

*20<sup>th</sup> Annual Report*  
*2013-14*





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**BOARD OF DIRECTORS**

1. BSN Suryanarayana
2. B. Divyesh Nihar
3. J. Sundara Sekhar (Retd. I.A.S.)
4. Jagadeeswara Rao Reddi

Managing Director  
Whole time Director  
Independent Director  
Independent Director

**REGISTERED OFFICE**

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

**BANKERS**

|                  |                     |
|------------------|---------------------|
| Axis Bank        | State Bank of India |
| West Marredpally | West Marredpally    |
| Secunderabad-26  | Secunderabad-26     |

**AUDITORS**

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

**SHARE TRANSFER AGENT**

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

## Notice of the 20<sup>th</sup> Annual General Meeting

Notice is hereby given that the 20<sup>th</sup> Annual General Meeting of Nihar Info Global Limited will be held on 30<sup>th</sup> September 2014 on Tuesday 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, 2014 and the Profit and Loss Account for the year ended on that date together with the Directors' Report and Auditors' Report thereon.
2. To appoint Mr. J Sundara Sekhar as an Independent Director in place of Mr. P J Sudhakar who wishes to resign and expresses his willingness to discontinue his services from the Board. To consider and, if thought fit, to pass with or without modification(s) the following resolutions as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. J Sundara Sekhar who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, for a period of five years with effect from ensuing General Meeting."

**"RESOLVED THAT** resignation of Mr. P J Sudhakar as Director, from the Board of Directors of the Company, be and is hereby accepted with effect from 30<sup>th</sup> September 2014.

**FURTHER RESOLVED THAT** for the purpose of giving effect to this resolution, Mr. BSN Suryanarayana, Managing Director of the Company be and is hereby authorised to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns along with filing of necessary E-form with the Registrar of Companies, Andhra Pradesh."

3. To appoint Auditors to hold office from the conclusion of this 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.

**"RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable rules, if any, as may be applicable, M/s C. Ramachandram & Co., Chartered Accountants (Firm Registration No. 002864S) retiring Auditors of the Company, be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as may be decided by the Board of Directors or any Committee thereof"

By the Board of Director

Place : Secunderabad  
Date : 28.08.2014

(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) As per the provisions of the Companies Act, 2013, a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as a proxy for any other person or shareholder.
- 3) The Register of Members and Share transfer Books will be closed from 23<sup>rd</sup> September 2014 to 30<sup>th</sup> September 2014. **(Both Dates Inclusive).**
- 4) The Members are requested to notify any change in their addresses, email address to the Company's Registrar and Share transfer agents, Aarathi Consultants Private Limited, 1-2-285, Domulguda, Hyderabad-500029.
- 5) Members/Proxies are requested to bring Annual Reports along with the attendance slips filled in for attending the meeting.
- 6) Members who hold shares in the dematerialised form, are requested to bring their depository account number for identification at the time of their Annual General Meeting.
- 7) A brief resume of the Directors of Company, seeking appointment/ re- appointment at this Annual General Meeting is given as part of this notice.
- 8) A statement setting out the material facts in respect of resolutions set out under "Special Businesses" of the Notice pursuant to Sub section 1 of Section 102 of the Companies Act 2013 is annexed hereto.
- 9) Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in Securities Market. Members holding shares in electronic form are requested to submit the PAN to their Depository Participants with whom they are maintaining their demat account. Members holding shares in physical form are requested to submit their PAN details to M/s Aarathi Consultants Pvt. Ltd., the share transfer agents of the Company.
- 10) Pursuant to Section 101 and section 136 of the Companies Act, 2013 read with rules made thereunder, copies of Annual Report 2013-2014, Notice of the 20<sup>th</sup> AGM and instructions for e-voting along with the Attendance slip and the proxy form are being sent by the electronic mode only to all the shareholders whose email addresses are registered with the Company for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2013-2014 etc. are being sent by the permitted mode. Members holding shares in physical form can send their email address for registration to [info@aarathiconsultants.com](mailto:info@aarathiconsultants.com) quoting the Folio number and Name of the Company.
- 11) The Annual Report duly circulated to the members of the Company, is available on the Company's website at [www.niharinfo.com](http://www.niharinfo.com)

- 12) In compliance with the provisions of Section 108 of the Companies Act, 2013 and the rules framed thereunder the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by M/s. Aarhi Consultants Pvt. Ltd., on all resolutions set forth in this notice. The Members whose name appears in the register of Members as on 1<sup>st</sup> September 2014, are entitled to vote on the Resolutions set forth in this Notice.

The Company has entered into an agreement with M/s. Central Depository Services(India) Limited and Aarhi Consultants Pvt. Ltd. for facilitating e-voting for AGM.

The complete details of the instructions for e-voting is annexed hereto.

**For Nihar Info Global Limited**

Place : Secunderabad

Date : 28.08.2014

(Sd/-)

**BSN Suryanarayana**  
**(Managing Director)**

## DIRECTORS' REPORT

To,

The Members

Your Directors are pleased to present the 20th Annual Report on the business and operations of the Company together with the Statement of Accounts for the financial year ended 31st March, 2014.

### 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<br>31 <sup>st</sup> March 2014 | Previous year ended<br>31 <sup>st</sup> March 2013 |
|----------------------------------------------|---------------------------------------------------|----------------------------------------------------|
| Gross Revenue                                | 52.00                                             | 19.39                                              |
| Profit before interest, depreciation & taxes | 2.18                                              | (131.68)                                           |
| Interest                                     | 0.11                                              | 0.23                                               |
| Depreciation & Amortization                  | 0.34                                              | 0.28                                               |
| Profit /Loss After Tax                       | 1.73                                              | (132.43)                                           |

### Operations

The turnover of the Company for the current year is Rs. 52 lacs. The Company recorded a profit of Rs. 1.73 lacs as against a loss of Rs. 132.43 lacs during previous year.

### Dividend

The Board of Directors do not recommend any dividend for the year.

### Future Outlook

The Company is focusing on following segments.

- 1) Enterprise Solutions
- 2) e Commerce
- 3) Setting up of Franchisee Centers

### Enterprise Solutions:

Nihar Info Global Ltd. is an IBM Premier Partner and it has got capabilities in IBM FileNet, IBM Lotus Notes, IBM Tivoli Storage Manager. Nihar has also partnered with all the major Distributors such as Ingram Micro, Redington and Avnet for supply of various Hardware and Software products. We are in the process of becoming a partner of Seclore ( It is a leading company providing various information security solutions) for the Information Rights Management Solution. WE have added two new customers in Pharma Sector in the recent past. i.e Biological e Ltd and Sai Life Sciences Ltd. The company is focusing more on the Pharma Sector and is building expertise and skill sets for providing various solutions for the Pharma Sector. It is a known fact that Combined Andhra Pradesh ranks 4th in the Pharma Industry in the Country, whereas Maharashtra, Gujrat and West Bengal are ranked first, second and third in the Pharma Industry in the Country. The company is still having number of clients for Maintenance in Government and Private sector on technologies such as IBM FileNet, IBM Tivoli and Web Technologies.



