

25th Annual Report 2015-16

Megrisoft

Megri Soft Limited

Board of Directors

Mr. Mohnesh Kohli	<i>Director</i>
Mr. Rajnesh Sharma	<i>Whole Time Director</i>
Ms. Aprajita Kohli	<i>Whole Time Director</i>
Mr. Mahesh Kumar	<i>Additional Director (Independent)</i>
Mr. Anil Kumar Goyal	<i>Independent Director</i>

Chief Financial Officer

Mr. Rajnesh Sharma

Registered Office

Megri Soft Limited
S.C.O. 80, Sector 47-D,
Chandigarh-160047

Ph. No.: +91-172-2631561

E-mail: legal@megrisoft.net

Web Site: www.megrisoft.com

CIN: L72200CH1992PLC011996

PAN: AABCC2466Q

Company Secretary

Ms. Ankita Jain

Auditors

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

Registrar & Transfer Agent

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

Bankers

Karnataka Bank Limited

Directors' Report

Dear Members,

Your Directors are pleased to present the 25th (Twenty Fifth) Annual Report on business and operations of your Company together with the Audited Financial Statements for the year ended March 31, 2016.

➤ **Results of operations**

Particulars	Year Ended 31.03.2016 (Rs. In Lacs)	Year Ended 31.03.2015 (Rs. In Lacs)
Total Income	324.47	405.86
Depreciation	29.85	33.22
Profit/(Loss) Before Taxes	89.04	200.50
Provision for Taxation	(2.35)	30.47
Net Profit/(Loss) After Tax	91.39	170.03
Net Profit/(Loss) Carried To Balance Sheet	91.39	170.03
Paid Up Share Capital (Face Value Rs. 10/- each fully paid up)	314.07	314.07

➤ **Financial Review**

This year the Company registered income from operation around Rs. 324.47 Lacs as compared to last year of Rs. 405.86 Lacs and also registered a net profit (after taxes) of Rs. 91.39 Lacs which is lower than last year's profits of Rs. 170.03 Lacs (after taxes). There has been decline in profit as well as sale as compare to previous year because of decline in major services relating to search engine optimization carried out by Company. However Company has already starting diversifying to new technologies of mobile and web application development. The Company has started further development of its web portal and vortal on various subjects.

➤ **Dividend & Reserves**

In order to strengthen the financial position of the Company, your directors proposed to retain the profits for future growth & expansions therefore do not recommend any dividend for the year. Therefore, your Directors propose to transfer Rs. 9.14 Lacs (10% of the standalone net profit of the year) to the general reserve. An amount of 82.25 Lacs proposed to be retained in surplus.

➤ **Share Capital**

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

➤ **Listing of Shares**

The Company's shares are listed on BSE Ltd. (BSE) w.e.f. March 18, 2015. The Company got its equity shares listed on Metropolitan Stock Exchange of India Limited (MSEI) on March 16, 2016. The annual listing fees for the financial year 2016-17 to BSE and MSEI has been paid. The Securities and Exchange Board of India (SEBI), on September 2, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital markets to ensure better enforceability. The said regulations were applicable w.e.f. December 1, 2015. Accordingly, all listed entities were required to enter into a Uniform Listing Agreement within six months from the effective date. The Company has entered into the requisite Listing Agreement with both the above Stock Exchanges.

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

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

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

☐ **Appointment**

During the year under review, no director has been appointed on the Board of the Company.

☐ **Change in Designation (Ms. Aprajita Kohli)**

During the year under review, the designation of Ms. Aprajita Kohli has been changed from non-executive director to executive director & she became the whole-time director of the Company with effect from February 20, 2016, to hold the office as executive director for a continuous period of five years. Earlier she has been appointed as a non-executive director of the Company in 2009.

❑ Cessation

None director has resigned from the office of directorship of the Company during the year under review.

❑ Retirement by Rotation (Mr. Mohnesh Kohli)

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

❑ Re-appointment of Independent Directors

In the Annual General Meeting of the Company held on September 30, 2014, Mr. Anil Kumar Goyal & Mr. Ajay Jagga has been appointed as an independent director on the Board of the Company to hold the office for 2 (two) consecutive years i.e. upto September 29, 2016.

Considering the fact, that as their term of appointment will expire on September 29, 2016, the Board has decided to re-appoint Mr. Anil Kumar Goyal & Mr. Ajay Jagga as an independent director of the Company for a further period of 2 (two) consecutive years with effect from September 30, 2016 upto September 29, 2018, not liable to retire by rotation subject to approval of the same by passing special resolution in the ensuing Annual General Meeting.

