditions of corporate Governance as stipulated in the above mentioned listing agreement.

We state that no investor grievances were pending for a period exceeding one month against the Company as per the records maintained by the Company.

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.

Place : Hyderabad  
 Date : 30-08-2009

For C. Ramachandran & CO  
 Chartered Accountants

C.Ramachandram & CO  
 Partner  
 Membership No - 25834  
 Lingapur house  
 Hyderabad  
 Ph: 23223787

### Auditors' Report

To the Members of NIHAR INFO GLOBAL LIMITED for 2008-09

1. We have audited the attached Balance Sheet of Nihar Info Global Limited, as at March 31, 2009, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India ('the Act') and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Attention is required to point 2(g) and (h) of schedule M of the attached balance sheet.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
  - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;
  - (e) On the basis of written representations received from the directors, as on March 31, 2008 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act;
  - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a

true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2009;
- (ii) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For C. Ramachandram & Co**  
**Chartered Accountants**  
 Sd/-  
**C. Ramachandram**  
 Partner

**Place: Hyderabad.**  
**Date: 30.08.2009**



ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE to the members of Nihar Info Global Limited on the financial statements as at and for the year ended March 31, 2009

1. (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the company during the year.

The company has taken interest free unsecured demand loan from one party covered in the register maintained under section 301 of the companies act. The terms & conditions are prime faces not prejudicial to the interest of the company and shareholders.

2. The company has not granted/taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
3. In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of fixed assets, inventory and for the sale of goods and services. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
4. According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that section. Accordingly, commenting on transactions made in pursuance of such contracts or arrangements does not arise.
5. The company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
6. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
7. (a) *According to the records, during the year, the company is not regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Sales Tax, Income-tax, Service Tax, applicable to it and there have been substantial delays in all cases.*
- (b) *In our opinion and according to the information and explanations given to us, the following arrears are outstanding as at 31st March, 2009 for a period of more than six months from the date they became payable except P.F.*

<u>Particulars</u>	<u>Amount / Rs.</u>
Provident Fund	98,325/-
Professional Tax	197,283/-
Income Tax	19,949/-
Income tax deducted at source	82,594/-
Fringe Benefit tax	203,326/-
Service Tax	1,316,846/-

- c) In our opinion and according to the information and explanations given to us, the dues of Income Tax, has not been deposited on account of any dispute are follows:

Nature of the dues	Amount (Rs)	Period to which the amount relates	Forum where dispute Is pending
Income Tax	3,70,919	2001-02	ITAT, Hyderabad

The case has been remanded by the ITAT to the assessing officer for everification of the claims made by the company.

8. The company has accumulated losses as at March 31, 2009 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
9. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
10. In our opinion, the company is not a dealer or trader in shares, securities, debentures and other investments.
11. In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
12. The company has not obtained any term loans during the year.
13. On the basis of an overall examination of the balance sheet of the company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
14. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
15. The company has not raised any money by public issues during the year.
16. During the course of examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.
17. The other clauses (ii), (iii) (b), (iii)(c), (iii)(d), (iii)(f), (iii)(g), (viii), (xi), (xiii), and (xix) of paragraph 4 of the Companies (Auditor's Report) Order 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable in the case of the company for the current year, since in our opinion there is no matter which arises to be reported in the aforesaid order.

For C. Ramachandram & Co  
Chartered Accountants  
Sd/-  
C. Ramachandram  
Partner

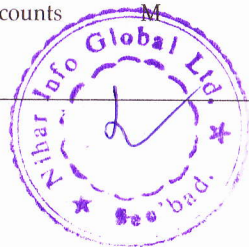
Place : Hyderabad.  
Date : 30.08.2009



## Balance Sheet as on 31.03.2009

	Schedules	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
<b>I SOURCES OF FUND</b>			
1. Share holders funds			
a) Share capital	A	61,884,670	62,829,670
b) Reserves & Surplus	B	1,603,933	3,481,343
2. Deferred Tax Liability	H	1,597,330	2,410,578
3. Loan funds			
Secured Loans		4,690,527	6,422,147
Un-Secured Loans	C	1,788,976	484,832
Total		<u>71,565,435</u>	<u>75,628,569</u>
<b>II. APPLICATION OF FUNDS</b>			
1. Fixed Assets	D		
Gross Block		22,703,632	22,664,362
Less: Depreciation		13,335,950	9,837,793
Net Block		<u>9,367,682</u>	<u>9,011,546</u>
2. Investments	E	25,550,000	1,101,601
3. Current Assets, Loans & Advances	F	40,629,631	64,940,576
Less : Current Liabilities and Provisions	G	<u>3,981,877</u>	<u>3,240,178</u>
Net current Assets		36,647,754	61,700,398
Total		<u>71,565,435</u>	<u>75,628,569</u>