**E Commerce:**

It is a known fact that Nihar Infoway Limited was started in 1995, with the Sole Objective of e Commerce. As there was a .com burst across the world the company changed its business model and moved to Enterprise Solutions. The Company has recently launched www.sarasam.in, www.ecards4u.in and www.niharonline.in. This portals are getting traffic and we have plans to improve the traffic on these portals as we will be recruiting more design and content team in course of time. Simultaneously, we are also planning to launch an e Commerce portal of the company. You are aware that the India's Commerce market grew at a staggering 88% in 2013 to 16 Billion USD riding on booming online retail trends and defying slower economic growth and spiraling inflation according to a survey by industry body ASSOCHAM. As per CRISIL research report, e Commerce in India is estimated to grow at 50-55% annually for the next three years. Also globally the sector is booming and is expected to grow to 675 Billion USD by 2016.

To emphasise more on the e Commerce in the recent past, Flipkart which is valued at 6 Billion USD has offered Smartphones like Moto G, Xiaomi Mi3 at a very competitive price. Recently, it sold 20,000 devices within 2.3 seconds. It clearly speaks the strength of e Commerce in India and the scope for more players to get into the same space.

**Franchisee Center:**

Recently Nihar Info has signed a Franchise Agreement with SK Services LLP in Vizag to train on High End technologies and absorb them as employees on Nihar Info Global Ltd. Once the center becomes successful, the company will open more Franchisee Centers across the state and other parts of the Country.

**Comprehensive Capital/ Financial Restructure Plan**

The Company had gone for Scheme of Arrangement whereby equity capital was reduced and loans were converted into equity and also further issue of equity was made. The Scheme was cleared by High Court on 24<sup>th</sup> January 2014. The Company had filed the same with ROC on 28<sup>th</sup> March 2014 for giving the affect on Scheme of Arrangement. Accordingly the Company announced the record date on 24<sup>th</sup> April 2014 in fulfillment of the terms of the Scheme of Arrangement and subsequently filed the listing application with BSE and subsequently pursuing with BSE and SEBI on the same.

**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. The Company has obtained confirmation, under section 139(1) of the Companies Act, 2013, confirming their eligibility and willingness to accept the office of the Statutory Auditors for the financial year 2014-15, if re-appointed. The Audit Committee and the Board of Directors of the Company recommend the appointment of M/s. C. Ramachandram & Co. as Statutory Auditors of the Company for the financial year 2014-15.

**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.

**Reply to the Auditors' Qualification**

The majority of the statutory dues have been paid during the year and dues that are pending are proposed to be cleared in the current period. The Company has not provided Rs. 1,24,507 as no demands have been received from income tax department and the same is shown as contingent liability.

**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, 2014 and of the profit 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.
- The directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**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 2013-14.
- **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.

**Board of Directors**

The Board of Directors for 2013-14 consisted of Managing Director Mr. BSN Suryanarayana, whole time Director Mr. B Divyesh Nihar, Mr. Jagdeswara Rao Reddi Independent Director and Mr. P J Sudhakar. Mr. P J Sudhakar has expressed his willingness to discontinue and Mr. J Sundara Sekhar will be appointed as the Independent Director, subject to the approval of the Shareholders.

**Management Discussion and Analysis Report**

The Management Discussion and Analysis Report has been attached as a part of the Annual 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, 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.

**For Nihar Info Global Limited**

Place : Secunderabad  
Date : 28.08.2014

Sd/-  
**BSN Suryanarayana**  
**(Managing Director)**

Sd/-  
**B. Divyesh Nihar**  
**Whole Time Director**

**Brief Resume of the Director of the Company Seeking Appointment(Pursuant to Clause 49(IV)(E) and 49(IV)(G)(i) of the Listing Agreement):**

- Mr. J Sundara Sekhar, born on 9<sup>th</sup> September 1954, a retired IAS officer of the 1983 batch served Bengal West since 1985. He was appointed as Secretary cum Chief Executive Officer, West Bengal Human Rights Commission on 1<sup>st</sup> September 2013. He took voluntary retirement from the post of Secretary cum Chief Executive Officer, West Bengal Human Rights Commission. He has no relationship with any other Director and also does not hold any Board membership of any other Company as on March 31st, 2014.

**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:

| S.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    | J Sundara Sekhar       | 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 2013-14. The dates on which the said meetings were held are as follows :

- i) 29.05.2013
- ii) 14.08.2013
- iii) 14.11.2013
- iv) 14.02.2014

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 B.   | 4                     | 4                      | Yes                       |
| Divyesh Nihar Sudhakar | 4                     | 4                      | Yes                       |
| Pitta Joseph           | 4                     | 0                      | No                        |
| Jagadeeswara Rao Reddi | 4                     | 3                      | 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 177 of the Companies Act, 2013.

Composition, name of members and number of meetings held during the Financial Year 2013-14 are as follows:

| Name of Directors       | Category                   | No. of Meetings during the year 2013-14 |          |
|-------------------------|----------------------------|-----------------------------------------|----------|
|                         |                            | 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. Jagadeeswara Rao Reddi is the Chairman of the Compensation Committee.

**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. Jagadeeswara Rao Reddi 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. Jagadeeswara Rao Reddi 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 2013-14 :

| Name of Director       | Designation         | Commission | Sitting Fees |
|------------------------|---------------------|------------|--------------|
| Mr.BSN Suryanarayana   | Managing Director   | NIL        | NIL          |
| B.Divyesh Nihar        | Whole Time Director | NIL        | NIL          |
| Jagadeeswara Rao Reddi | Director            | NIL        | 3000         |
| 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                                                         |
|------------------|---------|----------------------------------------------------------|------------------------------------------------------------------|
| 17 <sup>th</sup> | 2010-11 | Friday,30 <sup>th</sup> September 2011<br>at 3.00 P.M.   | Hotel Time Square, Near Clock Tower,<br>Secunderabad-500003      |
| 18 <sup>th</sup> | 2011-12 | Saturday,29 <sup>th</sup> September 2012<br>at 3.30 P.M. | Hotel Time Square, Near Clock Tower,<br>Secunderabad-500003      |
| 19 <sup>th</sup> | 2012-13 | Monday,30 <sup>th</sup> September 2013<br>at 11.00 AM.   | Hotel Pearl Regancy, Red Hills, Lakdikapool,<br>Hyderabad-500004 |

No business was transacted through postal ballot at the last three AGMs.

#### DISCLOSURES:

##### A. Disclosures on Materially Significant Related Party Transactions

There were no materially significant related party transactions compared to the business volume of the Company during the year conflicting with the interest of the Company.

- B. As per the Internal Code of Conduct the employees have been given access to the Audit Committee.

**C. Code of Conduct:**

The Company has framed the Code of Conduct for Directors and Senior Management. The Code of Conduct is applicable to all Directors and Senior Management of the Company. All the members of the Board and Senior Management of the Company have affirmed compliance with their respective Codes of Conducts for the financial year ended 31st March, 2014.

**D. Whistle Blower Policy:**

As per internal code of conduct the employees have been given access to the Audit Committee.

**E. CEO Certification:**

The Managing Director (CEO) has certified and submitted a certificate on the financial results and other compliance of statutory requirements to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO certification for the financial year ended 31st March, 2014.

**F. Details of Compliances with Mandatory Requirements and Adoption of the non-Mandatory Requirements:**

The Company has complied with all the mandatory requirements of Clause 49 and is in the process of implementation of Non-Mandatory requirements.

**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, 2014

Day : Tuesday

Time : 11.00 A.M.