❑ Key Managerial Personnel

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

During the year under review, Ms. Aprajita Kohli (Whole-Time Director) has been appointed as a Key Managerial Personnel.

❑ Declaration by Independent Directors

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

❑ Performance Evaluation of the Board

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

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

❑ Separate Meeting of Independent Directors

Pursuant to Schedule IV to the Companies Act, 2013 and Listing Regulations, one meeting of Independent Directors were held during the year i.e. on February 12, 2016, without the attendance of Executive directors and members of Management. In addition, the Company encourages regular separate meetings of its independent directors to update them on all business-related issues and new initiatives.

❑ Familiarization Program for Independent Directors

Pursuant to provisions of Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Schedule IV of the Companies Act, 2013 the company has formulated 'Familiarisation Programmes' for the Independent Directors and it may be accessed on the Company's website at <http://www.megrisoft.com/pdfs/fp-id.pdf>.

➤ Meetings of the Board

During the Financial Year 2015-16, the Board met Nine (9) times i.e. on 05.05.2015, 29.05.2015, 01.07.2015, 10.08.2015, 28.08.2015, 24.10.2015, 09.11.2015, 12.02.2016 and 20.02.2016. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013. Detailed information on the meetings of the Board are included in the report on Corporate Governance, which forms part of this Annual Report.

➤ Committees of the Board

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

The Company has following Committees of the Board:

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

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

➤ Energy Conservation, Technology Adoption And Foreign Exchange Earnings & Outgo

Since the Company (Megri Soft Limited) is a Service Sector Company and does not own any manufacturing facility, the other particulars in the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1998 are not applicable.

The particulars regarding foreign exchange earnings during the year of Rs. 255.65 Lacs only (Previous Year Rs. 334.88 Lacs) and expenditure in foreign currency is Rs. 6.52 Lacs only (Previous year 49.28 Lacs).

We operate in the internet/ information technology industry where new developments happen on a continuous basis. We regularly evaluate these developments & factor their suitability to us. Accordingly, research and development of new services, designs, frameworks, processes and methodologies continue to be of importance to us. This allows us to enhance quality, productivity and customer satisfaction through continuous improvements/innovation.

Your Company continues to use state-of-the-art technology for improving the productivity and quality of its products and services. To create adequate infrastructure, your Company continues to invest in the latest hardware and software.

➤ Auditors

☐ Statutory Auditor

At the 23rd Annual General Meeting of the Company held on September 30, 2014, M/s K.K. Bassi & Associates, Chartered Accountants (FRN 005539N), were appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of its 4th Annual General Meeting i.e. September 30, 2017. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the Auditors shall be placed for ratification at every Annual general Meeting. Accordingly, the appointment of M/s K.K. Bassi & Associates, Chartered Accountants, as Statutory Auditors of the Company, will be placed for ratification by the shareholders. In this regard, the Company has received a certificate from the Auditors to the effect that if they are appointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

The notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

☐ Secretarial Auditor and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and all other applicable provisions, the Company had appointed M/s A.M. & Associates, Practicing Company Secretaries, Zirakpur as its Secretarial Auditors to conduct the Secretarial Audit of the Company for F.Y. 2015-16.

The Company provided all assistance and facilities to the Secretarial Auditor for conducting their audit. The Report of Secretarial Auditor for FY 2015-16 is annexed to this report as **Annexure I**.

☐ Internal Auditor

M/s Shweta Jindal & Co., Internal Auditor perform their duties of internal auditor of the Company and their report is reviewed by the audit committee.

☐ Auditors' Report

The Statutory and Secretarial Auditors' Reports are self-explanatory and requires no comments.

➤ Management Discussion And Analysis

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

➤ Vigil Mechanism

☐ Vigil Mechanism & Whistle Blower

Pursuant to provisions of Section 177 (9) of the Companies Act, 2013 the Company has established a "Vigil Mechanism" incorporating Whistle Blower policy in terms of the listing agreement for employees and directors of the Company, for expressing the genuine concerns or grievances and provides for adequate safeguards against victimization of Whistle Blower who avails of such mechanism and also provides for direct access to the Chairman of the Audit Committee of the Board, in exceptional cases. However, a Whistle Blower can't use Whistle Blower Policy to report his/her personal grievances.

The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The functioning of the Vigil Mechanism is reviewed by the Audit Committee from time to time. None of the Whistleblowers have been denied access to the Audit Committee of the Board. The Vigil Mechanism/Whistle Blower policy is available for view on the Company's website at <http://www.megrisoft.com/pdfs/wbp.pdf>.