Accounting policies &amp; notes on accounts

C. Ramachandram & Co.,  
Chartered Accountants

For and on behalf of the Board

C. Ramachandram  
PartnerBSN Suryanarayana  
Managing DirectorB Vijaya Lakshmi  
DirectorPlace : Hyderabad  
Date : 01.09.2009

## Profit &amp; Loss Account for the year period ended 31-03-2009

	Schedules	Year Ended 31.03.2009 Rs.	Year ended 31.03.2008 Rs.
<b>INCOME</b>			
Software Sales & Services			
Sales - Export		1,776,672	6,017,269
Sales - Domestic		5,172,880	13,670,600
Other Income	J	52,400	1,072,153
<b>Total A</b>		<u>7,001,952</u>	<u>20,760,022</u>
<b>EXPENDITURE</b>			
Personnel expenses	K	3,271,222	5,169,822
Operating, Administration & other expenses	L	2,137,408	11,803,961
Loss on Sale of Investments		681,601	-
Interest & Finance charges		1,013,920	1,064,882
Depreciation	D	3,498,157	2,487,110
<b>Total B</b>		<u>10,602,308</u>	<u>20,525,775</u>
<b>Profit before tax</b>		<b>(3,600,357)</b>	234,247
Provision for FBT		35,301	110,142
Provision for current year deferred tax liability		(813,248)	(357,925)
<b>Profit after tax</b>		<b>(2,822,410)</b>	482,031
<b>Balance brought forward</b>		<b>(2,657,009)</b>	(3,139,040)
<b>Balance carried to balance sheet</b>		<u><b>(5,479,419)</b></u>	<u>(2,657,009)</u>
Basic & Diluted Earnings per share of Rs. 10/- each (Rs.)		(0.45)	0.08

C. Ramachandram & Co.,  
Chartered Accountants

For and on behalf of the Board

C. Ramachandram  
PartnerBSN Suryanarayana  
Managing DirectorB Vijaya Lakshmi  
DirectorPlace : Hyderabad  
Date : 01.09.2009

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
<b>SCHEDULES</b>		
<b>Schedule A :</b>		
<b>SHARE CAPITAL</b>		
<b>Authorized:</b>		
1,40,00,000 equity shares of Rs.10 each	140,000,000	140,000,000
<b>Issued, Subscribed &amp; paid-up :</b>		
61,88,467 Equity Shares of Rs.10/- each fully paid	61,884,670	61,884,670
Share Application Money (10% of Rs.10.25 I.e., Rs.1.05 per warrant has been collected from Convertible share warrants of 9.00 lacs, allotment of which is pending)	-	945,000
	<u>61,884,670</u>	<u>62,829,670</u>
<b>Schedule B</b>		
<b>Reserves &amp; Surplus</b>		
Capital Reserve	246,125	246,125
Share Premium	5,800,000	5,800,000
Share Warrants forfeited	945,000	-
General Reserve (for change in Depreciation policy)	92,227	92,227
Profit & Loss account	(5,479,419)	(2,657,009)
	<u>1,603,933</u>	<u>3,481,343</u>
<b>Schedule C</b>		
<b>Secured/Un-secured Loans</b>		
<b>Secured Loans</b>		
<u>Term Loan from Union Bank of India</u>	640,736	613,297
Principal due in next 12 months Installments	278400	
Interest accrued & due	85439	
Principal due	276897	
Working Capital Loan from Union Bank of India	4,049,791	5,808,850
	<u>4,690,527</u>	<u>6,422,147</u>
<b>Un-Secured Loans</b>		
Car Loan from Union Bank of India	197,643	229,806
Car Loan from ICICI Bank	159,804	255,026
From Directors	1,431,529	-
	<u>1,788,976</u>	<u>484,832</u>