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

**(b) Financial Year : 01.04.2013 to 31.03.2014**

1<sup>st</sup> Quarter Results : 14<sup>th</sup> Aug 2013

2<sup>nd</sup> Quarter Results : 14<sup>th</sup> Nov 2013

3<sup>rd</sup> Quarter Results : 14<sup>th</sup> Feb 2014

4<sup>th</sup> Quarter Results : 14<sup>th</sup> May 2014

**(c) Date of Book Closure : From 23<sup>rd</sup> September 2014 to 30<sup>th</sup> September 2014 (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 :** Aarhi 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**

| S.No. | Month        | High (Rs.) | Low(Rs.) |
|-------|--------------|------------|----------|
| 1.    | April13      | 0.72       | 0.46     |
| 2.    | May13        | 0.49       | 0.39     |
| 3.    | June13       | 0.40       | 0.39     |
| 4.    | July13       | 0.38       | 0.32     |
| 5.    | August 13    | 0.37       | 0.34     |
| 6.    | September 13 | 0.40       | 0.38     |
| 7.    | October 13   | 0.39       | 0.35     |
| 8.    | November 13  | 0.36       | 0.30     |
| 9.    | December 13  | 0.31       | 0.27     |
| 10.   | January 14   | 0.32       | 0.30     |
| 11.   | February 14  | 0.35       | 0.33     |
| 12.   | March 14     | 0.50       | 0.36     |

**(j) Shareholding Pattern as on 31<sup>st</sup> March 2014**

| Category                        | No. of Shares | %of Shareholding |
|---------------------------------|---------------|------------------|
| Promoters                       | 285435        | 4.61%            |
| NRI/ OCB                        | 19938         | 0.32%            |
| FII/ Banks                      | NIL           | NIL              |
| Mutual Funds UTI                | NIL           | NIL              |
| Foreign Institutional Investors | NIL           | NIL              |
| Body Corporate                  | 721169        | 11.67            |
| Indian Public                   | 5180859       | 83.72%           |
| Total                           | 6188467       | 100.00%          |

## CERTIFICATION

To  
The Board of Directors,  
Nihar Info Global Limited,

I, the undersigned, in my capacity 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, 2014 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.

### For Nihar Info Global Limited

Place : Secunderabad  
Date : 28.08.2014

(Sd/-)  
**Md. Bilal**

## DECLARATION BY THE MANAGING DIRECTOR

I, BSN Suryanarayana, Managing Director, hereby declare that the Company has received the declarations from all the Board Members and Senior Management Personnel affirming compliance with code of conduct for the year 2013-14.

Place : Secunderabad  
Date : 28.08.2014

(Sd/-)  
**BSN Suryanarayana**  
**Managing Director**

## **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.

**Risk Management**

Your Company has a system based approach to business risk management backed by strong internal control system, the current risk management framework is a combination of centrally issued policies and divisionally evolved procedure that brings robustness to the process of ensuring business risk and these risks are effectively addressed.

**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.

**C.Ramchandram & Co.**  
Chartered Accountants

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

**PRACTICING COMPANY SECRETARY'S CERTIFICATE ON  
CORPORATE GOVERNANCE**

To

The Members

**Nihar Info Global Ltd.,**

I have examined the compliance of Corporate Governance by Nihar Info Global Ltd., (the "company") for the financial year ended on 31st March 2014, as stipulated in clause 49 of the Listing Agreement of the said company with the concerned Stock Exchange.

The Compliance of condition of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedure and implementation thereof, adopted by the company for ensuring compliance with the condition of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and to the explanation given to me and based on the representations made by the Directors and the Management I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

I further state that such compliance is neither an assurance as to the future viability of the efficiency or effective with which the management the affairs of the company.

**For Nikita Agarwal & Associates**

**Sd/-**  
**Nikita Agarwal**  
Practicing Company Secretary  
C.P.No: 9907

Place: Gorakhpur  
Date: 13<sup>th</sup> August 2014

**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 2014, 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: 28.08.2014

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, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control and 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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Emphasis of Matter**

- (a) We draw your attention to Note 2.8 with respect to Balances under Sundry Debtors/ claims Recoverable / Loans & Advances / Sundry Creditors / Other Liabilities / investments have not been confirmed by the parties.
- (b) The Corporation is not providing for employee benefits defined under AS-15“Retirement Benefits” issued by the ICAI. Refer note no. 2.6

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 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:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of Section 211 of Companies Act, 1956 read with the General Circular 15/2013 dated 13 September of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
  - e) On the basis of written representations received from directors as on March 31, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act..

For **C. RAMACHANDRAM & CO.,**  
Chartered accountants,  
Firm Registration No : 002864S.

**C.RAMACHANDRAM**  
Partner  
Membership No: 025834.

Place: Hyderabad  
Date: 28.08.2014

## **Annexure to Independent Auditors' report**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date of **M/s .NIHAR INFO GLOBAL LIMITED** for the year ended March 31, 2014).

1. In respect of its fixed Assets:
  - a. The company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
  - 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. According to the information and explanations given to us, no material discrepancies were noticed on such physical verification.
  - c. According to the information and explanations given to us, the Company has not disposed off 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. A. The company has not granted any loans, secured or unsecured, to Companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly sub clauses (b), (c) & (d) of clause 3 of this order are not applicable.  
B. The company has taken unsecured loan from Four Parties listed in register maintained under Section 30 of the Companies Act. The maximum amount involved during the year was Rs.240.58Lacs and the yearend balance of such loan was Rs.240.58 Lacs.  
C. The terms and conditions on which such loan has been taken are not prima facie prejudicial to the interest of the company.  
D. 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 adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases, fixed assets and with regard to the sales. We have not observed any continuing failure to correct major weaknesses in internal control system.
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. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.
7. In our opinion, the company has an internal audit system commensurate with its 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, sales tax,



- income tax, and service tax applicable to it and there have been substantial delays in all cases.
- B) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales Tax, Value Added Tax, Service Tax, and other material statutory dues in arrears as at March 31, 2014 for a period of more than six months from the date they became payable.
  - C) According to the records of the company, there was no disputed statutory dues that have not been deposited on account of the matters pending before appropriate authorities as on 31<sup>st</sup> March, 2014 except for Income tax demand of Rs. 1,24,507/- for which the company has not provided.
10. The company has accumulated losses as at March 31, 2014 and it has not incurred any cash losses in the financial year ended on that date and has incurred cash losses in the immediately preceding financial year.
  11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayments 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 provision 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 the 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 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 arise.
  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,  
Firm Registration No : 002864S.

