

19<sup>TH</sup> ANNUAL REPORT  
2012-13





## INDEX

<b>Contents</b>	<b>Page No.</b>
Notice	5
Directors' Report	6
Report on Corporate Governance	8
Management Discussion and analysis	13
Auditors' Report	16
Balance Sheet	20
Profit and Loss Account	21
Notes to the Balance Sheet and P & L Account	22
Notes on Accounts and Significant Accounting Policies	29
Cash Flow	32
Additional Information	33
Attendance Slip & Proxy Form	35

---



**BOARD OF DIRECTORS**

1. BSN Suryanarayana
2. B. Divyesh Nihar
3. P. J. Sudhakar
4. Jagadeeswara Rao Reddi

Managing Director  
Whole time Director  
Director  
Director

**REGISTERED OFFICE**

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

**BANKER**

Axis Bank  
West Marredpally,  
Hyderabad-500026

**AUDITORS**

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

**SHARE TRANSFER AGENT**

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



## Notice of the 19<sup>th</sup> Annual General Meeting

Notice is hereby given that the 19<sup>th</sup> Annual General Meeting of Nihar Info Global Limited will be held on 30<sup>th</sup> September 2013 on Monday at Hotel Pearl Regency, 11-5-431, Red Hills, near Lakdi ka Pool bridge, Hyderabad- 500004 at 11.00 A.M. to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as on 31st March, 2013 and the Profit and Loss Account for the year ended on that date together with the Directors' Report and Auditors' Report thereon.
2. To reappoint Mr. Jagadeeswara Rao Reddi who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting on such remuneration as may be decided by the Board of Directors. M/s C. Ramachandram & Co., Chartered Accountants, retiring auditors of the company, being eligible, offer themselves for re-appointment.

Place: Secunderabad  
Date: 31.08.2013

By the Board of Directors

(Sd/-)

**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 23<sup>rd</sup> September 2013 to 30<sup>th</sup> September 2013. (Both Date Inclusive).
- 3) The Members are requested to notify 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 attendance slips filled in for attending the meeting.

Place: Secunderabad  
Date: 31.08.2013

By the Board of Director

(Sd/-)

**BSN Suryanarayana**  
(Managing Director)

## DIRECTORS' REPORT

To,  
The Members

Your Directors are pleased to present the 19th Annual Report on the business and operations of the Company together with the Statement of Accounts for the financial year ended 31st March, 2013.

### Financial Results

Your Company's results for the year in comparison with the previous year are given below in a summarized form : (Rs. In Lakhs)

Particulars	Current Year ended 31 <sup>st</sup> March 2013	Previous year ended 31 <sup>st</sup> March 2012
Gross Revenue	19.39	27.13
Profit before interest, depreciation & taxes	(131.68)	(58.51)
Interest	0.23	5.56
Depreciation & Amortization	0.28	3.68
Profit /Loss After Tax	(132.43)	(67.68)

### Operations

The turnover of the Company for the current year is Rs. 19.39 lacs. The Company recorded a loss of Rs.132.43 lacs as against Rs. 67.68 lacs during previous year.

### Future Outlook

The Company is IBM Business Partner and has executed projects using the following technologies:

1. IBM Filenet Content Manager & Business Process Manager
2. IBM Lotus Notes
3. IBM Tivoli Storage Manager

The Company has executed projects using the above technologies of IBM and Company is having skilled manpower and success stories in those technologies.

The Company is having clients in three states:

1. In the state of Andhra Pradesh
2. In the state of Orissa
3. In the state of Chattisgarh

The Company would like to strengthen the operation in three states since there are existing clients and adding some more clients becomes easy.

In view of the loss during the year under review, your Directors regret their inability to recommend any dividend. The Company will pay the Income Tax deducted at source and Service Tax due shortly.

### Comprehensive Capital/ Financial Restructure Plan

As informed through the notice of court convened meeting of the Company, after receiving the "no objection" from SEBI, the general meeting of the Company was convened on 17<sup>th</sup> August 2013 as per the order of the court and the members have unanimously approved the Composite Scheme of Arrangement set out in the notice dated 18<sup>th</sup> July 2013 of EGM.



### Auditors

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

### Report on Corporate Governance

We believe that the Corporate Governance is at the heart of the shareholders value creation. The Company has taken requisite steps to comply with the recommendations concerning the corporate governance. The disclosure as required under the corporate governance standards have been furnished as a part of this report separately. A certificate from the Auditors of the Company regarding compliance of clause 49 of listing agreement with Bombay Stock Exchange is attached to this Report.

### Directors Responsibility Statement

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

- ❖ In preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations and disclosures relating to material departures.
- ❖ The relevant accounting policies are applied consistently and the Directors' have made judgments and estimates that are reasonable and prudent so as to give a true and fair view to the state of affairs of the Company as on 31st March, 2013 and of the loss of the Company for the period.
- ❖ Proper and sufficient care has been taken in the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- ❖ The annual accounts have been prepared on a going concern basis.

### Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The Particulars with respect to Conservation of energy, Technology observation and Foreign exchange earnings and outgo as per Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars) Rules, 1988 are given below:

- ❖ **Conservation of Energy:** The operations of the Company are not energy intensive and every effort has been made to ensure the optimal use of energy, avoid waste and conserve energy by using energy efficient computers and equipment with latest technologies.
- ❖ **Research and Development:** No amount was spent in Research and Development during the year 2012-13.
- ❖ **Technology Absorption:** Your Company is constantly upgrading its technological excellence with emerging technologies.
- ❖ **Foreign Exchange Earning and outgo:** There was no Foreign Exchange Earnings and outgo during the year.
- ❖ **Particulars of Employees pursuant to Section 217(2A) :**As required by the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 no employee is drawing remuneration at or above the limits mentioned therein.