Description	GROSS BLOCK			Depreciation			NET BLOCK		
	As At 1-04-2008	Additions	Deletions	As at 31.03.2009	Up to 1-04-2008	For the Year	Up to 31.03.2009	As at 31.03.2009	As at 31.03.2008
<b>Tangible Assets</b>									
Plant & Machinery - Computers	9,723,081	16,700	-	9,739,781	5,225,009	1,577,106	6,802,115	2,937,666	4,498,072
Plant & Machinery - Others	4,544,193	-	-	4,544,193	2,454,832	661,571	3,116,403	1,427,790	2,089,361
Electrical Equipment	1,235,498	-	-	1,235,498	465,175	58,686	523,861	711,637	770,323
Office Equipment	366,920	-	-	366,920	187,770	23,226	210,996	155,924	179,150
Furniture & Fixtures (incl.fridge)	1,902,055	22,570	-	1,924,625	1,256,551	121,441	1,377,992	546,633	645,504
Vehicles	1,077,592	-	-	1,077,592	248,455	102,371	350,826	726,766	829,137
<b>Intangible Assets</b>									
Website builders	3,815,023	-	-	3,815,023	-	953,756	953,756	2,861,267	3,815,023
<b>Total</b>	<b>22,664,362</b>	<b>39,270</b>	<b>-</b>	<b>22,703,632</b>	<b>9,837,793</b>	<b>3,498,157</b>	<b>13,335,950</b>	<b>6,506,416</b>	<b>12,826,570</b>
<b>Previous Year</b>	<b>17,969,053</b>	<b>880,286</b>	<b>-</b>	<b>18,849,339</b>	<b>7,350,683</b>	<b>2,487,110</b>	<b>9,837,793</b>	<b>9,011,546</b>	<b>10,618,370</b>

in Rupees.

2008-09  
SCHEDULE D - FIXED ASSETS



	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
<b>Schedule E :</b>		
<b><u>Investments</u></b>		
<b><u>Un-quoted</u></b>		
Integrated Broad Casting Co. (P) Ltd. (365000 shares @ Rs.70/- per share)	25,550,000	-
Investment in U.S. Subsidiary I.e., in Massif Technologies Inc., (10,20,000 Shares of face value of \$ 0.025)	-	1,101,601
	<u>25,550,000</u>	<u>1,101,601</u>
<b>Schedule F</b>		
<b>Current Assets, Loans &amp; Advances</b>		
<b>Sundry Debtors</b> (unsecured, considered good)		
Debts due over six months	25,315,741	28,519,715
Other debts	1,810,389	15,145,389
	<u>27,126,130</u>	<u>43,665,104</u>
<b>Cash and Bank balances</b>		
Cash on hand	166,180	331,135
<b>Balance with Scheduled Banks</b>		
In current account	2,407	14,891
Margin money for bank guarantee	53,397	117,897
	<u>221,984</u>	<u>463,923</u>
<b>Loans &amp; Advances</b> (Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	11,421,274	19,045,122
Tax deducted at Source	1,860,243	1,766,427
Total	<u>13,281,517</u>	<u>20,811,549</u>
<b>Grand Total</b>	<u>41,329,631</u>	<u>64,940,576</u>
<b>SCHEDULE G</b>		
<b>Current Liabilities &amp; Provisions</b>		
Creditors for Supplies & Services	3,778,551	3,072,153
<b>Provisions</b>		
F.B.T.	203,326	168,025
	<u>3,981,877</u>	<u>3,240,178</u>
<b>SCHEDULE H</b>		
<b>DEFERRED TAX ASSETS / (LIABILITIES)</b>		
Less: Deferred Tax Liability (Depreciation)	-	2,410,578
	-	<u>2,410,578</u>

