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BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400 001 Email Id: <a href="mailto:corp.compliance@bseindia.com">corp.compliance@bseindia.com</a> Scrip Code: <b>539012</b>	Head- Listing & Compliance Metropolitan Stock Exchange of India Ltd 4th floor, Vibgyor Towers, Plot No C 62, G - Block, Opp. Trident Hotel, Bandra Kurla Complex, Bandra (E), Mumbai - 400 098, Email Id: <a href="mailto:listingcompliance@msei.in">listingcompliance@msei.in</a> Symbol: <b>MEGRISOFT</b>
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**Subject: 31st Annual Report of the Company for the Financial Year 2021-22**

Dear Sirs,

In compliance with the provisions of Regulation 34(1)(a) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Please find enclosed the Annual Report of the Company along with the Notice of Annual General Meeting for the year 2021-22.

The same is also been made available on the website of the Company at the link [www.megrisoft.com](http://www.megrisoft.com)

This is for your information and record.

Thanking You,

Yours Faithfully ,

For Megri Soft Limited

(Sunimrat Kaur)  
Company Secretary & Compliance Officer  
M.No: 68145

Date: 29/08/2022

Place: Chandigarh

***31st Annual Report  
2021-22***

Megrisoft

**Megri Soft Limited**

## COMPANY INFORMATION:

### BOARD OF DIRECTORS

Mr. Mohnesh Kohli	Director
Mr. Rajnesh Sharma	Whole-time Director
Ms. Aprajita Kohli	Non-Executive Director and Women Director
Mr. Mahesh Kumar	Independent Director
Mr. Ishwar Partap Singh	Independent Director

### STATUTORY AUDITOR

M/s Sanjay Arora & Associates  
Chartered Accountants  
Chandigarh

### COMPANY SECRETARY & COMPLIANCE OFFICER

CS Sunimrat Kaur

### CHIEF FINANCIAL OFFICER (CFO)

Mr. Rajnesh Sharma

### CONSULTING COMPANY SECRETARY & SECRETARIAL AUDITOR

Mr. Ankur Mahindru  
M/s A.M. & Associates  
#37, M.S. Enclave, Entry Dee Ess Estate Gate,  
Dhakoli, Teh. Zirakpur  
Distt.-Mohali, Punjab-160104

### BANKERS

Karnataka Bank Limited

### REGISTERED OFFICE OF COMPANY, CIN, EMAIL ID & WEBSITE

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

### REGISTRAR & SHARE TRANSFER AGENT

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

### LISTING

1. BSE LIMITED  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort, Mumbai-400 001
2. Metropolitan Stock Exchange of India Ltd (MSEI)  
205(A), 2nd floor, Piramal Agastya Corporate Park,  
Kamani Junction, LBS Road, Kurla (West), Mumbai –  
400 070



## Board's Report

Dear Members,

The Board of Directors of your Company take pleasure in presenting the 31st Annual Report on the business and operations of the Company together with the audited Standalone & Consolidated Financial Statements and the Auditor's Report thereon for the financial year ended March 31, 2022.

The results of operations for the year under review are given below:

### ➤ Results of operations

(Amount in Lakhs)

Particulars	Standalone		Consolidated	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
1. Revenue	174.28	136.41	255.56	216.75
2. Other Income	26.37	26.44	26.37	26.44
<b>3. Total Income (1+2)</b>	<b>200.65</b>	<b>162.85</b>	<b>281.93</b>	<b>243.19</b>
Expenditure:				
a) Employees Benefits Expenses	23.25	30.26	62.82	70.25
b) Depreciation and Amortization expenses	7.56	3.40	8.11	3.81
c) Finance Cost	0	0	0	0
d) Other Expenses	109.26	78.99	140.19	109.70
<b>4. Total Expenditure</b>	<b>140.07</b>	<b>112.65</b>	<b>211.12</b>	<b>183.76</b>
<b>5. Earnings Before Interest and Tax (EBIT) (3-4)</b>	<b>60.58</b>	<b>50.20</b>	<b>70.81</b>	<b>59.43</b>
<b>6. Exceptional Item</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>7. Net Profit before tax (5-6)</b>	<b>60.58</b>	<b>50.20</b>	<b>70.81</b>	<b>59.43</b>
8. Tax Expenses	14.17	12.72	16.24	14.53
<b>9. Net Profit After Tax (7-8)</b>	<b>46.41</b>	<b>37.48</b>	<b>54.57</b>	<b>44.90</b>
<b>10. Other Comprehensive Income (Net of Tax)</b>	<b>0.62</b>	<b>4.27</b>	<b>0.62</b>	<b>4.27</b>
<b>11. Total Comprehensive Income (9+10)</b>	<b>47.03</b>	<b>41.75</b>	<b>55.19</b>	<b>49.17</b>

### ➤ Financial Review

#### Standalone Financial Statements

The annual audited Standalone Financial Statements for the year have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable. Necessary disclosures as regards to the key impact areas & other adjustments upon transition to Ind-AS reporting have been made under the Notes to Financial Statements. Your Company's revenue from operations is ₹ 174.28 Lakh during the year under review as against ₹136.41 Lakh during the previous financial year. Operating EBIT, for the year is ₹ 60.58 Lakh in comparison with ₹ 50.20 Lakh in FY 2020-21. Profit before tax (PBT) from ordinary activities (before exceptional items) is ₹ 60.58 Lakh in FY 2022 as against ₹ 50.20 Lakh in FY 2020-21