**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, 1986, read with Companies (Acceptance of deposits) rules, 1975 as amended from time to time.

**Acknowledgement**

The Directors sincerely appreciate the contributions made by all the employees associations and business partners who have contributed towards the success of the Company. The Directors are also thankful for the Company-operation, support and assistance received from the Business Partners, Banks, Investors, Customers, Central and State Government Departments, Local Authorities, Vendors, Stock Exchange and all other associated with the activities of the Company. The Directors would also like to acknowledge the continuous support of the Company shareholders.

Place: Secunderabad

By the Board of Directors

Date: 31.08.2013

(Sd/-)

(Sd/-)

BSN Suryanarayana

B. Divyesh Nihar

**REPORT ON CORPORATE GOVERNANCE**
**1) Company's philosophy on Code of Conduct**

The Corporate Governance philosophy of your Company is to ensure fairness and in all dealings and in the functioning of the management and the Board. Corporate governance is not merely compliance and not simply a matter of creating checks and balances. It is an ongoing measure of superior delivery of Company's objects with to translate opportunity in to reality. Code of conduct is the integral part of Company's governance policy. The Company's activities are carried out in accordance with the good corporate governance practices and the Company is consistently striving to improve upon them and adopt the best practice. It is firmly believed that good governance practices would ensure efficient conduct of affairs of the Company and help the Company achieve its goal of maximizing its value for all stakeholders. The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming a truly global software Company, while upholding the core values of transparency, integrity, honesty and accountability which are fundamentals to the Company.

**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:

Sr.No.	Name	Category	Designation
1	BSN Suryanarayana		Non Independent Managing Director
2	B. Divyesh Nihar		Non Independent Whole Time Director
3	Jagadeeswara Rao Reddi		Independent Director
4	Sudhakar Pitta Joseph		Independent Director

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. Four Board Meetings were held during the Financial Year 2012-13. The dates on which the said meetings were held are as follows :

i) 29.05.2012

ii) 13.08.2012

iii) 19.10.2012

iv) 09.02.2013

Details of number of meetings attended by the Directors, attendance at the last AGM and all other details are given hereunder:

#### Details of Attendance

Name of Directors	No. of Board Meetings	Board Meeting attended	Whether attended last AGM
BSN Suryanarayana	4	4	Yes
B. Divyesh Nihar	4	4	Yes
Sudhakar Pitta Joseph	4	0	No
Jagadeeswara Rao Reddi	4	2	No

Shareholding details of Non-executive Directors:- None of the Non-executive Directors of the Company holds any share of the Company nor has any material pecuniary relationship or transactions with the Company.

#### Board Committees

There are three committees viz. Audit Committee, Remuneration Committee and Share Transfer & Shareholders Grievance Committee. Details of which are given below:

#### Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of clause 49 of the listing agreement read with the section 292A of the Companies Act, 1956.

Composition, name of members and number of meetings held during the Financial Year 2012-13 are as follows:

Name of Directors	Category	No. of Meetings during the year 2012-13	
		Held	Attended
BSN Suryanarayana	Non-independent, Executive	04	04
Jagadeeshwara Rao Reddi	Independent, Non Executive	04	02
Sudhakar Pitta Joseph	Independent, Non Executive	04	00

Mr. Jagadeeswara Rao Reddi is the Chairman of the Audit Committee. The Company Secretary acts as a secretary to the committee. The necessary quorum was present in all the meeting during the year.

The meetings are usually held at the Registered office of the Company and Manager-Finance and representatives of Statutory Auditors are invited to the meetings.

#### Terms of Reference

The terms of reference for the Audit Committee are broadly as follows:

Reviewing the periodical and the Annual Financial Statements before their submission to the Board of Directors, focusing primarily on:

- ❖ Any change in the accounting policies and the practice
- ❖ 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 Meeting of the Company to provide any clarification on matters relating to the queries raised by the members of the Company.

#### **Remuneration Committee**

The members of the Compensation Committee of the Board of Directors of the Company are Mr. Jagadeeswara Rao Reddi, Mr. Sudhakar Pitta Joseph. As there were no changes in the remuneration of the Directors in the said year hence there was no requirement of Committee Meeting.

Mr. P.J.Sudhakar 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 Directors 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.

#### **Share Transfers and Shareholders Grievance Committee**

Mr. B.Divyesh Nihar, Mr. BSN Suryanarayana and Mr. P.J. Sudhakar are the members of the Share Transfer And Shareholders Grievance Committee.

Mr.Jagadeeswara Rao Reddi is the Chairman of the said Committee.

The Company met **06 times** during the year to approve share transfers and to review matters connected with the shareholders' complaints, grievances and other related issues.

#### **Terms of reference**

In view of the SEBI Corporate Governance norms, which have been incorporated in the listing agreement, the Share Transfer and Shareholder Grievance 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 Ltd.) and recommend measures for overall improvement in the quality of investor's services.