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
<b>Schedule I</b>		
<b>MISCELLANEOUS EXPENDITURE</b> (to the extent not written off or adjusted)		
(a) Web Site Builders	-	3,815,023
	<u>-</u>	<u>3,815,023</u>
<b>Schedule J</b>		
<b>Other Income</b>		
Interest Received	6,556	13,942
Domain Renewal & Misc. Income	45,844	37,450
Other Income	-	1,020,761
	<u>52,400</u>	<u>1,072,153</u>
<b>Schedule K</b>		
<b>Personnel Expenses</b>		
Salaries, Wages, Gratuity & Other Allowances	2,724,857	4,659,458
Remuneration - MD	300,000	300,000
Sitting Fee	6,000	7,000
Stipend	-	27,884
Company contribution to PF	110,317	108,710
Staff Welfare Expenses	130,048	66,770
	<u>3,271,222</u>	<u>5,169,822</u>
<b>Schedule L</b>		
<b>Operating, Administration &amp; Other Expenses</b>		
Rent	120,000	168,591
Rates & Taxes	88,131	1,250,376
Power	133,286	200,815
Repairs & Maintenance	117,770	192,149
Printing & Stationery	58,197	159,703
Domain Registration charges	37,300	10,000
Communication expenses	291,359	359,125
Business Development expenses	166,689	267,162
Travelling & Conveyance	162,241	1,051,553
Consultancy & Professional Charges	460,620	119,974
Office Maintenance	231,510	331,381
AGM / EGM expenses	15,655	27,783
Miscellaneous expenses	102,342	148,137
Advertisement & Publicity	44,058	132,451
ISO 9001 2000 Expenses	-	14,045
Cost of Product Development Expenses	-	6,308,709
Cost of Web site Development Expenses	-	953,756
Share Transfer/D-mat Expenses	49,130	53,251
Listing Fee	15,000	15,000
<b>Auditors Remuneration</b>		
Statutory Audit Fee (including Service Tax)	38,605	35,000
Certification Fee (including Service Tax)	5,515	5,000
	<u>2,137,408</u>	<u>11,803,961</u>



## Schedule M

Notes on accounts annexed to and forming part of the accounts as at and for the year ended March 31, 2009.

## 1. Statement of Significant Accounting Policies

## a. Basis of Preparation

The financial Statements have been prepared under the historical cost convention on accrual basis to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

## b. Use of Estimates

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of revenues and expenses during the reporting period. Difference between the actual and estimates are recognized in the period in which the results are known/materialized.

## 2. Fixed Assets and depreciation

- i) Fixed assets are stated at cost less accumulated depreciation. Cost includes freight, duties (net of MODVAT), taxes and any attributable cost of bringing the asset to its working condition for its intended use.
- ii) Depreciation on Fixed Assets is provided on straight-line method at the rates prescribed in Schedule xiv of the Companies Act, 1956 on pro-rata basis

## 3. Revenue Recognition

- i) Income from software related services is accounted for on the basis of services rendered and billed to the clients on acceptance and/or on the basis of man days/ man hours spent as per the terms of the contract with the clients. Income from software products is recognized on the basis of the sale to the clients.
- ii) Interest income on funds deployed is accounted for on the basis of applicable interest rates using the time proportion method.
- iii) Income from software training is accounted on accrual basis.
- iv) Revenue from Annual Maintenance Contracts (AMC) is recognized on a pro rata basis over the period in which such services are rendered.
- v) Interest income on term deposits is recognized using the time proportion method, based on interest rates implicit in the transaction.

## 4. Expenditure

Expenses are accounted on the Accrual basis and the provisions are made for all known losses and liabilities.

## 5. Investments:

Long-term investments are carried at cost, and provision is made to recognize any decline, Other than temporary, in the value of such investment.

## 6. Miscellaneous Expenditure

- i) ERP Product Development expenses are debited to P & L account because the product development is completed and now it is in commercial use.
- ii) Website Builder expenses are written off over a period of five years, the product development is completed and put to commercial use and the first year i.e., 2007.08. Rs.9.54 Lacs have been written off and similar amount there after every year.

## 7. Retirement Benefits

Company's contribution to P.F is charged to P & L account. Provision for accrued gratuity liability in respect of future payments to employees who has put in qualifying services. Provision for accrued gratuity liability is provided for only employees who have put in qualifying services. Leave encashment is provided as per prevailing company's policy on encashment of leave.

## 8. Deferred Taxes

Deferred tax is provided, on all temporary differences at the Balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or subsequently enacted at the Balance sheet date.

## 9. Foreign Exchange Transactions

- i) Foreign currency transactions arising during the year are recorded at the exchange rates prevailing at the transaction dates.
- ii) Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are stated at contract rates and / or at the transaction rate.

## 10. Earning per Share

In determining earnings per share, the Company considers the net profit after tax and includes the post – tax effect of any extra-ordinary items. The number of shares used in computing the basic earnings per share is the weighted average number of shares outstanding during the year.