➤ Risk Management Policy

The Company has an effective risk management procedure, which is governed at the highest level by the Board of Directors, covering the process of identifying, assessing, mitigating, reporting and review of critical risks impacting the achievement of Company's objectives or threaten its existence.

To further strengthen & streamline the procedures about risk assessment and minimization procedures, the Board of Directors has formulated a Risk Management Policy which is available for view on the Company's website at the following link: <http://www.megrisoft.com/pdfs/rmp.pdf>

➤ Corporate Governance

Corporate governance is an ethically driven business organization's brand and reputation. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders' expectations. Your Company is committed to achieve the highest standards of Corporate Governance and also adheres to the Corporate Governance requirements set by the Regulators/ applicable laws. Accordingly, the Company understands and respects its fiduciary role and responsibility towards its stakeholders and society at large and strives to serve their interests, resulting in creation of value and wealth for all its stakeholders.

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

➤ Director's Responsibility Statement

Pursuant to the requirement under Section 134(3)(c) and 134(5) of the Companies Act, 2013, it is hereby confirmed that:

1. In the preparation of annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures, wherever applicable;
2. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
3. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the directors had prepared the annual accounts on a going concern basis;
5. the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
6. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

➤ Human Resources

Human resources play a key role in the performance of every organization. Your Company strongly believes that it is the employees who will make significant contribution to the success and growth of a business. The employee relations remained steady and harmonious throughout the year under review resulting in high level of performance.

Employees are our vital and most valuable assets. We have created a favorable work environment that encourages innovation and meritocracy. We have also set up a scalable recruitment and human resources management process, which enables us to attract and retain high caliber employees.

➤ Loans, Guarantees or Investments in Securities

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

➤ Contracts & Arrangements with Related Parties

During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions except rent paid to Mr. Mohnesh Kohli & relatives. The particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 in the prescribed Form AOC-2 are given in **Annexure II**. Your Directors draw attention of the members to **Note 33** to the financial statements which sets out related party disclosures.

The Related Party Transaction Policy may be accessed on the website of the Company at <http://www.megrisoft.com/pdfs/rptp.pdf>.

➤ Extract of Annual Return

Pursuant to sub-section 3(a) of Section 134 and subsection (3) of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extracts of the Annual Return as at March 31, 2016 in Form No. MGT 9 is furnished in **Annexure III** to this Report.

➤ Internal Financial Control System and Their Adequacy

The Company has implemented adequate procedures and internal controls which provide reasonable assurance regarding reliability of financial reporting and preparation of financial statements. The Company also ensures that internal controls are operating effectively. The Company has

appointed an external professional firm as Internal Auditor. The Internal Audit of the Company is regularly carried out to review the internal control systems and processes. The internal Audit Reports along with implementation and recommendations contained therein are periodically reviewed by Audit Committee of the Board.

➤ Particulars of the Employees

No employee of the Company is in receipt of remuneration in excess of the limits prescribed under the provisions of Section 197(12) of the Act read with Rules 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

➤ General

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

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

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

➤ Acknowledgment

We thank our customers, vendors, investors and bankers for their continued support during the year. We place on record our appreciation of the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

We also thank the Government of India, particularly the Ministry of Communication and Information Technology, the Customs and Excise Departments, the Income Tax Department, the Ministry of Commerce, the Ministry of Finance, the Reserve Bank of India, the state governments, the Software Technology Parks (STPs)–Mohali and other government agencies for their support, and look forward to their continued support in the future.

For and on behalf of the Board

Place: Chandigarh
Date: May 30, 2016

Mohnesh Kohli
Director
DIN:01784617

Rajnesh Sharma
Whole-Time Director
DIN:02528435

Management Discussion and Analysis

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

➤ Overview

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

With the advent of newer technologies and widespread penetration of communication channels like smartphones and tablet PCs in India, businesses in web based industry is on the rise.

During the year under review, the Company has been carrying on dotcom and information technology business, Domain Registration, Web Hosting, Web Designing, Web Development, Web Scripting, Web Based Software Development, Web Promotion, Search Engine optimization, Link building and SEO services in addition to development of its own Indian and International Web Portals/Vortals on various subjects as well as provided IT/ITES services to the clients also.

➤ Industry Structure and Development

The Internet industry in fact has spawned an emerging dotcom sector, and is responsible in large part for its current high powered growth. The strong software sector is now playing parent to the nascent dot com brigade, providing newbies with an edge over competitors. The dotcom companies have added a repertoire of skills by including e-business and e-commerce solutions and expertise which is currently the hottest and most in-demand both in the overseas and in the domestic markets.