#### **Remuneration and Sitting fees**

The details of remuneration and sitting fees paid or provided to each of the Directors during the year 2012-13 :

<b>Name of Director</b>	<b>Designation</b>	<b>Commission</b>	<b>Sitting Fees</b>
Mr.BSN Suryanarayana	Managing Director	NIL	NIL
B.Divyesh Nihar	Whole Time Director	NIL	NIL
Jagadeeswara Rao Reddi	Director	NIL	2000
P.J. Sudhakar	Director	NIL	NIL

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

## Annual General Meetings

Details of the last three Annual General Meetings:

Number	Year	Day, Date & Time	Location
16th	2009-10	Saturday, 30 <sup>th</sup> September 2010 at 3.00 P.M.	Hotel Pearl Regancy, Red Hills, Lakdikapool, Hyderabad-500004
17 <sup>th</sup>	2010-11	Friday, 30 <sup>th</sup> September 2011 at 3.00 P.M.	Hotel Time Square, Near Clock Tower, Secunderabad-500003
18 <sup>th</sup>	2011-12	Saturday, 29 <sup>th</sup> September 2012 at 3.30 P.M.	Hotel Time Square, Near Clock Tower, Secunderabad-500003

No business was transacted through postal ballot at the last three AGMs and no business is required to be transacted through postal ballot on the forthcoming Annual General Meeting.

### Disclosures

- ❖ There are no materially significant transactions with the related parties viz., Promoters Directors of the Company, their subsidiaries or relatives conflicting with the interests 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 all 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 Annual Financial Results of the Company have been furnished to the Stock Exchange where the 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](http://www.niharinfo.com). In addition to these, our Company's information can be found in the official website of the Bombay Stock Exchange, i.e. [www.bseindia.com](http://www.bseindia.com)

## GENERAL SHAREHOLDERS INFORMATION

### (a) Annual General Meeting

Date : 30<sup>th</sup> September, 2013

Day : Monday

Time : 11.00 A.M.

Venue : Hotel Pearl Regancy, Red Hills, Lakdikapool, Hyderabad-500004

(b) Financial Year : 01.04.2012 to 31.03.2013

1<sup>st</sup> Quarter Results : 13<sup>th</sup> Aug 2012

2<sup>nd</sup> Quarter Results : 19<sup>th</sup> Oct 2012

3<sup>rd</sup> Quarter Results : 9<sup>th</sup> Feb 2013

4<sup>th</sup> Quarter Results : 29<sup>th</sup> May 2013

(c) Date of Book Closure : From 23<sup>rd</sup> September 2013 to 30<sup>th</sup> September 2013  
(both days are inclusive)

(d) Listing on Stock Exchange : Bombay Stock Exchange (BSE)

(e) Stock code : 531083 at BSE

ISIN in NSDL and CDSL : INE876E01025

(f) Electronic connectivity : National Securities & Depository Services Limited,  
Trade World, Kamala Mills Compound,  
Senapati Bapat Marg, Lower Parel, Mumbai-400 013

: Central Depository Services (India) Limited,  
Phiroze Jeejeebhoy Towers, 28<sup>th</sup> floor,  
Dalal Street, Mumbai-400 023

(g) Registrars & Share Transfer Agents : Aarathi Consultants Private Limited  
1-2-285, Domulguda, Hyderabad-500 029

**(h) Share Transfer System**

Equity share 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 transfer and related transactions.

**(i) Stock Market Data**

Sl. No.	Month	High (Rs.)	Low (Rs.)
1.	April 12	2.57	1.76
2.	May 12	2.20	1.72
3.	June 12	3.36	1.73
4.	July 12	4.60	3.21
5.	August 12	4.26	3.15
6.	September 12	3.09	2.04
7.	October 12	2.39	2.00
8.	November 12	2.55	1.76
9.	December 12	1.89	1.34
10.	January 13	2.30	1.36
11.	February 13	2.21	1.59
12.	March 13	2.10	1.68

**(j) Shareholding pattern as on 31<sup>st</sup> March, 2013**

Category	No. of shares	% of shareholding
Promoters	285435	4.61%
NRI/OCB	19938	0.32%
FII/Banks	NIL	NIL
Mutual Funds and UTI	NIL	NIL
Foreign Institutional Investors	NIL	NIL
Body Corporate	750019	12.12%
Indian Public	5133075	82.95%
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:

1. I have reviewed the Financial Statements and the Cash Flow Statements for the Year ended 31st March, 2013 and based on our knowledge and belief:
  - a. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
  - b. 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.
2. 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 violating the Company's Code of Conduct.
3. 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.
4. I have indicated, based on my most recent valuation, wherever applicable, to the Auditors and Audit Committee;
  - a. Significant changes, if any, in internal control over financial reporting during the year.
  - b. 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
  - c. 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.

Place: Secunderabad

For Nihar Info Global Limited

Date: 31.08.2013

(Sd/-)

**Bhanu Prasad Nerella**  
(Financial Incharge)

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Company operates in the areas like Software designing and development, ECM Solution, Customized Application Development. Customized ERP solutions, E-Governance and .IN domain Registration. The Company has developed marketing strategies to sell our various software products to domestic customers.

### Opportunities

The IDC report says "The India market will continue to grow and investments will be made across the market from enterprise applications to infrastructure management with security and business intelligence (BI) as the fastest-growing categories". The rebounding market is opening up new opportunities for growth in the near future. India has just tapped a small percentage of the world's IT market. So it would last long, if we continue to maintain our standards and aggressively market our capabilities.

## THREATS, RISKS AND CONCERNS

### **Competitive Pressures**

IT is one sector that is spreading its wing fast throughout the world and India is becoming a preferred destination for global IT players. As a result the competitive pressure is intensifying. The Company has to operate in this competitive scenario and acquire a grip in the market to hold its foot firmly and upkeep the brand name.

### **Talent Supply Constraint**

Talent is sought by both the IT as well as the manufacturing sector. This increases the cost of talent. The Company has to ensure that it acquires good talent and retains it in order to constitute its major competitive edge. The Company maintains excellent work environment and competitive package for this purpose.