## 2. Notes on accounts:

- a) **Secured Loans:** Term loan from Union Bank of India is secured by equitable mortgage of Land and Buildings of Promoters and hypothecation of other fixed assets of the Company and personal guarantee by two of the directors of the company. Working capital loans from Union Bank of India are secured by equitable mortgage of Land and Buildings of the promoters and hypothecation of other fixed assets and book debts of the Company and personal guarantee by two of the directors of the company. (Hypothecation by way of first Charge in favour of the bank) As stipulated in AS-28, the company has assessed its potential of economic benefits of its business limits, and is of the view that the assets employed in continuing business are capable of generating adequate returns over their useful life in the usual course of his business. There is no indication to the company and accordingly the management is of the view that no impairment provision is called for in these accounts.

- b) **Quantitative Details:** The Company is engaged in the development and maintenance of computer software. The production and sale of such software cannot be expressed in any generic unit. Hence, it is not practicable to give the quantitative details of sales and certain information as required under paragraphs 3,4C, and 4D of part II of Schedule VI to the Companies Act, 1956.

c) <b>Contingent Liabilities :</b>	31-03-2009	31-03-2008
Claims against the company not Acknowledged as debts	NIL	NIL
Others	Note	Note

Note: The Company has given a corporate guarantee of AED 250,000 to Bank of Baroda, Deira Branch, Dubai (UAE) for Nihar Infoway (Gulf) FZLLC, a wholly owned subsidiary company.



Against the demand of Rs.5,70,919/- raised by the Income Tax Authorities for the Financial Year 2001-02 Rs.2,40,000/- has been paid as advance under protest and no provision for this liability has been made as the company had preferred appeal against this assessment with ITAT, Hyderabad and ITAT has remanded the case to the assessing officer and the assessment is in progress.

d) <b>Managerial Remuneration:</b>	2008-09	2007-08
	Rs. 300,000/- p.a.	Rs.300,000/- p.a.

**Foreign Exchange Earnings & Expenditure:**

Foreign Exchange Earnings:	1,776,672	Rs.8,591,940/-
Expenditure in Foreign Currency:	-Nil-	-Nil-

**e) Investments:**

Company has invested Rs. 25,550,000 in Integrated Broad Casting Co. (P) Ltd.

**f) Related Party Disclosure as required under AS 18**

**Transactions with related parties (Subsidiary Company)**

1. Key Management Personnel B.S.N Suryanarayana – Managing Director Remuneration to B.S.N. Suryanarayana, Managing Director Rs. 3,00,000/- p.a.
2. B. Vijaya Lakshmi received a rent of Rs.1,20,000 during the year against the property leased to the company.
3. The company owes an amount of Rs. 14,31,529 as on 31st March, 2009 to B.S.N. Suryanarayana (Managing Director) and the maximum amount due during the year is Rs. 14,64,126.

g) Gratuity and leave encashment liability is provided on undiscounted basis for which the company has not taken any policy as the amount of liability is not material.

h) In view of confirmations not having been obtained from the sundry debtors including interest receivable on overdue payments, deposits, advances and sundry creditors, the accounts are subject to adjustment on receipt of confirmations of balance and/or reconciliation of accounts the impact whereof on accounts cannot be ascertained at this stage.

i) In the opinion of Board of Directors, the "Current Assets, Loans and advances" have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

j) Previous year's figures have been regrouped/rearranged to conform to those of the current year.

C. Ramachandram & Co.,  
Chartered Accountants

For and on behalf of the Board

C. Ramachandram  
Partner

BSN Suryanarayana  
Managing Director

B Vijaya Lakshmi  
Director

Place : Hyderabad  
Date : 01.09.2009

**CASH FLOW STATEMENT**

	2008-2009 Rs.	2007-2008 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(loss) before tax and extra ordinary items	(3,600,357)	234,247
adjustments for :		
Miscellaneous expenses written off	-	7,262,465
Depreciation	3,498,157	2,487,110
Loss on Sale of Investments	681,601	-
<b>Operating Profit/(loss) before working capital changes</b>	<b>579,402</b>	<b>9,983,822</b>
adjustments for :		
(Increase)/Decrease in Trade and other receivables	15,822,074	(1,306,216)
(Increase)/Decrease in Inventories & Other current assets	7,530,032	(13,875,575)
(Decrease)/Increase in Trade payables	741,699	1,562,499
Working Capital Bank (Payments)/Borrowings	(1,759,059)	1,979,949
<b>Cash generated from operations</b>	<b>22,914,147</b>	<b>(1,655,521)</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>22,914,147</b>	<b>(1,655,521)</b>
<b>B CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of fixed assets	(39,270)	(880,286)
Sale of Investments	1,101,601	400,888
Cash out flow on account of new investments	(25,550,000)	(1,101,601)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(24,487,669)</b>	<b>(1,580,999)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>		
(Repayment) /Increase in Term Borrowings	27,439	(155,762)
(Repayment) /Increase in Unsecured Loans	1,304,144	129,009
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>1,331,583</b>	<b>(26,753)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>	<b>(241,939)</b>	<b>(3,263,273)</b>
<b>Opening balance</b>	<b>463,923</b>	<b>3,727,246</b>
<b>Closing balance</b>	<b>221,984</b>	<b>463,923</b>