**C. RAMACHANDRAM**  
Partner  
Membership No: 025834.

Place: Hyderabad  
Date: 28.08.2014

**Balance Sheet as at 31 March 2014**

Amount in `

|            | Particulars                            | Note | As at 31 March,2014 |                   | As at 31 March,2013 |                   |
|------------|----------------------------------------|------|---------------------|-------------------|---------------------|-------------------|
| <b>I.</b>  | <b>EQUITY AND LIABILITIES</b>          |      |                     |                   |                     |                   |
| <b>1</b>   | <b>Shareholders' Funds</b>             |      |                     | <b>6,992,805</b>  |                     | <b>6,819,318</b>  |
|            | (a) Share Capital                      | 3    | 61,884,670          |                   | 61,884,670          |                   |
|            | (b) Reserves and Surplus               | 4    | (54,928,172)        |                   | (55,065,352)        |                   |
| <b>2</b>   | <b>Non-Current Liabilities</b>         |      |                     | <b>29,110,918</b> |                     | <b>28,805,450</b> |
|            | (a) Long-Term Borrowings               | 5    | 28,938,169          |                   | 28,622,701          |                   |
|            | (b) Long term provisions               | 6    | 172,749             |                   | 182,749             |                   |
| <b>3</b>   | <b>Current Liabilities</b>             |      |                     | <b>3,845,299</b>  |                     | <b>3,376,309</b>  |
|            | (a) Other Current Liabilities          | 7    | 3,845,299           |                   | 3,376,309           |                   |
|            | <b>Total</b>                           |      |                     | <b>39,949,022</b> |                     | <b>39,001,077</b> |
| <b>II.</b> | <b>ASSETS</b>                          |      |                     |                   |                     |                   |
| <b>1</b>   | <b>Non-Current Assets</b>              |      |                     | <b>38,541,098</b> |                     | <b>38,480,636</b> |
|            | (a) Fixed Assets                       |      |                     |                   |                     |                   |
|            | (i) Tangible Assets                    | 8    | 284,654             |                   | 249,131             |                   |
|            | (ii) Intangible Assets                 |      | 14,670              |                   | -                   |                   |
|            | (b) Non Current Investments            | 9    | 25,550,000          |                   | 25,550,000          |                   |
|            | (b) Long-Term Loans and Advances       | 10   | 12,425,790          |                   | 12,425,790          |                   |
|            | (c) Deferred Tax Asset                 | 11   | 67,494              |                   | 99,224              |                   |
|            | (d) Other Non-Current Assets           | 12   | 198,491             |                   | 156,491             |                   |
| <b>2</b>   | <b>Current Assets</b>                  |      |                     | <b>1,407,924</b>  |                     | <b>520,441</b>    |
|            | (b) Trade receivables                  | 13   | 792,002             |                   | 396,427             |                   |
|            | (c) Cash and Cash Equivalents          | 14   | 211,745             |                   | 9,312               |                   |
|            | (d) Short-Term Loans and Advances      | 15   | 61,178              |                   | -                   |                   |
|            | (e) Other Current Assets               | 16   | 342,999             |                   | 114,702             |                   |
|            | <b>Total</b>                           |      |                     | <b>39,949,022</b> |                     | <b>39,001,077</b> |
|            | <b>Significant Accounting Policies</b> | 1    |                     |                   |                     |                   |
|            | <b>Notes to Accounts</b>               | 2    |                     |                   |                     |                   |

The Notes referred to above form an integral part of the Balance Sheet.

As per our report of even date

For and On behalf of the Board of directors of

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

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

(Sd/-)  
BSN Suryanarayana  
Manging Director

(Sd/-)  
B Divyesh Nihar  
Director

Place: Secunderabad  
Date: 28.08.2014

(Sd/-)  
Astha Chaturvedi  
Company Secretary

**Statement of Profit and Loss for the year ended 31st March 2014**

Amount in `

|      | Particulars                                                               | Note | For the Year ended |                     |
|------|---------------------------------------------------------------------------|------|--------------------|---------------------|
|      |                                                                           |      | 31st March 2014    | 31st March 2013     |
| I II | Revenue from Operations                                                   | 18   | 5,199,566          | 1,938,905           |
| III  | Other Income                                                              | 19   | 24,151             | 966,167             |
| IV   | <b>TOTAL REVENUE (I + II)</b>                                             |      | <b>5,223,717</b>   | <b>2,905,072</b>    |
|      | <b>EXPENSES</b>                                                           |      |                    |                     |
|      | Purchases                                                                 | 20   | 895,568            | 346,970             |
|      | Employee Benefit Expenses                                                 | 21   | 1,907,497          | 4,331,351           |
|      | Depreciation and Amortization Expenses                                    | 22   | 34,358             | 28,353              |
|      | Other Expenses                                                            | 23   | 2,181,077          | 11,417,578          |
| V    | <b>TOTAL EXPENSES</b>                                                     |      | <b>5,018,500</b>   | <b>16,124,251</b>   |
| VI   | <b>Profit before Exceptional and Extraordinary Items and Tax (III-IV)</b> |      | <b>205,217</b>     | <b>(13,219,179)</b> |
| VII  | Exceptional Items                                                         |      | -                  | -                   |
| VIII | <b>Profit before Extraordinary Items and Tax</b>                          |      | <b>205,217</b>     | <b>(13,219,179)</b> |
| IX   | Extraordinary Items                                                       |      | -                  | -                   |
| X    | <b>Profit Before Tax</b>                                                  |      | <b>205,217</b>     | <b>(13,219,179)</b> |
|      | <b>Tax Expense</b>                                                        |      | <b>(31,730)</b>    | <b>24,207</b>       |
|      | Current Tax                                                               |      | -                  | -                   |
| XI   | Deferred Tax                                                              | 24   | (31,730)           | 24,207              |
|      | <b>Profit/(Loss) for the period from Continuing Operations(IX-X)</b>      |      | <b>173,487</b>     | <b>(13,243,386)</b> |
| XIII | Profit/(Loss) from Discontinuing Operations                               |      | -                  | -                   |
| XIV  | Tax Expense of Discontinuing Operations                                   |      | -                  | -                   |
|      | <b>Profit/(Loss) from Discontinuing Operations (after tax)(XII-XIII)</b>  |      | <b>-</b>           | <b>-</b>            |
| XVI  | <b>Profit/(Loss) for the Period(XI+XIV)</b>                               |      | <b>173,487</b>     | <b>(13,243,386)</b> |
|      | <b>Earnings per Equity Share</b>                                          |      |                    |                     |
|      | -Basic                                                                    |      | 0.03               | (2.14)              |
|      | -Diluted                                                                  |      | 0.03               | (2.14)              |
|      | <b>Significant Accounting Policies</b>                                    | 1    |                    |                     |
|      | <b>Notes to Accounts</b>                                                  | 2    |                    |                     |

The Notes referred to above form an integral part of the Balance Sheet.

As per our report of even date

For and On behalf of the Board of directors of

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

(Sd/-)

C. Ramachandram  
Partner

Membership No.- 25834

(Sd/-)

BSN Suryanarayana  
MangingDirector

(Sd/-)

B Divyesh Nihar  
Director

(Sd/-)

Astha Chaturvedi  
Company Secretary

Place: Secunderabad  
Date: 28.08.2014

**Notes to Liabilities**
**3 Share Capital**

Amount in Rs

| Particulars                                                       | As at31 March,2014 | As at31 March,2013 |
|-------------------------------------------------------------------|--------------------|--------------------|
| <b>Authorized shares</b>                                          |                    |                    |
| 14000000(31 March 2014: 14000000)<br>equity shares of Rs.10/-each | 140,000,000        | 140,000,000        |
| <b>Total</b>                                                      | <b>140,000,000</b> | <b>140,000,000</b> |