#### Consolidated Financial Statements

The Consolidated Financial Statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable. The Consolidated Financial Statements have been prepared on the basis of the audited financial statements of the wholly owned subsidiary (Megrisoft Limited) which is incorporated in the United Kingdom, as approved by their respective Board of Directors. Your Company, on a consolidated basis, achieved net revenue of ₹255.56 Lakh during the year under review as against ₹ 216.75 Lakh during the previous financial year. The total consolidated income for the year is ₹ 281.93 Lakh as compared to ₹ 243.19 Lakh in FY 2020-21

### ➤ Covid-19

The previous financial year 2021-22 has been very tough due to the outbreak of COVID 19 pandemic which has thrown up many challenges in terms of complete shutting down for a few months, limited operations for most part of the year. The outbreak of COVID -19 virus, a global pandemic has affected the world economy including India. Performance of the company is mainly improved consequent to significant opening up of the economic activity in the country, the unprecedented rise in the capital market is seen recently improved compared to that during the initial phases of Covid-19 including the lock down period. The extent to which the Covid-19 pandemic, including the current second and third wave witnessed in the country, will continue to impact the Company's operations and financials will depend on the future developments, which are uncertain and will depend on how fast the businesses, other commercial and economical activities come back on track.

## ➤ Dividend

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.

## ➤ Transfer to Reserves

During the year under review the balance in Other Equity stands at ₹ 1726.23 Lakhs. The Board of Directors of your company has decided not to transfer any amount to the Reserves for the year under review.

## ➤ 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 ₹ 3,30,00,000/- divided into 33,00,000 equity shares of ₹10/- each and the issued, subscribed and paid up share capital remained ₹ 3,14,07,000/- divided into 31,40,700 equity shares of ₹ 10/- each fully paid.

## ➤ Listing of Shares

The Company's shares are listed on Bombay Stock Exchange Ltd. (BSE) & Metropolitan Stock Exchange of India Limited (MSEI). 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.

## ➤ Fixed Deposits

During the year under review, your Company has not invited or accepted any Deposits from the public/members pursuant to the provisions of Sections 73 and 76 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

## ➤ Operations Review

The Company has primarily one business segment of IT/ITES services and therefore has only one reportable with IND AS 108 "Operating Segment".

## ➤ Details of Subsidiaries

The Company incorporated a wholly owned subsidiary "Megrisoft Limited" in London, United Kingdom under the Registrar of Companies for England and Wales on October 18, 2016. During the year, the Board of Directors of your Company reviewed the affairs of the subsidiaries. A statement containing the salient features of the financial statements of our wholly owned subsidiary company in the prescribed format AOC-I is given as **Annexure-I** to this report. The statement also provides the details of performance and financial positions of the wholly owned subsidiary and their contribution to the overall performance of the Company.

## ➤ Particulars of Loans, Guarantees or Investments in Securities

The particulars of investments made, are given in the notes to the standalone financial statements. (Please refer to Note No. 4 to the standalone financial statements). The company has not given any loans nor provided any securities or guarantee.

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

As per the provisions of the Act and the Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on Company's website at <http://www.megrisoft.com/pdfs/rptp.pdf>. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. This Policy specifically deals with the review and approval of Material Related Party transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is also obtained for related party transactions on an annual basis for transactions which are of repetitive nature and/ or entered in the ordinary course of business and at arm's length basis. The Company has entered into material related party transactions, i.e. transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statements. 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**.

## ➤ Material changes and commitments, if any, affecting the financial position of the Company occurred between the end of the Financial Year to which this financial statements relate and the date of the report:

There have been no material changes affecting the financial position of the Company which have occurred between the end of the financial year of the Company and the date of the Report.

As required under section 134(3) of the Act, the Board of Directors informs the members that during the financial year, there have been no material changes, except as disclosed elsewhere in report:

- In the nature of Company's business
- In the nature of subsidiary business carried out by them and
- In the classes of business in which the Company has an interest

## ➤ **Future Outlook**

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

## ➤ **Corporate Governance**

In view of the provisions of Regulation 15(2) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements), Regulations 2015, the provisions related to Corporate Governance as specified in Regulations 17 to 27 and clauses (b) to (i) of subregulation (2) of Regulation 46 and para C, D and E of Schedule V are not applicable to the Company,

## ➤ **Management Discussion And Analysis**

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

## **Risk Management**

Risks are inherent to our business as our operating environment is complex, highly regulated, and dynamic. To attain our strategic growth objectives, protect the interests of all our stakeholders and meet legal requirements we have an established process of identifying, analyzing, and responding appropriately to all business risks. We have a well-embedded Risk Management Framework to ensure that we are well-placed to manage any adverse effect posed by financial, operational, strategic or regulatory related risks. Our framework adopts appropriate risk mitigation measures for identified risks across functions. The process ensures that new risks, which might arise, or the impact of existing risks which might have increased, are identified and a strategy is put in place for mitigating such risks. The major risks identified by the management are regulatory, competition, supply chain disruption, cyber and data security along with economic and political risks. A review of the risk management policy is carried out annually by the Risk Management Committee and the Board of Directors. Our performance in the year is testimony of the strength of our risk management system.