### **Technology Obsolescence**

These are the days when technology takes no time to become obsolete. Thus to be at par with its competitors the Company has to ensure that it constantly updates and upgrades its technology.

### **Government Policies**

As and when there is a change in the Government there might be a change in its policies too. Any adverse changes in its policies may affect the business operations of the Company.

### **Downturn Industries being served**

Any downturn in the industry being served could have an impact on the Company's business.

### **Company's Outlook**

The Company has a positive outlook for the coming years and endeavors to achieve a steady business performance in the coming years. We anticipate higher percentage of gross profits from the new projects that we undertake during the coming years.

### **Internal Control System**

The Company has a professional and an adequate internal control system and procedure commensurate with the size of organization and nature of business. This provides adequate safeguards and effective monitoring of the transactions. All areas of Company's operations are covered by such internal control systems.

### **Financial Performance**

The information under this head is given in the Directors' Report.

### **Human Resources**

The management continues to lay emphasis on identifying and developing talent of human resources with a view to retain them and impart further training to those capable of handling additional responsibilities. This works to increase employee satisfaction and within the organization, by providing employees with fresh challenges, developing people and harnessing their ideas is the high priority for the company.

### **Cautionary Statement**

Statement in this management discussion and analysis report describing the company's objectives, predictions, estimates and expectations may constitute "forward looking statement" according to the applicable laws and regulations. Actual results may differ materially from those either expressed or implied.



**AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE**

To

The Members,  
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 2013, 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: 31.08.2013

For C. Ramchandram & Co.  
Chartered Accountants  
Firm Reg. No. 0028645

(Sd/-)

C.Ramchandram & Co.  
Partner  
Membership No.25834  
Lingapur house  
Hyderabad  
Ph. 23223787

**INDEPENDENT AUDITOR'S REPORT**

To  
The Members of  
M/s NIHAR INFO GLOBAL LIMITED

**Report on the Financial Statements**

We have audited the accompanying financial statements of M/s. NIHAR INFO GLOBAL LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, 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.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- i. in the case of the **Balance Sheet**, of the state of affairs of the Company as at **March 31, 2013**;
- ii. in the case of **Profit and Loss statement**, 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.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:
- ❖ we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - ❖ 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
  - ❖ The Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account
  - ❖ In our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in sub section(3C) of section 211 of the Companies Act, 1956;
  - ❖ On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **C. RAMACHANDRAM & CO.,**  
Chartered accountants,  
FRN.002864S

Sd/-

**C.RAMACHANDRAM**  
Partner  
Membership No: 25834

Place: Hyderabad  
Date: 31.08.2013

**ANNEXURE TO AUDITORS REPORT**

Annexure to in paragraph 3 of the Auditors report to the members of on M/s NIHAR INFO GLOBAL LIMITED on the Accounts for the year ended on March 31<sup>st</sup> 2013;

- 1) In respect of fixed assets
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. As explained to us, the fixed assets have been physically verified by the management during the year in a phased, periodical manner which in our opinion is reasonable having regard to size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - c. In our opinion the company has not disposed off any substantial part of fixed assets during the year and the going concern status of the company is not affected.
- 2) There is no Inventory during the period covered by our audit
- 3)
  - i. In respect of loans granted:
    - a. The Company has not granted any loans to parties listed in register maintained under section 301 of the Companies Act. Accordingly sub clause (b),(c) &(d) of clause 4(3) of this order is not applicable.
  - ii. In respect of Loan taken:
    - e. The Company has taken unsecured loan from Three Parties listed in register maintained under section 301 of the Companies Act. The maximum amount involved during the year was Rs. 205.82Lacs and the year end balance of such loan was Rs.205.82 Lacs.
    - f. The terms and conditions on which such loan has been taken are not prima facie prejudicial to the interest of the company.
    - g. The loan is repayable on demand and company is paying when such loan is demanded.
- 4) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with size of the Company and the nature of its business.
- 5) In respect of transactions covered under Section 301 of the Companies Act, 1956:
  - a. According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Companies Act, 1956 during the year to be entered in the register required to be maintained under that section .Accordingly commenting on the transactions made in pursuance of such contracts or arrangements does not arise , hence clause 5 (b) is not applicable.
- 6) The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA and other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules 1975 are not applicable.
- 7) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 8) Section 209(1)(d) of the Companies Act, 1956 is not applicable as company has no manufacturing activity.
- 9) In respect of statutory dues:
  - 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. According to the information and explanations given to us and the records Company examined by us, the following arrears are outstanding as at 31st March 2013 for more than six months:

Particulars	Amount (Rs.)
Service Tax payable	3, 43,328
Income tax deducted at source	8,494

- 10) The company has accumulated losses as at March 31, 2013 and it has incurred cash losses in the financial year ended on that date and in the immediately preceding financial year also.
- 11) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans
- 12) In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities
- 13) In our opinion, the Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 14) In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments.
- 15) The Company has not given any bank guarantee for loans taken by others from financial institution.
- 16) In our opinion and according to the information and explanations given to us no term loans have been obtained by the Company during the year.
- 17) According to the information and explanations given to us and on an overall examination of the Balance sheet of the Company, we are of the opinion that funds raised on short-term basis have not been used during the year for long-term investments.
- 18) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 19) The Company has not issued any debentures and hence question of creating securities or charge in respect thereof does not arises.
- 20) During the year the Company has not raised any money by way of Public Issue.
- 21) To the best of our knowledge and belief, and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **C. RAMACHANDRAM & CO.,**  
Chartered accountants,  
FRN.002864S