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

Amount in Rs

|                                                                   |                   |                   |
|-------------------------------------------------------------------|-------------------|-------------------|
| 6188467 (31 March 2014: 6188647)<br>equity shares of Rs.10/- each | 61,884,670        | 61,884,670        |
| <b>Total</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**

| Particulars                                 | As at 31 March, 2014 |                   | As at 31 March, 2013 |                   |
|---------------------------------------------|----------------------|-------------------|----------------------|-------------------|
|                                             | No of shares         | Amount in Rs      | No of shares         | Amount in Rs      |
| 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 31-03-14 the amount of per share dividend recognized as Distributions to equity share holders was Rs.Nil (31-03-13: 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 Rs

| Particulars                                    | As at31 March,2014  | As at31 March,2013  |
|------------------------------------------------|---------------------|---------------------|
| General reserve                                | 92,227              | 92,227              |
| Share premium                                  | 5,800,000           | 5,800,000           |
| Other Reserves(Share warrants forfeited)       | 945,000             | 945,000             |
| <b>Surplus</b>                                 |                     |                     |
| Opening Balance                                | (61,902,579)        | (48,659,192)        |
| (+) Net profit/(Net loss) for the Current Year | 173,487             | (13,243,386)        |
| Closing balance                                | (61,729,092)        | (61,902,579)        |
| <b>Total</b>                                   | <b>(54,891,865)</b> | <b>(55,065,352)</b> |

**5 Long-Term Borrowings**

Amount in Rs

| Particulars  | As at31 March,2014 | As at31 March,2013 |
|--------------|--------------------|--------------------|
| secured      | -                  | -                  |
| Unsecured    | 28,938,169         | 28,622,701         |
| <b>Total</b> | <b>28,938,169</b>  | <b>28,622,701</b>  |

**Details of loans from Related parties:**

The above unsecured loan amount includes loans from related parties of Rs.2,08,57,669

| Particulars          | As at31 March,2014 | As at31 March,2013 |
|----------------------|--------------------|--------------------|
| <b>Unsecured</b>     |                    |                    |
| From other parties   |                    |                    |
| Nihar Stocks Limited | 12,854,468         | 12,594,000         |
| BSN Suryanarayana    | 6,782,101          | 6,767,101          |
| B Nithisha           | 3,200,500          | 3,160,500          |
| Boda Divyesh Nihar   | 1,221,100          | 1,221,100          |
| <b>Total</b>         | <b>24,058,169</b>  | <b>23,742,701</b>  |

**6 Long term provisions**

Amount in Rs

| Particulars      | As at31 March,2014 | As at31 March,2013 |
|------------------|--------------------|--------------------|
| Gratuity payable | 172,749            | 182,749            |
| <b>Total</b>     | <b>172,749</b>     | <b>182,749</b>     |

**7 Other Current Liabilities**

Amount in Rs

| Particulars                     | As at31 March,2014 | As at31 March,2013 |
|---------------------------------|--------------------|--------------------|
| Advance received from customers | 11,963             | -                  |
| Other Payables                  | 3,833,336          | 3,376,309          |
| <b>Total</b>                    | <b>3,845,299</b>   | <b>3,376,309</b>   |

**8 Fixed Assets**

Amount in Rs

| PARTICULARS                   | Gross Block         |               |                | Depreciation        |                     |                 | Net Block           |                  |                  |
|-------------------------------|---------------------|---------------|----------------|---------------------|---------------------|-----------------|---------------------|------------------|------------------|
|                               | AS ON<br>01.04.2013 | ADDITIONS     | DELETIONS      | AS ON<br>31.03.2014 | AS ON<br>01.04.2013 | FOR THE<br>YEAR | AS ON<br>31.03.2014 | AS<br>31.03.2014 | AS<br>31.03.2013 |
| <b>Tangible Assets</b>        |                     |               |                |                     |                     |                 |                     |                  |                  |
| Plant & Machinery - Computers | 8,703,845           | 36,000        | -              | 8,739,845           | 8,703,845           | 3,453           | 8,707,298           | 32,547           | -                |
| Furniture & Fixtures          | 447,911             | 32,600        | -              | 480,511             | 198,780             | 29,624          | 228,404             | 252,107          | 249,131          |
| <b>Sub Total</b>              | <b>9,151,756</b>    | <b>68,600</b> | <b>-</b>       | <b>9,220,356</b>    | <b>8,902,625</b>    | <b>33,078</b>   | <b>8,935,702</b>    | <b>284,654</b>   | <b>249,131</b>   |
| <b>Previous years</b>         | <b>9,466,376</b>    | <b>-</b>      | <b>314,620</b> | <b>9,151,756</b>    | <b>8,874,272</b>    | <b>28,353</b>   | <b>8,902,625</b>    | <b>249,131</b>   | <b>592,104</b>   |
| <b>In-Tangible Assets</b>     |                     |               |                |                     |                     |                 |                     |                  |                  |
| Computer Software             | 156,905             | 15,950        | -              | 172,855             | 156,905             | 1,280           | 158,185             | 14,670           | -                |
| <b>Sub Total</b>              | <b>156,905</b>      | <b>15,950</b> | <b>-</b>       | <b>172,855</b>      | <b>156,905</b>      | <b>1,280</b>    | <b>158,185</b>      | <b>14,670</b>    | <b>-</b>         |
| <b>Previous years</b>         | <b>334,535</b>      | <b>-</b>      | <b>177,630</b> | <b>156,905</b>      | <b>156,905</b>      | <b>-</b>        | <b>156,905</b>      | <b>-</b>         | <b>177,630</b>   |
| <b>Grand Total</b>            | <b>9,308,661</b>    | <b>84,550</b> | <b>-</b>       | <b>9,393,211</b>    | <b>9,059,530</b>    | <b>34,358</b>   | <b>9,093,888</b>    | <b>299,323</b>   | <b>249,131</b>   |

As per IT Act

Amount in Rs.

| Particulars                  | WDV<br>as on 01-04-13 | Additions     |               | Deletions |           | Depreciation |                | WDV as<br>on 31-03-14 |
|------------------------------|-----------------------|---------------|---------------|-----------|-----------|--------------|----------------|-----------------------|
|                              |                       | More Than     | Less than     | More Than | Less than | Rate of Dep  | Amount         |                       |
|                              |                       | 180 Days      | 180 Days      | 180 Days  | 180 Days  | %            |                |                       |
| Plant & Machinery(Computers) | 97,940                | 6,885         | 9,065         | -         | -         | 60           | 65,615         | 48,276                |
| Plant & Machinery (Others)   | 325,902               | 36,000        | -             | -         | -         | 15           | 54,285         | 307,617               |
| Furniture & Fixtures         | 146,403               | 17,500        | 15,100        | -         | -         | 10           | 17,145         | 161,858               |
| <b>Total</b>                 | <b>570,246</b>        | <b>60,385</b> | <b>24,165</b> | -         | -         | -            | <b>137,045</b> | <b>517,750</b>        |

**9 Non current Investments**

Amount in Rs

| Particulars                                                                                                                                                              | As at31 March,2014 | As at31 March,2013 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| Non trade investment-others<br>Unquoted equity instruments<br>365000(31 March 2012:365000) Equity shares<br>@ Rs.70/- per share in Integrated Bord casting<br>Co.Pvt Ltd | 25,550,000         | 25,550,000         |
| <b>Total</b>                                                                                                                                                             | <b>25,550,000</b>  | <b>25,550,000</b>  |