## **Internal Controls and Adequacy**

Your Company has a robust and reliable system of internal controls commensurate with the nature of the business, and the scale and complexity of operations. The Company has adopted policies and procedures covering all financial, operating and compliance functions. These controls have been designed to provide a reasonable assurance over:

1. Effectiveness and efficiency of operations
2. Safeguarding of assets from unauthorised use or losses
3. Compliance with applicable laws and regulations
4. Prevention and detection of frauds and errors
5. Accuracy and completeness of the accounting records
6. Timely preparation of reliable financial information

The current system of Internal Financial Controls (IFC) is aligned with the requirements of the Companies Act 2013, and is in line with the globally accepted risk-based framework. The Internal Audit (IA) function of the Company functionally reports to the Chairperson of the Audit Committee, thereby maintaining its objectivity. The IA function is supported by a dedicated internal audit team and resources from external audit firms across the locations. The annual internal audit plan is carved out from a comprehensively defined Audit Universe that encompasses all businesses, functions, risks, compliance requirements and maturity of controls. The internal audit plan is approved by the Audit Committee at the beginning of every year. Each quarter, the Audit Committee of the Board is presented with key control issues and the actions taken on issues highlighted in the previous reports. The Audit Committee deliberates with the management, considers the systems as laid down and meets the internal auditors and statutory auditor to ascertain their views on the internal control framework. The Company recognises the fact that any internal control framework would have some inherent limitations and hence has inculcated a process of periodic audits and reviews to ensure that such systems and controls are updated at regular intervals.

## ➤ **Board of Directors**

The Board of Directors ("Board") determines the purpose and values of the Company. The primary role of the Board is that of trusteeship so as to protect and enhance stakeholders' value through the strategic supervision of the Company and its subsidiaries. The Company is headed by a Board that exercises leadership integrity and judgment in directing so as to achieve continuing prosperity and to act in the best interest of the Company. The Board plays a critical role in overseeing how the management serves the short-term and long-term interests of shareholders and other stakeholders. This is reflected in the Company's governance practices, through which it strives to maintain an active, informed and an independent Board. The Board ensures that the Company complies with all relevant laws, regulations, governance practices, secretarial, accounting and auditing standards. It identifies key risk areas and key performance indicators of the Company's business and constantly monitors these factors. The Board is entrusted with the ultimate responsibility of the management, general affairs direction and performance of the Company and has been vested with the requisite powers, authorities and duties.

## ➤ **BOARD SIZE AND COMPOSITION**

The Board is at the core of the Company's corporate governance practices and oversees how the management serves and protects the long-term interests of all the stakeholders. The Company believes that an active, well informed and independent Board is necessary to achieve highest standards of corporate governance. The Board of the Company has an optimum combination of Executive Director, Non-Executive Non-Independent Directors and Independent Directors who have an in-depth knowledge of business, in addition to the expertise in their areas of specialization.



## ➤ Meetings of the Board

### ❑ Scheduling and selection of agenda items for Board meetings

- The meetings of the Board are convened by giving appropriate advance notice to the members of the Board. The Company Secretary circulates internal notice to all the Board members asking for the suggestions/details of any matter which requires discussion or approval of the Board so that the same could be incorporated in the agenda of the Board meeting. The date of the Board meeting is fixed taking into account the 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 presentations and important documents are placed at the table of the meeting for discussion of individual agenda items. The minutes of the Committees of the Board are taken as read at the meeting of the Board for information of the members. The follow up actions of important agenda items of previous Board meetings 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 was held during the year i.e. on February 7, 2022, 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.
- During the Financial Year 2021-22, the Board met 11 (eleven) times i.e. on 02.04.2021, 21.05.2021, 02.08.2021, 10.08.2021, 25.08.2021, 1.10.2021, 10.11.2021, 29.01.2022, 05.02.2022, 15.02.2022 and 30.03.2022. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

Quarter – I [April'21-June'21]	Quarter – II [July'21-Sept'21]	Quarter – III [Oct'21-Dec21]	Quarter – IV [Jan'22-Mar'22]
1) 02.04.2021 2) 21.05.2021	1.) 02.08.2021 2.) 10.08.2021 3.) 25.08.2021	1) 01.10.2021 2) 10.11.2021	1) 29.01.2022 2) 05.02.2022 3) 15.02.2022 4) 30.03.2022

### ❖ No. of Meetings Attended by the Board of Directors

S.No	Name of the Directors	Number of Meeting Attended
1.	Mohnesh Kohli	11
2.	Aprajita Kohli	3
3.	Rajnesh Sharma	11
4.	Diksha	5
5.	Mahesh Kumar	11
6.	Ishwar Partap Singh	11

### General Meetings

During the Financial Year 2021-22, There was 1 (one) Meeting held by the Shareholders of the Company. The details of Meetings are as Follows:

S.No.	Meeting	Date of Meeting
1.	Annual General Meeting	30.09.2021

## Committees of the Board

During the year, the Board had the following Committees –

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

Each Committee has its own Charter and has 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 confirms 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:

## BOARD COMMITTEES

The Committees of the Board at present, their constitution and terms of reference are set out below:

### ❑ Audit Committee

The Audit Committee which acts as a link between the management, external and internal auditors and the Board of Directors of the Company, is responsible for overseeing the Company's financial reporting process by providing direction to audit function and monitoring the scope and quality of Internal and Statutory Audits. The Audit Committee of the Company has been constituted in compliance with the provisions of Section 177 of the Act read with Regulation 18 of SEBI LODR. The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's financial reporting process and terms of reference of the Committee are as per the guidelines set out in SEBI LODR and Section 177 of the Act and inter alia, includes the following:

- Oversee the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommend the appointment / removal of Statutory Auditor(s) & Internal Auditor(s), fixing the audit fee and also approve the payment for any other services;
- Recommending the terms of appointment of auditors of the Company;
- Review with the Management, the quarterly/annual financial statements and the auditors' report thereon before submission to the Board, with particular reference to:
  - a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act, 2013;
  - b) Changes, if any, in accounting policies and practices and reasons for the same;
  - c) Major accounting entries involving estimates based on exercise of judgment by management;
  - d) Significant adjustments made in the financial statements arising out of audit findings;
  - e) Compliance with listing and other legal requirements relating to financial statements;
  - f) Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large and
  - g) Qualifications in draft audit report;
- Review with the management performance of external and internal auditors and the adequacy of internal control systems;
- Review the adequacy of internal audit function, reporting structure, coverage and frequency of internal audit;
- Discussion with internal Auditors any significant findings and follow up there on;
- Review the findings of any internal investigations by the internal Auditors into matters where there was suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board; 25
- Discussion with Statutory Auditors before the audit commences, nature and scope of audit as well as have post-audit discussion to ascertain any area of concern;
- Review the Company's financial and risk management policies;
- Evaluation of internal financial controls and risk management systems;
- Look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Reviewing the functioning of the Whistle Blower mechanism;
- Approving the appointment of Chief Financial Officer (CFO) before finalization of the same by the management. While approving the appointment, the Audit Committee shall assess the qualifications, experience and background etc. of the candidate;
- Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- Approving any subsequent modification of transactions of the Company with related parties;
- Monitoring the end use of funds raised through public offer and review with the Management, the statement of uses/ application of funds raised through an issue (public issue, right issue, preferential issue, etc), the statement of funds utilized for purposes other than those stated in the offer/document /prospectus /notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this manner;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Scrutinize inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments and
- To carry out any other function as may be required to be carried out by the Audit Committee under the Act, the listing agreement and all other applicable laws (including any statutory modification(s) or re-enactment thereof for the time being in force).



## ❑ Audit Committee Composition

Our Audit Committee comprised three directors as on March 31, 2022 out of which two are independent directors and one is non-executive director. The Company Secretary acts as the secretary to the audit committee.

<input type="checkbox"/>	Mr. Mahesh Kumar	-	Chairman (Non- Executive & Independent Director)
<input type="checkbox"/>	Ms. Diksha	-	Member (Non- Executive & Independent Director)(Retired on 30/09/2021)
<input type="checkbox"/>	Mr. Mohnesh Kohli	-	Member (Non- Executive Director)
<input type="checkbox"/>	Mr. Ishwar Pratap Singh	-	Member (Non- Executive & Independent Director)

## Audit Committee Meetings

During the Financial Year 2021-22, there were 5 (Five) meetings held by the Members of the Audit committee. The details pertaining to the number of Audit Committee Meetings held during the financial year under review.

S.No	Date of Board Meeting
1.	21.05.2021
2.	02.08.2021
3.	10.08.2021
4.	10.11.2021
5.	29.01.2022

Number of Meetings attended by the Members of the Audit Committee

S.No	Name of the Directors	Numbers of Meeting Attended
1.	Mahesh Kumar	5
2.	Diksha(till 30-09-2021)	3
3.	Mohnesh Kohli	5
4.	Ishwar Pratap Singh	5

## ❑ Nomination & Remuneration Committee

Nomination and Remuneration Committee has been constituted in compliance with the provisions of Section 178 of the Act read with Regulation 19 of SEBI LODR and acts as a Board Governance cum Compensation Committee. The terms of reference of this Committee inter alia include:

- Assist the Board in identifying the prospective directors and select or recommend to the Board in filling up vacancies in the offices of directors and appointment of additional directors of the Company and its subsidiaries;
- Evaluate the current composition, organization and governance of Board and its committees, Board of its subsidiaries, determine future requirements and make recommendations to the Board for approval;
- Ensure that the Board and the Board of its subsidiaries is properly constituted to meet its fiduciary obligations, the corporate governance principles and best practices;
- Determine the Directors who shall be liable to retire by rotation;
- Appointment of whole-time directors;
- Oversee the evaluation of the Board and management;
- Formulate the code of ethics and governance;
- Conduct succession planning and work with the Board for evaluating the potential successors to executive management positions;
- Co-ordinate and approve Board and Committee meeting schedules;
- Review of the terms of reference and annually review its own performance and subject it to the assessment by the Board;
- Identify persons who may be appointed in senior management in accordance with criteria laid down, recommend to the Board their appointment and removal;
- Formulate the criteria for determining qualifications, positive attributes and independence of a director;
- Formulate criteria for evaluation of Independent Director and the Board;
- Devise a policy on Board diversity;
- Evaluate and recommend to the Board, the compensation plan, policies and programs for executive directors and senior management;
- Review performance of whole-time directors and whole-time directors of the subsidiaries nominated by the Company on its Board and to recommend the remuneration payable to them from time to time by way of salary, perquisites, commission, allowances, performance bonus, stock options etc;
- Approve the policy for and quantum of bonus payable to the members of the staff;
- Frame/modify the Employees Stock Options Scheme and recommend granting of stock options to the staff and whole-time directors of the Company and the group companies;
- Make recommendations to the Board in respect of the incentive compensation plans;
- Recommend to the Board a policy relating to remuneration for the directors, key managerial personnel and other employees and