Sd/-

**C.RAMACHANDRAM**  
Partner  
Membership No: 25834

Place: Hyderabad  
Date: 31.08.2013

**Balance Sheet as on 31.03.2013**

Amount in Rupees

Particulars	Notes	31 March, 2013	31 March, 2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	61,884,670	61,884,670
Reserves and Surplus	4	(55,065,352)	(41,329,716)
		<b>6,819,318</b>	<b>20,554,954</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	28,622,701	21,289,997
		<b>28,622,701</b>	<b>21,289,997</b>
<b>Current liabilities</b>			
Short-term provisions	6	182,749	162,749
Other current liabilities	7	3,376,309	4,466,635
		<b>3,559,058</b>	<b>4,629,384</b>
<b>TOTAL</b>		<b>39,001,077</b>	<b>46,474,335</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	8	249,131	592,105
Intangible assets	8		177,629
Non-current investments	9	25,550,000	36,779,873
Deferred tax assets (Net)	10	99,224	123,431
Trade receivables	12		1,059,372
		<b>25,898,355</b>	<b>38,732,410</b>
<b>Current assets</b>			
Trade receivables	12	396,427	119,768
Short-term loans and advances	11	12,696,983	7,542,843
Cash and bank balances	13	9,312	79,314
		<b>13,102,722</b>	<b>7,741,925</b>
<b>TOTAL</b>		<b>39,001,077</b>	<b>46,474,335</b>

The accompanying notes are an integral part of the financial statements  
As per our report of even date

C. Ramachandram & Co.  
Chartered Accountants  
Firm Regn. No. 002864S

For and on behalf of the Board

(Sd/-)

C. Ramachandram  
Partner

Membership No.- 25834

(Sd/-)

BSN Suryanarayana  
MangingDirector

(Sd/-)

B Divyesh Nihar  
Director

Place: Hyderabad  
Date: 31.08.2013

**Profit & Loss Account for the year period ended 31-03-2013**

Amount in Rupees

Particulars	Notes	31 March, 2013	31 March, 2012
<b>Continuing operations</b>			
<b>Income</b>			
Revenue from Operations (gross)	14	1,938,905	2,712,771
Other income	15	966,167	2,000
<b>Total Revenue (I)</b>		<b>2,905,072</b>	<b>2,714,771</b>
<b>Expenses:</b>			
Purchases	16	346,970	408,169
Employee benefits expenses	17	4,331,351	3,364,570
Other expenses	18	11,395,076	4,793,202
<b>Total (II)</b>		<b>16,073,397</b>	<b>8,565,941</b>
<b>Earning before interests, tax, depreciation and amortization (EBITDA) (III)</b>		<b>(13,168,325)</b>	<b>(5,851,170)</b>
Depreciation and amortization expenses	19	28,353	368,327
Finance costs	20	22,502	556,119
<b>Profit/(loss) before tax</b>		<b>(13,219,179)</b>	<b>(6,775,615)</b>
<b>Tax expenses</b>			
Income tax		-	-
Deferred tax		24,207	(7,136)
<b>Profit/(loss) for the year</b>		<b>(13,243,386)</b>	<b>(6,768,479)</b>
<b>Earnings per equity share</b> <b>(nominal value of share Rs.10/-</b> <b>(31 March, 2011:Rs.10/-)</b>		<b>(2.14)</b>	<b>(1.09)</b>
Weighted average number of equity shares		6,188,467	6,188,467
Face value per equity share (₹)		10	10

The accompanying notes are an integral part of the financial statements

As per our report of even date

C. Ramachandram &amp; Co.

Chartered Accountants

Firm Regn. No. 002864S

For and on behalf of the Board

(Sd/-)

C. Ramachandram

Partner

Membership No.- 25834

(Sd/-)

BSN Suryanarayana

MangingDirector

(Sd/-)

B Divyesh Nihar

Director

Place: Hyderabad

Date: 31.08.2013

**3. Share Capital** Amount in Rupees

Particulars	31 March, 2013		31 March, 2012	
	Number	Amount	Number	Amount
Authorized shares 14000000(31 March 2011: 14000000) equity shares of Rs.10/-each		140,000,000		140,000,000
		<u>140,000,000</u>		<u>140,000,000</u>

**Issued, subscribed and fully paid-up shares**

6188467 (31 March 2011: 6188647) equity shares of Rs.10/- each	61,884,670	61,884,670
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>61,884,670</b>	<b>61,884,670</b>

**a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**
**Equity shares** Amount in Rupees

Particulars	31 March, 2013		31 March, 2012	
	Number	Amount	Number	Amount
At the beginning of the period	6,188,467	61,884,670	6,188,467	61,884,670
<b>Outstanding at the end of the period</b>	<b>6,188,467</b>	<b>61,884,670</b>	<b>6,188,467</b>	<b>61,884,670</b>

**(b). Terms/rights attached to equity shares**

The company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays Dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the Approval of the share holders in the ensuing Annual General Meeting.

During the year ended 31-03-13 the amount of per share dividend recognized as distributions to equity share holders was Rs.nil .