The Government too is playing the indulgent patron. The Government of India's decision to increase Internet bandwidth will enable Internet penetration to rise which will help in expanding the dotcom business and increase the overall efficiency of the internet export business industry.

➤ Opportunities and Threats

The Company has a lot of scope of increasing its IT export business in the coming times and have growth in sales because of the having technology edge which it has in comparison with other competitor firms as well as in the international business sector. The Company is already taking step to increase web apps and mobile development work which is trending.

The Company has a vast pool of English speaking and skilled manpower, which rates high on qualification, capabilities, and quality of work and work ethics which will help the Company in its growth and expansion in the coming times.

The Company's unique geographical location enables 24x7 service offering and reduction in turnaround time due to time zone difference, thereby giving the best to its clients who will ultimately increase the Company's business and its performance. Our motto of manpower is providing services with not only proficiency but also efficiency.

With the increase in the dotcom business more and more firms are opting in this field which will increase the competition in the market with regards to cost and pricing. But the Company has competed with the number of foreign firms as well as domestic competition in the past and is very confident of facing the future competition as well as emerging as a winner.

Because of the opening up of the software business sector and increasing work pressure of project deadlines there is a lot of pressure on people and salaries. The Company has had a good track record of employee retention; therefore, it would be able to maintain the quality of the employees in the future as well. The Company being in IT sector is having risk of Data Security, Attrition, Content Liability, IPR Protect, I Obsolescence, and Competition Risk. The Company has a well structured and robust risk management mechanism, which includes a comprehensive register that lists the identified risks, its impact and the mitigation strategy.

➤ Outlook

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

➤ Risk Concerns

The Company has a well-structured and robust risk management mechanism, which includes a comprehensive register that lists the identified risks, its impact and the mitigation strategy.

➤ Discussion on Financial Performance

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013, guidelines issued by Securities and Exchange Board of India (SEBI) and Generally Accepted Accounting Principles (GAAP) in India. Our Management accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present our state of affairs, profits and cash flows for the year.

The Company is adequately funded to take care of its current growth plans through the funds generated by its operations. The financial performance of the Company reflects its position in the industry. Being an industry leader with its core business of SEO, the Company has grown its revenues contributing to higher profits in past few years. However, there is decline in sales and profit as compared to previous year but the Company foresees to cover such shortfall in future.

➤ Material Development in Human Resources and Environment

The Company's track record in terms of people retention is very good. To effectively meet the future challenges of the Company, plans have been drawn up and they are being executed to equip the human resources accordingly. Therefore, the Company is adequately prepared for any risk in this business. The business of the Company is non-polluting. People are the key differentiators for business success today and ensuring the development of right skills and behaviours at all levels in the organizations is of paramount importance at Megrisoft.

➤ Internal Financial Control

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

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

➤ Forward Looking Statement

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

Corporate Governance Report

(The Report on Corporate Governance forms part of the Directors' Report for the year ended March 31, 2016)

➤ Company's Corporate Governance Philosophy

Corporate Governance can be defined as a set of systems, processes and principles which ensures that the Company is governed in the best interest of all the stakeholders of the Company. This section besides being in compliance of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 gives an insight into the process of functioning of the Company.

At Megri Soft Limited, Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success, and we remain committed to maximising stakeholders' value, be it shareholders, employees, suppliers, customers, communities or policy makers. This approach to value creation emanates from our belief that sound governance system, based on relationship and trust, is integral to creating enduring value for all. We ensure:

- ❖ Transparency, fairness and timely disclosures;
- ❖ Fair and Equitable treatment to all shareholders and protection of shareholder's interests and rights;
- ❖ Compliances with all applicable laws & regulations;
- ❖ Ethical business decisions to meet stakeholder expectations; and
- ❖ Accountability of the Board to the Company and its Stakeholders.

Our governance practices are self-driven and focused to meet the aspirations of the stakeholders and at the same time create an institution which all stakeholders are proud to be associated with.

➤ Board of Directors

The Board of Directors of your Company is broad based and varied in terms of experience of the members of the Board. The Board has been constituted in compliance with the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and in accordance with best practices in Corporate Governance. The Board of Directors consists of optimum mix of the executive and non-executive Directors with 2 independent Directors on the Board and One woman Director. During the year under review, One Director, namely Ms. Aprajita Kohli was appointed as Whole Time Director on the Board due to her diverse experience, knowledge and expertise on the Board of the Company.