- Recommend to the Board, all remuneration, in whatever form, payable to senior management.

The primary objective of the Committee is to recommend suggestions to the Board of Directors pertaining to the Remuneration Policy for Directors, KMP and all other employees of the Company.

Our Nomination and Remuneration Committee comprised the following directors as on March 31, 2022 :

<input type="checkbox"/>	Ms. Diksha	-	Chairman (Non- Executive & Independent Director)(Retired on 30/09/2021)
<input type="checkbox"/>	Mr. Mohnesh Kohli	-	Member (Non- Executive Director)
<input type="checkbox"/>	Mr. Mahesh Kumar	-	Member (Non- Executive & Independent Director)
<input type="checkbox"/>	Mr. Ishwar Pratap Singh	-	Member (Non- Executive & Independent Director)

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

During the Financial Year 2021-22, there were 5 (five) meetings held by the Members of the Nomination & Remuneration committee and requisite quorum attended the said meeting. The details pertaining to the number of Nomination & Remuneration Committee Meetings held during the financial year under review

S.No	Date of Board Meeting
1.	21.05.2021
2.	02.08.2021
3.	30.09.2021
4.	10.11.2021
5.	05.02.2022

Number of Meetings attended by the Members of the Nomination & Remuneration Committee

S.No	Name of the Directors	Numbers of Meeting Attended
1.	Mahesh Kumar	5
2.	Diksha(till 30.09.2021)	3
3.	Mohnesh Kohli	5
4.	Ishwar Pratap Singh	5

#### ☐ Shareholders'/Investors' Grievance Committee (Stakeholders Relationship)

The Stakeholders' Relationship Committee of the Company was constituted by the Board in compliance with the provisions of Section 178 of the Act read with Regulation 20 of SEBI LODR to look into the redressal of shareholders'/investors' complaints, such as transfer of securities, non-receipt of dividend, notice, Annual Reports and all other securities holder related matters. The terms of reference of this Committee, inter alia, include:

- Allot to the applicants, shares and other securities issued by the Company from time to time including allotment under Employee Stock Option Scheme as amended from time to time;
- Approve transfers duly lodged for registration of transfer of shares and other securities issued and that may be issued from time to time;
- Approve or reject application for transmission of shares and other securities with and without any legal representation (i.e. probate, letter of administration, succession certificate etc.) in the name(s) of the legal heir(s) or such other person on such terms and conditions as the Committee might deem fit;
- Reject applications for transfer of shares and other securities based on the normal technical grounds and as per any prevailing law or order;
- Lay down suitable procedure and approve issue of duplicate certificates of shares and other securities;
- Approve printing of such number of certificates of shares and other securities as the Committee might deem fit and lay down procedure(s) for their issue(s), safe keeping and proper maintenance of records etc.;
- Decide account(s) to be opened/closed with any bank(s) in India for the purpose of payment of interest/dividend or for such other purpose relating to shares or other securities and to authorise such of the executive (s) or officer(s) of the Company or any other person(s) as the Committee might deem fit to open / close and operate bank account(s) already opened for said purposes;
- Decide the stock exchange(s)/depository(ies) in India or abroad, on which shares or other securities issued by the Company to be listed or delisted including offering/issuing such shares/ securities through depositories;
- Fix record date and determine closure of Register of Members and Transfer books for the purpose of payment of dividend, interest, issue of rights/bonus shares or for such other purpose as Committee might deem fit;
- Delegate the authority in respect of any or all of the above matters to any person(s), including but not restricted to the employees of its registrars to the issue and transfer agents, as may be permissible in law and on such terms and conditions as the Committee might deem fit and revoke and substitute such delegation;
- Authorize such of the officers of the Company or any other person for:
  - a) Revalidation of dividend and interest warrants, issue of duplicate dividend and interest warrants and endorsement for payment of the same to the mandatees and successors;

- b) Signing and make endorsement on shares and all securities of the Company in respect of issues so far made and might be made hereinafter in connection with the transfer or transmission of shares and other securities, the application in respect of which is approved by the Committee;
- c) Signing certificates of shares/other securities of the Company along with any two of the directors or their attorneys as witness to the seal of the Company to be affixed thereto in their presence in terms of the Companies (Share Capital and Debentures) Rules, 2014 and;
- d) Signing the fixed deposit receipts, pass through certificates and any other instruments.
- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;
- Ensure that the notices, balance sheet, annual and other reports, and other documents contain adequate disclosures to the shareholders;
- Report to the Board about the important developments in the area of servicing of the shareholders;
- Taking initiatives for better servicing of the shareholders;
- Consider and resolve grievances of shareholders, debenture holders, deposit holders and other security holders of the Company;
- Redressal of shareholders' and investors' complaints such as non-payment of interest to debenture holders and deposit holders or any security holders, etc.;
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent and
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the Company and such other activities as the Board may determine from time to time.