In the event of liquidations of the company the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all Preferential amounts .The distribution will be in proportion to the number of equity shares held by the shareholders

**( c ) There are no shareholders owning more than 5% of shareholding in the company**
**4. Reserves and surplus** Amount in Rupees

Particulars	31 March, 2013		31 March, 2012	
	Number	Amount	Number	Amount
Capital reserve		-		492,250
General reserve		92,227		92,227
Share premium		5,800,000		5,800,000
Other Reserves (Share warrants forfeited)		9,45,000		9,45,000
Balance as per last financial statements	(48,659,192)		(41,890,713)	
loss for the year	<u>(13,243,386)</u>	<u>(61,902,579)</u>	<u>(6,768,479)</u>	<u>(48,659,192)</u>
prior period expenditure written off				-
<b>Net surplus in the statement of profit and loss</b>		<b>(61,902,579)</b>		<b>(48,659,192)</b>
<b>Total reserves and surplus</b>		<b>(55,065,352)</b>		<b>(41,329,715)</b>

**5. Long-term borrowings** Amount in Rupees

Particulars	31 March, 2013		31 March, 2012	
	Number	Amount	Number	Amount
<b>Term loans</b>				
Term loans		-		171,631
Unsecured loans		28,622,701		21,118,366
		<u>28,622,701</u>		<u>21,289,997</u>



The above amount includes

Secured borrowings	-	171,631
Unsecured borrowings	28,622,701	21,118,366
<b>Net Amount</b>	<b>28,622,701</b>	<b>21,289,997</b>

The Term loan from Union Bank of India has been cleared during the current year and the interest due to the bank has been waived by the bank in single settlement.

**Details of loan from Related parties:**

The above unsecured loan amount includes loans from related parties of Rs.2,05,82,201

Particulars	Amount (Rs.)
Nihar stocks Limited	12,594,000
BSN Suryanarayana	6,767,101
Boda Divyesh Nihar	1,221,100
	<b>20,582,201</b>

**6. Short Term Provisions** Amount in Rupees

Particulars	31 March,2013	31 March,2012
Provision for Graduity	182,749	162,749
	<b>182,749</b>	<b>162,749</b>

**7. Other current liabilities** Amount in Rupees

Particulars	31 March,2013	31 March,2012
Expenses Payable	2,993,692	3,414,765
Statutory Dues	382,617	1,051,870
	<b>3,376,309</b>	<b>4,466,635</b>

**9. Non-current investments** Amount in Rupees

Particulars	31 March,2013	31 March,2012
<b>Non Trade investments</b>		
<b>Others</b>		
Unquoted equity instruments		
365000(31 March 2011:365000) Equity shares @ Rs.70/- per share in Integrated Broad casting Co.Pvt Ltd	25,550,000	25,550,000
129079(31 March 2011: 129079)Equity shares @ Rs.87/- per share in Intregrated Broad Casting Co Pvt Ltd	-	11,229,873
	<b>25,550,000</b>	<b>36,779,873</b>
	<b>25,550,000</b>	<b>36,779,873</b>

**10. Deferred tax assets (net)** Amount in Rupees

Particulars	31 March,2013	31 March,2012
<b>Deferred tax asset</b>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	24,207	123,431
<b>Net deferred tax asset</b>	<b>24,207</b>	<b>123,431</b>

**11. Loans and advances** Amount in Rupees

Particulars	Current	
	31 March, 2013	31 March, 2012
<b>Advances recoverable in cash or kind</b>		
Secured, considered good	62,491	68,137
Unsecured, considered good	12,519,790	7,185,000
	<b>12,582,281</b>	<b>7,253,137</b>
<b>Other loans and advances</b>		
Balances with statutory/ government authorities	114,702	289,706
	<b>114,702</b>	<b>289,706</b>
<b>Total</b>	<b>12,696,983</b>	<b>7,542,843</b>

**12. Trade receivables** Amount in Rupees

Particulars	Non-current		Current	
	31 March, 2013	31 March, 2012	31 March, 2013	31 March, 2012
<b>Unsecured, considered good unless stated otherwise</b>				
Secured, considered good	-	1,059,372	396,427	119,768
<b>Total</b>	<b>-</b>	<b>1,059,372</b>	<b>396,427</b>	<b>119,768</b>

**13. Cash and bank balances** Amount in Rupees

Particulars	Current	
	31 March, 2013	31 March, 2012
<b>Cash and cash equivalents</b>		
Balances with banks		
On current accounts	5,677	4,783
Cash on hand	3,635	5,066
	<b>9,312</b>	<b>9,849</b>
<b>Other bank balance</b>		
	-	69,465
Margin money deposit	-	69,465
	<b>9,312</b>	<b>79,314</b>

**SCHEDULE 8 - FIXED ASSETS**

Amount in Rupees

Description	DEPRECIATION AS PER COMPANIES ACT, 1956									
	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As on 1-04-2012	Additions	Disposals	Total 31-03-2013	As on 1-04-2012	For the Year	As on 31-03-2013	As on 31-03-2013	As on 31-03-2012	
<b>Tangible Assets</b>										
Plant & Machinery - Computers Furniture & Fixtures(Incl. frige)	8986261 480115	- -	282416 32204	8703845 447911	8703845 170427	- 28353	8703845 198780	- 249131	282416 309688	
<b>Sub Total</b>	<b>9466376</b>	<b>-</b>	<b>314620</b>	<b>9151756</b>	<b>8874272</b>	<b>28353</b>	<b>8902625</b>	<b>249131</b>	<b>592104</b>	
<b>Previous Year</b>	<b>9257311</b>	<b>209065</b>	<b>-</b>	<b>9466376</b>	<b>8521834</b>	<b>352437</b>	<b>8874271</b>	<b>592105</b>	<b>735476</b>	
<b>In-Tangible Assets</b>										
Computer Services	334535	-	177630	156905	156905	-	156905	-	177630	
<b>Sub Total</b>	<b>334535</b>	<b>-</b>	<b>177630</b>	<b>156905</b>	<b>156905</b>	<b>-</b>	<b>156905</b>	<b>-</b>	<b>177630</b>	
<b>Previous Year</b>	<b>334535</b>	<b>-</b>	<b>-</b>	<b>334535</b>	<b>141015</b>	<b>15890</b>	<b>156905</b>	<b>177630</b>	<b>193520</b>	
<b>Grand Total</b>	<b>9800911</b>	<b>-</b>	<b>492250</b>	<b>9308661</b>	<b>9031177</b>	<b>28353</b>	<b>9059530</b>	<b>249131</b>	<b>769734</b>	