**10 Long Term Loans & Advances**

Amount in Rs

| Particulars                                                   | As at31 March,2014 | As at31 March,2013 |
|---------------------------------------------------------------|--------------------|--------------------|
| <b>Other loans and advances</b><br>Unsecured, considered good | 12,425,790         | 12,425,790         |
| <b>Total</b>                                                  | <b>12,425,790</b>  | <b>12,425,790</b>  |

**11 Deferred Tax Asset(net)**

Amount in Rs

| Particulars                                                                                                                                  | As at31 March,2014 | As at31 March,2013 |
|----------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| Impact of expenditure charged to the<br>statement of profit and loss in the current<br>year but allowed for tax purposes on<br>payment basis | 67,494             | 99,224             |
| <b>Total</b>                                                                                                                                 | <b>67,494</b>      | <b>99,224</b>      |

**12 Other Non Current Assets**

Amount in Rs

| Particulars               | As at31 March,2014 | As at31 March,2013 |
|---------------------------|--------------------|--------------------|
| <b>Others</b><br>Deposits | 198,491            | 156,491            |
| <b>Total</b>              | <b>198,491</b>     | <b>156,491</b>     |

**13 Trade Receivables**

Amount in Rs

| Particulars                                                                                             | As at31 March,2014 | As at31 March,2013 |
|---------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| <b>Secured considered good</b><br><b>Outstanding for less than 6 months</b><br><b>from the due date</b> |                    |                    |
| Unsecured, considered good                                                                              | 507,219            | 111,644            |
| <b>Outstanding for more than 6 months</b><br><b>from the due date</b>                                   |                    |                    |
| Unsecured, considered good                                                                              | 284,783            | 284,783            |
| <b>Total</b>                                                                                            | <b>792,002</b>     | <b>396,427</b>     |

**14 Cash & Cash Equivalents**

Amount in Rs

| Particulars(Current)                             | As at31 March,2014 | As at31 March,2013 |
|--------------------------------------------------|--------------------|--------------------|
| <b>Balances with banks</b><br>In Current Account | 62,993             | 5,677              |
| <b>Cash on hand</b>                              | 148,752            | 3,635              |
| <b>Total</b>                                     | <b>211,745</b>     | <b>9,312</b>       |



**15 Short-Term Loans and Advances**

Amount in Rs

| Particulars              | As at31 March,2014 | As at31 March,2013 |
|--------------------------|--------------------|--------------------|
| Advances to suppliers    | 12,021             | -                  |
| Other Loans and Advances | 49,157             | -                  |
| <b>Total</b>             | <b>61,178</b>      | <b>-</b>           |

**16 Other Current Assets**

Amount in Rs

| Particulars               | As at31 March,2014 | As at31 March,2013 |
|---------------------------|--------------------|--------------------|
| TDS Receivable            | 183,884            | 114,702            |
| REFUND INCOME TAX 2012-13 | 159,115            | -                  |
| <b>Total</b>              | <b>342,999</b>     | <b>114,702</b>     |

**Notes to statement of profit and loss**
**17 Revenue from Operations**

Amount In Rs

| Particulars    | For the year ended<br>31 st March 2014 | For the year ended<br>31 st March 2013 |
|----------------|----------------------------------------|----------------------------------------|
| Sales Domestic | 5,199,566                              | 1,938,905                              |
| <b>Total</b>   | <b>5,199,566</b>                       | <b>1,938,905</b>                       |

**18 Other income**

Amount In Rs

| Particulars                | For the year ended<br>31 st March 2014 | For the year ended<br>31 st March 2013 |
|----------------------------|----------------------------------------|----------------------------------------|
| Other Non-Operating Income | 24,151                                 | 966,167                                |
| <b>Total</b>               | <b>24,151</b>                          | <b>966,167</b>                         |

**19 Purchases:**

Amount In Rs

| Particulars          | For the year ended<br>31 st March 2014 | For the year ended<br>31 st March 2013 |
|----------------------|----------------------------------------|----------------------------------------|
| IBM Filenet Software | 931,875                                | 346,970                                |
| <b>Total</b>         | <b>931,875</b>                         | <b>346,970</b>                         |

**20 Employee Benefit Expenses**

Amount In Rs

| Particulars                               | For the year ended<br>31 st March 2014 | For the year ended<br>31 st March 2013 |
|-------------------------------------------|----------------------------------------|----------------------------------------|
| Salaries and Wages                        | 1,671,740                              | 4,148,093                              |
| Contribution to provident and other funds | 44,617                                 | 80,996                                 |
| Gratuity Expense                          | -                                      | 20,000                                 |
| Staff Welfare Expenses                    | 191,140                                | 82,262                                 |
| <b>Total</b>                              | <b>1,907,497</b>                       | <b>4,331,351</b>                       |

**21 Depreciation and Amortization Expenses**

Amount In Rs

| Particulars  | For the year ended<br>31 st March 2014 | For the year ended<br>31 st March 2013 |
|--------------|----------------------------------------|----------------------------------------|
| Depreciation | 34,358                                 | 28,353                                 |
| <b>Total</b> | <b>34,358</b>                          | <b>28,353</b>                          |

**22 Other Expenses**

Amount In Rs

| Particulars                              | For the year ended<br>31 st March 2014 | For the year ended<br>31 st March 2013 |
|------------------------------------------|----------------------------------------|----------------------------------------|
| Rent                                     | 272,283                                | 180,000                                |
| Rates & Taxes Electricity                | 21,854                                 | 150,813                                |
| Charges Directors                        | 163,223                                | 160,979                                |
| Remuneration                             | 480,000                                | -                                      |
| Interest on statutory payments           | 11,250                                 | -                                      |
| Repairs & Maintenance                    | 13,850                                 | 44,150                                 |
| Printing & Stationery                    | 123,340                                | 30,546                                 |
| Domain Renewal charges                   | 21,500                                 | 28,500                                 |
| Communication expenses                   | 84,821                                 | 63,686                                 |
| Internet Charges                         | 83,793                                 | -                                      |
| Insurance General                        | 15,045                                 | -                                      |
| Expense Recruitment                      | 5,907                                  | -                                      |
| Expense Travelling &<br>Conveyance       | 46,155                                 | -                                      |
| Consultancy & Professional Charges       | 42,683                                 | 117,608                                |
| Office Maintenance AGM /<br>EGM expenses | 143,970                                | 61,840                                 |
| Miscellaneous expenses                   | 365,988                                | 252,048                                |
| Oracle membership fee                    | 10,000                                 | -                                      |
| Advertisement & Publicity                | 105,288                                | 68,603                                 |
| Sitting Fees                             | -                                      | 109,995                                |
| Share Transfer/D-mat Expenses            | 78,499                                 | 52,515                                 |
| Listing Fee                              | -                                      | 2,000                                  |
| Bank Charges                             | 46,712                                 | 48,000                                 |
| Loss on sale of Investments              | 10,795                                 | 30,590                                 |
|                                          | -                                      | 22,502                                 |
|                                          | -                                      | 9,939,083                              |
| <b>Total</b>                             | <b>2,136,957</b>                       | <b>11,373,458</b>                      |

**Payment to auditor**

| Particulars                         | For the year ended<br>31 st March 2014 | For the year ended<br>31 st March 2013 |
|-------------------------------------|----------------------------------------|----------------------------------------|
| <b>As auditor:</b>                  |                                        |                                        |
| Audit fee                           | 38,605                                 | 38,605                                 |
| Other services (certification fees) | 5,515                                  | 5,515                                  |
| <b>Total</b>                        | <b>44,120</b>                          | <b>44,120</b>                          |

**23 Deferred tax**

Amount In Rs

| Particulars                | For the year ended<br>31 st March 2014 | For the year ended<br>31 st March 2013 |
|----------------------------|----------------------------------------|----------------------------------------|
| Provision for Deffered Tax | 31,730                                 | 24,207                                 |
| <b>Total</b>               | <b>31,730</b>                          | <b>24,207</b>                          |

**Notes on accounts annexed to and forming part of the accounts as at and for the year ended March 31, 2014.****1. Statement of significance accounting policies****1.1 Basis of Preparation**

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006, and the provisions of the Companies Act, 1956, to the extent applicable. These financial statements have been prepared to comply in all aspects with the accounting standards notified under section 211(3C) (which continues to be applicable in terms of circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013) and other relevant provisions of the Companies Act, 1956. These financial statements have been prepared and presented in Indian rupees.