The stakeholders relationship committee has the mandate to review and redress stakeholder grievances.

Our Stakeholders Relationship committee comprised the following directors as on March 31, 2022 :

<input type="checkbox"/>	Mr. Mohnesh Kohli	-	Chairman (Non- Executive Director)
<input type="checkbox"/>	Mr. Mahesh Kumar	-	Member (Non- Executive & Independent Director)
<input type="checkbox"/>	Mr. Ishwar Pratap Singh	-	Member (Non- Executive & Independent Director)

During the Financial Year 2021-22, there were 3 (Three) meetings held by the Members of the stakeholder's relationship committee and requisite quorum attended the said meeting. The details pertaining to number of stakeholder's relationship Committee Meetings held during the financial year under review

S.No	Date of Board Meeting
1.	06.12.2021
2.	09.03.2022
3.	25.03.2022

Number of Meetings attended by the Members of the stakeholder's relationship committee

S.No	Name of the Directors	Numbers of Meeting Attended
1.	Mahesh Kumar	3
2	Mohnesh Kohli	3
3..	Ishwar Pratap Singh	3

Details of number of complaints received during the year are given below and Status of Investor Complaints as on March 31, 2022 are as under :

Complaints as on April 1, 2021	0
Received during the year	0
Resolved during the year	0
Pending as on 31st March, 2022	0

During the Financial Year 2021-22, the Company has not received any complaints from any shareholder.

#### ☐ Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Rules made thereunder, Schedule IV of the Act and SEBI (LODR) Regulations, 2015, the Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India (SEBI). The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure,

effectiveness of board processes, information and functioning, etc. The performance of the committees is evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc. The Board and the Nomination and Remuneration Committee (NRC) reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

## ❑ **Committee of Independent Directors**

The Independent directors of the company shall hold at least one meeting in a financial year, without the attendance of non-independent directors and members of management. The meeting of Independent Directors of the Company for the Financial Year 2021-22 was held on **February 07, 2022** to discuss:

- 1) Review & Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole.
- 2) Review of the performance of the Executive and Non-Executive Directors.
- 3) Assessment of the quality, quantity and timeliness of flow of information between the Management and the Board.

## ➤ **Familiarisation Programme for Independent Directors.**

The Independent Directors are provided with necessary documents, reports and internal policies to enable them to familiarize with the Company's procedures and practices. Further, periodic presentations are made at the Board and Committee meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. Quarterly updates on relevant statutory changes are provided to the Directors in the Board meetings. Upon appointment, the Independent Directors are issued a letter of appointment setting out in detail the terms of employment including their roles, function, responsibilities and their fiduciary duties as a Director of the Company.

## ➤ **Disclosure Under Section 164(2) of the Companies Act, 2013**

The Company has received the disclosure in Form DIR-8 from its Directors being appointed or reappointed and has noted that none of the Directors are disqualified under Section 164(2) of the Companies Act, 2013 read with Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014.

## ➤ **Vigil Mechanism/Whistle Blower Policy**

Pursuant to Section 177(9-10) of the Companies Act, 2013 and regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has formulated a whistle blower policy for vigil mechanism for directors and employees reporting for unethical behavior, fraud and mismanagement or violation of Company's code of conduct. The said policy has been uploaded on the website of the Company at <https://www.megrisoft.com/pdfs/wbp.pdf>.

## ➤ **Observance of the Secretarial Standards Issued by The Institute Of Company Secretaries Of India.**

The Company complies with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

## ➤ **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 reviewing critical risks impacting the achievement of the Company's objectives or threatening 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>

## ➤ **Internal Financial Control**

Your Company has put in place adequate internal financial controls with reference to the financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed. The Company has also put in place adequate systems of Internal Control to ensure compliance with policies and procedures which is commensurate with size, scale and complexity of its operations.

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of its fraud, error reporting mechanisms, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

## ➤ **Details of significant and material orders of regulators/courts/ tribunals**

- 1) The Company has filed an appeal with CIT (Appeals), Chandigarh for a demand of ₹ 73,47,744/- raised by disallowing deduction u/s 80IC of Income Tax Act, 1961 for the Assessment Year 2013-14.
- 2) The Company has filed an appeal with CIT (Appeals), Chandigarh for a demand of ₹ 65,15,710/- raised by disallowing deduction u/s 80IC of Income Tax Act, 1961 for the Assessment Year 2014-15.
- 3) The Company has filed an appeal with CIT (Appeals), Chandigarh for a demand of ₹ 18,67,998/- raised by disallowing deduction u/s 80IC of Income Tax Act, 1961 for the Assessment Year 2016-17.
- 4) The Company has filed an appeal with CIT (Appeals), Chandigarh for a demand of ₹ 55,38,940/- raised by disallowing deduction u/s 37(contingent liability) of Income Tax Act, 1961 for the Assessment Year 2020-21.