**2012-13  
As per IT Act**

Amount in Rupees

Particulars	WDV as on 01-04-12	Additions		Deletions		Depreciation %	Depreciation	WDA as on 31-03-13
		More Than 180 Days	Less Than 180 Days					
Plant & Machinery(Computers)	244,850	-	-	-	-	60	146,910	97,940
Plant & Machinery (Others)	383,414	-	-	-	-	15	57,512	325,902
Furniture & Fixtures	162,670	-	-	-	-	10	16,267	146,403
<b>Total</b>	<b>790,935</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>220,689</b>	<b>570,245</b>

14 Revenue from operations		Amount in Rupees	
Particulars	31 March, 2013	31 March, 2012	
<b>Revenue from operations</b>			
<b>Sale of products</b>			
Sales Domestic	1,938,905	2,712,771	
Revenue from operations (net)	<b>1,938,905</b>	<b>2,712,771</b>	
<b>15. Other income</b>		Amount in Rupees	
Particulars	31 March, 2013	31 March, 2012	
Interest income	966167	-	
Others	-	2,000	
	<b>966167</b>	<b>2,000</b>	
<b>16. Purchases:</b>		Amount in Rupees	
Particulars	31 March, 2013	31 March, 2012	
IBM Filenet Software	346,970	408,169	
<b>17. Employee benefit expense</b>		Amount in Rupees	
Particulars	31 March, 2013	31 March, 2012	
Salaries, Wages and bonus	4,148,093	3,213,178	
Contribution to provident and other funds	80,996	75,482	
Gratuity expense	20,000	20,000	
Staff welfare expense	82,262	55,910	
	<b>4,331,351</b>	<b>3,364,570</b>	
<b>18. Other expenses</b>		Amount in Rupees	
Particulars	31 March, 2013	31 March, 2012	
Rent	180,000	200,000	
Rates & Taxes	150,813	4,125	
Power	160,979	101,205	
Repairs & Maintenance	44,150	111,065	
Printing & Stationery	30,546	78,616	
Domain Registration charges	28,500	20,500	
Communication expenses	63,686	120,375	
Oracle membership fees	109,995	-	
Business Development expenses	-	62,410	
Travelling & Conveyance	117,608	113,346	
Consultancy & Professional Charges	61,840	51,000	
Office Maintenance	252,048	291,074	
AGM / EGM expenses	10,000	14,844	
Sitting fees	2,000	4,000	
Advertisement & Publicity	52,515	45,589	
Share Transfer/D-mat Expenses	48,000	60,767	
Listing Fee	30,590	28,925	
Bad debts written off	-	1,695,396	
Loss in Dubai Subsidiary	-	1,684,605	
loss on sale of investment	9,939,083	-	
Miscellaneous expenses	68,603	61,240	
	<b>11,350,956</b>	<b>4,749,082</b>	

**Payment to auditor** Amount in Rupees

Particulars	31 March,2013	31 March,2012
<b>As auditor:</b>		
Audit fee	38,605	38,605
Other services (certification fees)	5,515	5,515
	<b>44,120</b>	<b>44,120</b>

**20. Depreciation and amortization expense** Amount in Rupees

Particulars	31 March,2013	31 March,2012
Depreciation of tangible assets	28,353	352,437
Amortization of intangible assets	-	15,890
	<b>28,353</b>	<b>368,327</b>

**21. Finance costs** Amount in Rupees

Particulars	31 March,2013	31 March,2012
Interest	-	534,547
Bankcharges	22,502	21,572
	<b>22,502</b>	<b>556,119</b>

Notes on accounts annexed to and forming part of the accounts as at and for the year ended March 31, 2013.

**1. Statement of significance 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 accounts 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 policies requires estimates and assumption to be made that affect the reported amount of revenues and expenses during the reporting period .Difference between the actual and estimated 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 rated 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 of the clients.
- ii) Income from software training is accounted on accrual basis.
- iii) Revenue from Annual Maintenance Contracts (AMC) is recognized on a pro rata basis over the period in which such services are rendered.
- iv) Interest income on term deposits is recognized during the time proportion method, based on interest rates implicit in the transaction.

**4. Expenditure**

Expenses are accounted on accrual basis and the provisions are made for all expected losses and liabilities.

**5. Investment**

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

**6. Retirement benefits**

Provisions for accrued gratuity liability is provided on actuarial basis ,leave encashment is provided on cash basis.

**7. 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 liability 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.

**8. Foreign Exchange Transactions**

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

**9. Earning per Share**

In determining earning per share, the company considers the net profits after tax and includes the post -tax effect of any extraordinary 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) **As Stipulated In AS-28**, the company has assessed 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>	<b>31-3-2013</b>	<b>31-3-2012</b>
Claims against company and acknowledged as debts	NIL	NIL
d) <b>Foreign Exchange Earning &amp; Expenditure</b>	<b>2012-13</b>	<b>2011-12</b>
Foreign exchange earnings:	NIL	NIL

**Investments:**

Company has invested Rs.2,55,50,000 in Integrated Broad Casting Co.(P)Ltd.