**1.2 Use of Estimates**

The preparation of the financial statements in conformity with GAAP requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses for the year.

Accounting estimates could change from period to period. Actual results could differ from these estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

**1.3 Fixed Assets and Depreciation**

Fixed assets are stated at the cost of acquisition or construction less accumulated depreciation. The cost of fixed assets includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Subsequent expenditure related to an item of tangible assets are added back to its book value only if they increase the future benefits from the existing assets beyond its previously assessed standard of performance.

Depreciation on fixed assets is provided using the straight-line method at the rates specified in Schedule XIV to the Companies Act, 1956. Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or otherwise disposed of. Individual assets costing less than Rs.5, 000 are depreciated in full in the year of acquisition.

**1.4 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.

**1.5 Expenditure**

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

**1.6 Investment**

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

**1.7 Retirement benefits**

Provision for accrued gratuity liability is provided on actual basis.

**1.8 Deferred Taxes**

Deferred tax charge or benefit reflects the tax effects of timing differences between accounting income and taxable income, which originate during the year but reverse after the tax holiday period. The deferred tax charge or benefit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written-down or written-up to reflect the amount that is reasonably / virtually certain to be realized. The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company has a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

**1.9 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.

**1.10 Earnings 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:**

**2.1 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 its business. There is no impairment indication to the company and accordingly the management is of the view that no impairment provision is called for in these accounts.

**2.2 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.

**2.3 Contingent Liabilities: 31-3-2014 31-3-2013**

Claims against company and not acknowledged as debts

Rs.1,24,507 NIL

**2.4 Foreign Exchange Earning & Expenditure 2013-14 2012-13**

Foreign exchange earnings:

NIL NIL

**2.5 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.67,82,101/- 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. 67,82,101/-
  3. The company owes an amount of Rs. 1,28,54,468/- 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,2014 to B.DivyeshNihar (Whole Time Director).
  5. The company owes an amount of Rs. 32,00,500/- as on 31<sup>st</sup> March,2014 to B.Nithisha.
- 2.6** Gratuity liability is not provided
- 2.7** The company has gone for scheme of arrangement under section 391 and 394 of the Companies Act,1956.The company has received the order vide ca no 700 of 2013 dated 13th March, 2014 from the High Court of Andhra Pradesh approving the scheme of arrangement. The scheme provides for conversion of unsecured loans of Rs.2,67,52,700/- into Equity and reduction of share capital. The effect of above order is implemented in the books of account on 02 May 2014.
- 2.8** Letters have been issued to parties for confirmation of balances (including Investments) with the request to confirm or send comment by the stipulated date failing which balance as indicated in the letter would be taken as confirmed. Confirmation letters have not been received. However, no adverse communication received from any party till date.
- 2.9** Earnings per share (EPS)  
The computation of Earnings per share is set out below:

|                                                                      | Year ended<br>31 March 2014 | Year ended<br>31 March 2013 |
|----------------------------------------------------------------------|-----------------------------|-----------------------------|
| Earnings : (₹)                                                       |                             |                             |
| Net Profit/(Loss) for the year                                       | 1,73,487                    | (1,32,43,386)               |
| Shares :                                                             |                             |                             |
| Number of shares at the beginning of the year                        | 61,88,467                   | 61,88,467                   |
| Add: No. of equity shares issued                                     | -                           | -                           |
| Total number of equity shares outstanding at the end of the year     | 61,88,467                   | 61,88,467                   |
| Weighted average number of equity shares outstanding during the year | 61,88,467                   | 61,88,467                   |
| Basic and Diluted Earnings per share - Par value of Rs. 10           | 0.03                        | (2.14)                      |

- 2.10** The Company has entered into rent agreement for office premises. The rentals of Rs. 2,72,283/- were charged off in the statement of Profit and Loss. These agreements are cancellable in nature.
- 2.11** Previous year's figures have been regrouped/rearranged to conform to those of the current year.

For and on behalf of the Board

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

(Sd/-)  
 C. Ramachandram  
 Partner

(Sd/-)  
 BSN Suryanarayana  
 Managing Director  
 Membership No.- 25834

(Sd/-)  
 B Divyesh Nihar  
 Director

Place: Hyderabad  
 Date: 28.08.2014

### 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 | 31.03.2014 |            |    |

**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 | 39949 | Total Assets | 39949 |
|-------------------|-------|--------------|-------|

**Sources of Funds**

|                          |         |
|--------------------------|---------|
| Paid-up Capital          | 61884   |
| Reserve and Surplus      | (54928) |
| Secured/ Unsecured Loans | 28938   |
| Current Liabilities      | 3845    |

**Application of Funds**

|                     |        |
|---------------------|--------|
| Net Fixed Assets    | 285    |
| Investments         | 25550  |
| Net Current Assets  | (2437) |
| Deferred tax assets | 67     |

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

|                                   |      |
|-----------------------------------|------|
| Turnover (including other income) | 5224 |
| Profit before Tax                 | 205  |
| Profit after Tax                  | 173  |
| Earnings per Share in Rs.         | 0.03 |
| 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<br>Managing Director | B Divyesh Nihar<br>WholeTime Director |