## ➤ Directors and Key Managerial Personnel (KMP's)

The composition of the Board of Directors is in accordance with the provisions of Section 149 of the Act and Regulation 17 of the Listing Regulations, with an optimum combination of Executive Director, Non-Executive Non-Independent Directors and Independent Directors. Details of the composition of the Board of Directors, appointments / re-appointments during the financial year under review, re-appointments after the close of the financial year, director(s) retiring by rotation and details of declaration by Independent Directors, which forms part of this Annual Report

### ❑ Appointment

During the year under review, Ms Khushboo Goyal was appointed as Company Secretary and Compliance officer on 02.08.2021 and resigned due to personal reasons on 10.11.2021. Ms Sunimrat Kaur was appointed as Company Secretary and Compliance officer on 05.02.2022.

### ❑ Change in Designation

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

### ❑ Cessation

During the year under review, Ms. Diksha resigned with effect on 30.09.2021 from the post of independent director of the company.

### ❑ Retirement by Rotation (Ms Aprajita Kohli)

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

### ❑ Key Managerial Personnel

In compliance with the provisions of Section 203 of the Companies Act, 2013, following are the KMPs of the Company as on 31st March, 2022:

S.No.	Name	Designation
1.	Mr. Rajnesh Sharma	Whole Time Director & CFO
2.	Mr. Rajnesh Sharma	Chief Financial Officer
3.	Ms. Sunimrat Kaur*	Company Secretary

\*Ms. Khushboo has been appointed as Company Secretary of the Company w.e.f. 02nd August, 2021 in the place of Ms. Kajal Rawat, Company Secretary who has resigned from the said designation w.e.f. 21st May 2021.

\*Ms. Sunimrat Kaur has been appointed as Company Secretary of the Company w.e.f. 5th February 2022 in place of Khushboo Goyal who has resigned from the said designation w.e.f. 10th November 2021.

### Declaration by Independent Directors

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

### ❑ Performance Evaluation of the Board

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

### ❑ Annual Evaluation of the Board Performance:

Pursuant to Schedule IV of the Companies Act, 2013 and Listing Regulations, one meeting of Independent Directors was held during the year i.e. on February 7, 2022, without the attendance of Executive directors and members of Management to evaluate the performance of Non-Independent Directors, Chairperson of the Company and the Board as a whole. In addition, the Company encourages regular separate meetings of its independent directors to update them on all business-related issues and new initiatives.

## ❑ Familiarization Program for Independent Directors

Pursuant to provisions of Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Schedule IV of the Companies Act, 2013 the company has formulated 'Familiarisation Programmes' for the Independent Directors and it may be accessed on the Company's website at <http://www.megrisoft.com/pdfs/fp-id.pdf>. Further, at the time of the appointment of an Independent Director, the company issued a formal letter of appointment outlining his/her role, function, duties & responsibilities.

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

Pursuant to the provisions of Section 178 (1) of the Companies Act, 2013, the Board has, on their recommendation of the Nomination & Remuneration Committee framed a policy for selection, nomination, appointment and remuneration of Directors suitably containing the criteria determining qualifications, positive attributes and independence of a Director. The Nomination & Remuneration Policy is annexed hereto and forms part of this report as **Annexure III** and it may also be accessed on the Company's website <https://www.megrisoft.com/pdfs/NMR-Policy.pdf>

## ➤ Auditors & Auditor's Report

### ❑ Statutory Auditor

During the year M/s. Sanjay Arora & Associates, Chartered Accountants, Chandigarh, [FRN: 008445N] were appointed as the statutory auditors of the Company by the Members at their 29th Annual General Meeting held on 30th September, 2020 to hold office for a period of four consecutive years from the conclusion of the 29th Annual General Meeting of the Company till the conclusion of the 33rd Annual General Meeting to be held in the year 2024.

### ❑ Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. A.M. & Associates, Practicing Company Secretaries as the Secretarial Auditors of the Company to undertake Secretarial Audit of the Company for FY 2021-2022. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer.

### ❑ Internal Auditors

The Board of Directors based on the recommendation of the Audit Committee has appointed M/s. N S Mann & Associates., Chartered Accountants, Chandigarh, as the Internal Auditors of your Company. The Internal Auditors are submitting their reports on a quarterly basis.

### ❑ Audit Reports

- The Auditors' Report for the financial year ended March 31, 2022 does not contain any qualification, reservation or adverse remark. The Auditor's Report is enclosed with the financial statements in this Annual Report.
- The Secretarial Auditor's Report for the financial year ended March 31, 2022 does not contain any qualification, reservation or adverse remark. The Secretarial Auditor's Report is enclosed as **Annexure IV** to the Board's report in this Annual report.

#### ◆ REPORTING OF FRAUD BY AUDITORS

During the year under review, neither the statutory auditor nor the secretarial auditor has reported to the Audit Committee any instances of fraud committed against the Company by its officers or employees under Section 143 (12) of the Act, the details of which would need to be reported in the Board's Report.

#### ◆ SECRETARIAL STANDARDS

The Company complies with all the mandatory secretarial standards issued by the Institute of Company Secretaries of India as may be applicable.

#### ◆ LISTING ON STOCK EXCHANGES

The Company's equity shares are listed on BSE Limited (BSE) and Metropolitan Stock Exchange of India Limited (MSEI).