**Notes :**

1. Previous years figures have been re-grouped/re-arranged to confirm to those of the current year.

C. Ramachandram & Co.,  
Chartered Accountants

BSN Suryanarayana  
Managing Director

B Vijaya Lakshmi  
Director

Place : Hyderabad  
Date : 01.09.2009

**Additional Information as required under part IV of Schedule VI to the companies Act, 1956.**

Balance Sheet Abstract and Company's General Business Profile

**A. Registration Details**

Registration No.	19200	State Code	01
Balance Sheet Date	31-03-2009		

**B. Capital raised during the year (amount in Rs.'000)**

Public Issue	Nil	Rights issue	Nil
Bonus Issue	Nil	Private Placement	Nil
		Share Deposits	Nil

**C. Position of Mobilisation and Deployment of funds (amount in Rs.'000)**

Total Liabilities	71565	Total Assets	71565
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**Sources of Funds**

Paid-up Capital	61885
Deferred Tax Liability	1597
Reserves and Surplus	1604
Secured / Un-Sec. Loans	6479

**Application of funds**

Net fixed assets	9368
Investments	25550
Net Current Assets	36647
Misc. Expenditure	Nil

**D. Performance of the Company (amount in Rs.'000)**

Turnover(Including other income)	7001
Total Expenditure	10602
Profit before tax	(3600)
Profit after tax	(2822)
Earnings per Share in Rs.	(0.45)
Dividend Rate	-

**E. Generic names of three principal products**

/ services of company (as per monetary terms)

Item Code No.	Not applicable
Product Description	Software Development and IT Training

For and on behalf of the Board

BSN Suryanarayana  
Managing Director

B Vijaya Lakshmi  
Director

Place : Hyderabad  
Date : 01.09.2009

**NIHAR INFO GLOBAL LIMITED**

Regd. Office : 34, Ganesh Nagar Colony, West Marredpally, Sec'bad - 500 026.

**PROXY FORM**

Regd. Folio No. \_\_\_\_\_ No. of Shares Held \_\_\_\_\_

I/We \_\_\_\_\_

of \_\_\_\_\_ being a member/  
members of **NIHAR INFO GLOBAL LIMITED** hereby appoint  
\_\_\_\_\_ of \_\_\_\_\_

or failing him/her \_\_\_\_\_ of \_\_\_\_\_  
as my / our proxy to vote for me/us on my / our behalf at the Annual General Meeting of the Company  
to be held on Tuesday the 29<sup>th</sup> September, 2009 at 3.00 p.m at Hotel Pearl Regency, Red Hills,  
Lakadikapool, Hyderabad.

Signed \_\_\_\_\_ day of \_\_\_\_\_ 2009.

Signature \_\_\_\_\_

Note : This form, in order to be effective, should be duly stamped, completed and signed and must  
be deposited at the Registered office of the Company, not less than 48 hours before the meeting.

Rupee  
One  
Revenue  
Stamp



**NIHAR INFO GLOBAL LIMITED**

Regd. Office : 34, Ganesh Nagar Colony, West Marredpally, Sec'bad - 500 026.

**ATTENDANCE SLIP**

Regd. Folio No. \_\_\_\_\_ No. of Shares held \_\_\_\_\_

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company

I hereby record my presence at the Annual General Meeting of the Company on Tuesday the  
29<sup>th</sup> September, 2009 at 3.00 p.m. at Hotel Pearl Regency, Red Hills, Lakadikapool, Hyderabad.

.....  
Member's/ Proxy, name in Block Letters

.....  
Signature of Member/Proxy

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall.

BOOK-POST

If undelivered please return to :

  
**NIHAR INFO GLOBAL LIMITED**  
An Enterprise Solutions Company  
[www.niharinfo.com](http://www.niharinfo.com)

Regd. Office : 34, Ganesh Nagar Colony,  
West Marredpally, Secunderabad - 500 026.