**f) Related Party Disclosure As Required Under AS 18**

Transactions with related parties

1. B. Vijaya Lakshmi received a rent of Rs.1,80,000 during the year against the property leased to the company .
  2. The company owes an amount of Rs.49,30,866/- as on 31<sup>st</sup> March ,2013 to B.S.N Suryanarayana (Managing Director) and the maximum amount due during the year is Rs. 49,30,866/-
  3. The company owes an amount of Rs. 1,25,45,000/- as on 31<sup>st</sup> March, 2013 to Nihar Stocks Limited.
  4. The company owes an amount of Rs.12,21,100/- as on 31<sup>st</sup> March,2013 to B. Divyesh Nihar (Whole Time Director).
- 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 receivables on overdue payments, deposits , advances and sundry creditors , secured loans, unsecured loans , 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  
Firm Regn. No. 002864S

For and on behalf of the Board

(Sd/-)  
C. Ramachandram  
Partner  
Membership No.- 25834

(Sd/-)  
BSN Suryanarayana  
MangingDirector

(Sd/-)  
B Divyesh Nihar  
Director

Place: Hyderabad  
Date: 31.08.2013

**CASH FLOW STATEMENT**

(Amount in Rupees)

	2013	2012
<b>A CASH FLOW FROM OPERATING ACTIVITES</b>		
Net Profits/(loss) before tax and extraordinary items	(13,219,179)	(6,775,616)
adjustments for:		
Loss on sale of investment	9,939,083	-
Depreciation	28,353	368,327
Interest Received	(966,167)	-
Transfer to reserves and surplus		246,125
<b>Operating Profit/(loss) before working capital changes</b>	<b>(4,217,910)</b>	<b>(6,161,164)</b>
adjustments for:		
(Increase)/Decrease in Trade and Other Receivables	782,713	1,809,499
(Increase)/Decrease in Inventories & Other Current Assets	(5,154,140)	(7,374,785)
(Decrease)/Increase in Trade Payables		750,200
Working Capital Bank(Payments)/Borrowings	(1,070,326)	(170,000)
<b>Cash generated form operations</b>	<b>(9,659,663)</b>	<b>(11,146,250)</b>
Prior period adjustments		
<b>CASH FLOW FROM OPERATING ACTIVITES</b>	<b>(9,659,663)</b>	<b>(11,146,250)</b>
<b>B CASH FLOW FORM INVESTMENT ACTIVITES</b>		
Purchase of fixed assets	-	(209,065)
Sale of fixed assets		
Sale of Investments	1,290,790	-
Interest Received	966,167	-
Purchase of Investments		
Increase of website Expenses		
Investment Subsidy Received		
Cash out flow on account of new investments		
<b>NET CASH USED IN INVESTING ACTIVITES</b>	<b>2,256,957</b>	<b>-209,065</b>
<b>C CASH FLOW FORM FINANCING ACTIVITES</b>		
Interest accrued & due	-	534,547
(Repayment)/Increase in Term Borrowings	(171,631)	-
(Repayment)/Increase in Unsecured Loans	7,504,335	9,874,546
<b>NET CASH USED IN FINANCING ACTIVITES</b>	<b>7,332,704</b>	<b>10,409,093</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>	<b>(70,002)</b>	<b>(946,222)</b>
<b>Opening balance</b>	<b>79,314</b>	<b>1,025,536</b>
<b>Closing balance</b>	<b>9,312</b>	<b>79,314</b>

C. Ramachandram & Co.  
Chartered Accountants  
Firm Regn. No. 002864S

For and on behalf of the Board

(Sd/-)

C. Ramachandram  
Partner

Membership No.- 25834

(Sd/-)

BSN Suryanarayana  
Manging Director

(Sd/-)

B Divyesh Nihar  
Director

Place: Hyderabad

Date: 31.08.2013

**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	31.03.2013	
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	39001	Total Assets 39001
<b>Sources of Funds</b>			<b>Application of Funds</b>
	Paid-up Capital	61884	Net Fixed Assets 249
	Reserve and Surplus	(55065)	Investments 25550
	Secured/ Unsecured Loans	28623	Net Current Assets 13103
	Current Liabilities	3559	Deferred tax assets 99
D. Performance of the Company (amount in Rs. '000)			
	Turnover (including other income)	2905	
	Total Expenditure	16124	
	Profit before Tax	(13219)	
	Profit after Tax	(13243)	
	Earnings per Share in Rs.	(2.14)	
	Dividend Rate	0	
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

(Sd/-)

(Sd/-)

BSN Suryanarayana  
MangingDirector

B. Divyesh Nihar  
Director



# NIHAR INFO GLOBAL LIMITED

Regd. Office : Nihar House, Plot No. 34, Ganesh Nagar Colony, West Marredpally, Sec'bad - 500 026.

## PROXY FORM

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

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

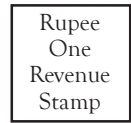
of \_\_\_\_\_ being a member/  
members of **NIHAR INFO GLOBAL LIMITED** hereby appoint  
\_\_\_\_\_ of \_\_\_\_\_

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 Monday, 30th September, 2013 at 11.00 a.m. at Hotel Pearl Regency, Red Hills, Lakdikapool,  
Hyderabad-500 004.

Signed \_\_\_\_\_ day of \_\_\_\_\_ 2013.

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.



# NIHAR INFO GLOBAL LIMITED

Regd. Office : Nihar House, Plot No. 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 Monday, 30th September  
, 2013 at 11.00 a.m. at Hotel Pearl Regency, Red Hills, Lakdikapool, Hyderabad-500 004.

.....  
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 :



**An Enterprise Solutions Company**

Nihar House, Plot No. 34, Ganesh Nagar Colony,  
West Marredpally, Sec'bad - 500 026.