**Cash Flow Statement For the year ended 31st March,2014**

Amount in Rs

| PARTICULARS                                                   | Year ended<br>31stMarch, 2014    | Year ended<br>31stMarch, 2013 |
|---------------------------------------------------------------|----------------------------------|-------------------------------|
| <b>A CASH FLOW FROM OPERATING ACTIVITIES</b>                  |                                  |                               |
| <b>Net Profit/(loss) before tax and extra ordinary items</b>  | <b>205,217</b>                   | <b>(13,219,179)</b>           |
| adjustments for :                                             |                                  |                               |
| Loss on sale of investments                                   | -                                | 9,939,083                     |
| Depreciation                                                  | <b>34,358</b>                    | 28,353                        |
| Transfers to Reserves & Surplus                               | -                                | -                             |
| <b>Operating Profit/(loss) before working capital changes</b> | <b>239,575</b>                   | <b>(3,251,744)</b>            |
| adjustments for :                                             |                                  |                               |
| (Increase)/Decrease in Trade and other receivables            | <b>(665,872)</b>                 | 782,713                       |
| (Increase)/Decrease in Loans and Advances                     | <b>(61,178)</b>                  | (5,154,140)                   |
| (Decrease)/Increase in Trade payables and liabilities         | <b>458,990</b>                   | (1,070,326)                   |
| Working Capital Bank (Payments)/Borrowings                    | -                                | -                             |
| <b>Cash generated from operations</b>                         | <b>(28,485)</b>                  | <b>(8,693,496)</b>            |
| Prior period adjustments                                      | -                                | -                             |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                    | <b>(28,485)</b>                  | <b>(8,693,496)</b>            |
| <b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>                   |                                  |                               |
| <b>B</b> Purchase of fixed assets                             | <b>(84,550)</b>                  | -                             |
| Sale of Fixed Assets Sale                                     | -                                | -                             |
| of Investments Purchase                                       | -                                | 1,290,790                     |
| of Investments                                                | -                                | -                             |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>                  | <b>(84,550)</b>                  | <b>1,290,790</b>              |
| <b>CASH FLOW FROM FINANCING ACTIVITIES:</b>                   |                                  |                               |
| <b>C</b> Interest accrued & due                               | -                                | -                             |
| Repayment of loans amount                                     | -                                | -                             |
| (Repayment) /Increase in Term Borrowings                      | -                                | -                             |
| (Repayment) /Increase in Unsecured Loans                      | <b>315,468</b>                   | 7,332,703                     |
| <b>NET CASH USED IN FINANCING ACTIVITIES</b>                  | <b>315,468</b>                   | <b>7,332,703</b>              |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>               | <b>D=A+B+C</b><br><b>202,433</b> | <b>(70,003)</b>               |
| <b>Opening balance</b>                                        | <b>9,312</b>                     | <b>79,314</b>                 |
| <b>Closing balance</b>                                        | <b>211,745</b>                   | <b>9,312</b>                  |

**Notes :**

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

As per our report of even date

For and On behalf of the Board of directors of

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

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

(Sd/-)  
BSN Suryanarayana  
MangingDirector

(Sd/-)  
B Divyesh Nihar  
Director

Place: Secunderabad  
Date: 28.08.2014

(Sd/-)  
Astha Chaturvedi  
Company Secretary

**Instructions for e-voting**

- The voting period begins on **24<sup>th</sup> September 2014** at **9.00 AM** and ends on **25<sup>th</sup> September 2014** at **3.00 PM**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 1<sup>st</sup> September, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- Click on "Shareholders" tab.
- Now, select the "**NIHAR INFO GLOBAL LIMITED**" from the drop down menu and click on "SUBMIT"
- Now enter your User ID

| For Members holding shares in Demat Form                                                         | For Members holding shares in Physical Form |
|--------------------------------------------------------------------------------------------------|---------------------------------------------|
| For CDSL: 16 digits beneficiary ID<br>For NSDL: 8 Character DP ID followed by 8 Digits Client ID | Folio Number registered with the Company    |

- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- If you are a first time user follow the steps given below:

|                       | For Members holding shares in Demat Form and Physical Form                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PAN                   | <p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Physical Shareholders who have not updated their PAN with the Company are requested to use the first two letters of their name in Capital Letter followed by 8 digits folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the folio number. Eg. If your name is Ramesh Kumar with folio number 1234 then enter RA00001234 in the PAN field</li> <li>• Demat Shareholders who have not updated their PAN with their Depository Participant are requested to use the first two letters of their name in Capital Letter followed by 8 digit CDSL client id. For example: CDSL Account holder name is Rahul Mishra and Demat A/c No. is 12058700 00001234 then default value of PAN is 'RA00001234'. NSDL Account holder name is Rahul Mishra and DP ID. is IN300000 and client ID 12345678 then default value of PAN is 'RA123445678'.</li> </ul> |
| DOB                   | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Dividend Bank Details | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you in the Dividend Bank details field.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |



- After entering these details appropriately, click on "SUBMIT" tab.
- Members holding shares in Physical form will then reach directly to the voting screen. However, Members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatory enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this notice.
- Click on the relevant EVSN for the relevant "**NIHAR INFO GLOBAL LIMITED**" on which you choose to vote.
- On the voting page, you will see Resolution Description and against the same the option 'YES/NO' for voting. Select the option YES or NO as desired.
- Click on the "RESOLUTION FILE LINK" if you wish to view the entire Resolution details.
- After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- If Demat account holder has forgotten the password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Note for Institutional Shareholders
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create a user which should be created using the admin login and password. The user would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- Kindly note that the shareholders can opt only one mode of voting i.e. either by e-voting or physical mode. If you are opting for e-voting, then do not vote by physically also and vice versa. However, in case shareholders cast their vote physically and e-voting, then voting done through e-voting will prevail and voting done physically will be treated as invalid.
- The Board of Directors have appointed Mr. Kiran Kumar Botu, a Practicing Chartered Accountant (M. No. 220855) as a Scrutinizer to process the e-voting and submit a report to the Chairman.
- Ms. Astha Chaturvedi, Compliance Officer of the Company will address all the grievances in relation to this Annual general meeting including e-voting. Her contact details are Email: [cs@niharinfo.com](mailto:cs@niharinfo.com), Phone Nos. 040-27705389.
- The members may download a copy of the notice of this meeting and the results declared along with the Scrutinizer's Report from the website of the Company ([www.niharinfo.com](http://www.niharinfo.com)) or from [www.evotingindia.com](http://www.evotingindia.com).

# NIHAR INFO GLOBAL LIMITED Annual Report 2013-14

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

## Form No MGT-11

### Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the company **Nihar Info Global Limited**  
CIN L67120AP1995PLC019200  
Registered office Plot No. 34, Ganesh Nagar, West Marredpally, Secunderabad- 500026  
Name of the member(s)  
Registered Address  
Email Id  
Folio No / Client ID DP ID

I /We, being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint

1. Name  
Address  
Email Id

**Signature**

Or failing him

2. Name  
Address  
Email Id

**Signature**

Or failing him

3. Name  
Address  
Email Id

**Signature**

Or failing him

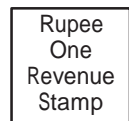
as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 20th Annual General Meeting of the Company, to be held on Tuesday, the 30th day of September, 2014 at 11.00 A.M. at Hotel Pearl Regency, 11-5-431, Red Hills, near Lakdi ka Pool bridge, Hyderabad- 500004, Telangana and at any adjournment thereof in respect of such resolutions as are indicated below:

| S.No. | Resolution                                                                                        | For | Against |
|-------|---------------------------------------------------------------------------------------------------|-----|---------|
| 1     | Consider and adoption Audited Financial Statement, Reports of the Board of Directors and Auditors |     |         |
| 2     | Appointment of J. Sundara Sekhar as Independent Director                                          |     |         |
| 3     | Resignation of Mr. P J Sudhakar, Director                                                         |     |         |
| 4     | Appointment of Auditors and fixing their remuneration                                             |     |         |

Signed this ..... day of ..... 2014.

Signature of shareholder: \_\_\_\_\_

Signature of Proxy holder(s) : \_\_\_\_\_



**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting



## Annual Report 2013-14

### NIHAR INFO GLOBAL LIMITED

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

#### ATTENDANCE SLIP

Regd. Folio No. \_\_\_\_\_ / DP Id No. \_\_\_\_\_ & Client Id  
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 (day)(date)(time) at (place).

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