The Board of Directors of the Company directs the Company by formulating and reviewing Company's policies, strategies and business plans. The Board of the Company provides leadership and strategic guidance to the Company and exercises control over the Company, while remaining at all times accountable to the shareholders.

The Composition of the Board of Directors of the Company as on March 31, 2016, was as follows:

Name of the Director	Mr. Mohnesh Kohli	Mr. Anil Kumar Goyal	Ms. Aprajita Kohli	Mr. Ajay Jagga	Mr. Rajnesh Sharma
Category	Promoter & Non-Executive Director	Non-Executive & Independent Director	Executive Director	Chairman, Non-Executive & Independent Director	Executive Director
Director Identification Number (DIN)	01784617	00874488	02489600	02637549	02528435
Date of Birth	16.08.1962	25.08.1953	25.10.1990	11.07.1963	27.05.1969
Date of Appointment	09.09.1994	30.09.2014	30.09.2009	25.07.2006	18.08.1998
Expertise in Specific Functional Area	Accountancy & Financial Consultancy	Accountancy & Financial Consultancy	Internet Technology	Taxation & Legal Matters	Finance & Web Services
Qualification	B. Com., FCA & Grad. CWA	B. Com., FCA	Graduation in Journalism & PR, Advanced IT Course and MBA in International Business from University of Greenwich, London.	B. Com. & L.L.B.	Graduate in Arts
No. of Shares Held	6,38,000	0	1,51,700	500	60,800
Relationship with Other Directors	Related to Aprajita Kohli	Not Related to any Director	Related to Mohnesh Kohli	Not Related to any Director	Not Related to any Director

➤ Board Meetings and Procedure

- ❑ The meetings of the Board are convened by giving appropriate advance notice to the members of the Board. The Company Secretary circulates internal notice to all the Board members asking for the suggestions/details of any matter which requires discussion or approval of the Board so that the same could be incorporated in the agenda of the Board meeting. The date of the Board meeting is fixed taking into account convenience and availability of the Board members.
- ❑ The agenda papers are circulated to the Directors in advance along with suitable explanatory notes. At each meeting detailed presentation and important documents are placed at the table of the meeting for discussion of individual agenda items. The minutes of the Committees of Board are taken as read at the meeting of Board for information of the members. The follow up actions of important agenda items of previous Board meeting are placed at the Board meeting for review of the Board.
- ❑ The Company Secretary conducts the Board meetings and prepares all documents including minutes of the meeting in compliance with the provisions of the Companies Act and other statutory enactments. The Company Secretary records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to Board/Board Committee members for their comments. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting.
- ❑ Pursuant to Schedule IV to the Companies Act, 2013 and Listing Regulations, one meeting of Independent Directors were held during the year i.e. on February 12, 2016, without the attendance of Executive directors and members of Management. In addition, the Company encourages regular separate meetings of its independent directors to update them on all business-related issues and new initiatives.
- ❑ Total Number of Board Meetings held during the F.Y. 2015-16 : 9

Quarter – I [April'15-June'15]	Quarter – II [July'15-Sept'15]	Quarter – III [Oct'15-Dec'15]	Quarter – IV [Jan'16-Mar'16]
1. 05.05.2015	1. 01.07.2015	1. 24.10.2015	1. 12.02.2016
2. 29.05.2015	2. 10.08.2015	2. 09.11.2015	2. 20.02.2016
	3. 28.08.2015		

Attendance of Directors at the Board of Directors Meetings held during 2015-16 and the last Annual General Meeting (Annual General Meeting) held on 30.09.2015 are as follows:

Sr. No.	Name of Directors	No. of Board Meetings attended	Attendance at the last Annual General Meeting	No. of other Directorships of public companies as on March 31, 2016
1.	Mr. Mohnesh Kohli	9	Yes	-
2.	Mr. Rajnesh Sharma	9	Yes	-
3.	Mr. Ajay Jagga	9	Yes	-
4.	Ms. Aprajita Kohli	7	No	-
5.	Mr. Anil Kumar Goyal	9	Yes	1

❑ Committees of Board

During the year, the Board had the following Committees –

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

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

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

❑ Audit Committee

The Audit Committee of the Board of Directors was constituted in conformity with the requirements of the Listing Regulations as well as Section 177 of the Companies Act, 2013. The terms of reference of the Audit Committee are as set out in the Listing regulations and Section 177 of the Companies Act, 2013. The Audit Committee of the Board is primarily responsible for internal controls and the financial reporting process. The Audit Committee has been entrusted by the Board of Directors to supervise these processes and reporting.