## ➤ Conservation of Energy, Research and Development, Technology Absorption, Foreign Exchange Earnings & Outgo

### ❑ Conservation of Energy and Technology Absorption

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the company during the year under review. The Company is a Service Sector Company and does not own any manufacturing facility, hence the clause is not applicable. 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.



## ❑ Foreign Exchange Earnings and Outgo

The particulars regarding foreign exchange earnings during the year of ₹ 174.28 Lakhs only (Previous Year ₹ 136.41 Lakhs) and expenditure in foreign currency is ₹ 3.25 Lakhs only (Previous year 1.21 Lakhs).

## ➤ Green Initiatives

On account of threat posed by COVID-19 and in terms of the MCA and SEBI Circulars, The Company has implemented the “Green Initiative” to sent the Annual Report, Notice of e-AGM and e-voting instructions are sent only in electronic form to the registered E-mail addresses of the shareholders, whose email addresses are registered with the Company/Depository Participant(s). Those members who have not registered their e-mail addresses and mobile nos. and in consequence could not be served the Annual Report and Notice of e-AGM, may temporarily get themselves registered by writing to the Company or RTA quoting their folio number(s).

The Company is providing e-voting facility to all members to enable them to cast their votes electronically on all resolutions set forth in the Notice. This is pursuant to section 108 of the Companies Act, 2013 read with relevant rules thereon. The instructions for e-voting are provided in the Notice of the AGM.

## ➤ Corporate Social Responsibility (CSR) Policy

The provisions regarding formation / constitution of CSR Committee prescribed under Section 135 of the Companies Act, 2013 are presently not applicable to the Company Human Resources Management

## ➤ Human Resource Management

Human resources management at Megri Soft Ltd. goes beyond the set boundaries of compensation, performance reviews and development. Your Company considers people as its biggest assets and ‘Believing in People’ is at the heart of its human resource strategy. Your Company has put concerted efforts in talent management and succession planning, practices, strong performance management and learning and training initiatives to ensure that your Company consistently develops inspiring, strong and credible leadership.

During the year, the focus of your Company was to ensure that young talent is nurtured and mentored consistently, that rewards and recognition are commensurate with performance and that employees have the opportunity to develop and grow. Your Company has established an organization structure that is agile and focused on delivering business results.

With regular communication and sustained efforts, it is ensuring that employees are aligned on common objectives and have the right information on business evolution. Your Company strongly believes in fostering a culture of trust and mutual respect in all its employees and seeks to ensure that the company's values and principles are understood by all and are the reference point in all people's matters.

## ➤ The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 (‘Act’) and rules made there under, your Company has adopted a Sexual Harassment Policy for women to ensure healthy working environment without fear of prejudice, gender bias and sexual harassment.

During the FY 2021-22, the Company received no complaint on sexual harassment under The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## ➤ Particulars of the Employees

The disclosures in respect of managerial remuneration as required under section 197(12) read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is attached in **Annexure VI** and forms part of this report.

None of the employees has received a salary of `1.02 crores per annum or `8.50 lakh per month or more during the Financial Year 2021-22. Accordingly, no particulars of employees are required to be given as per Rule 5 (2) and 5 (3) Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014. Since the Company has no Holding Company, no particulars are required to be given pursuant to the provisions of section 197(14) of the Companies Act, 2013.

## ➤ Directors Responsibility Statement

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
2. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
3. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. They have prepared the annual accounts on a going concern basis;
5. They have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;



6. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2021-2022.

## ➤ General Disclosures

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

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

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

## ➤ Code of Conduct

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all Senior Manager Personnel in the course of day to day business operations of the company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behaviors of any form and the Board has laid down the directives to counter such acts. The Code has been posted on the Company's website. The Code lays down the standard procedure of business conduct which is expected to be followed by the directors and all Senior Manager Personnel in their business dealings and in particular on matters relating to integrity in the workplace, in business practices and in dealing with stakeholders.

## ➤ Appreciation

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

We also thank the Government of various countries where we have our operations. We also thank the Government of India, particularly the Ministry of Communication and Information Technology, the Customs and Excise Departments, the Income Tax Department, the Ministry of Commerce and industry, the Ministry of Corporate Affairs, the Ministry of Finance, the Reserve Bank of India, the state governments, the Software Technology Parks (STPs)-Mohali/ Special Economic Zones (SEZs) and other government agencies for their support, and look forward to their continued support in the future.

**For and on behalf of the Board**

**Place: Chandigarh**  
**Date: 20.05.2022**

**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 a 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 software, 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 the web based industry are 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 overseas and in the domestic markets.

The Government too is playing the indulgent patron. The Government of India 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 has growth in sales because of having the technology edge which it has in comparison with other competitor firms as well as in the international business sector. The Company is already taking steps 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 qualifications, 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 a 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 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 the IT sector is having risk of Data Security, Attrition, Content Liability, IPR Protect, Obsolescence and Competition Risk.

### ➤ **Outlook**

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

### ➤ **Risk Concerns**

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



## ➤ **Discussion on Financial Performance**

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

The Company is adequately funded to take care of its current growth plans through the funds generated by its operations. The financial performance of the Company reflects its position in the industry. Being an industry leader with its core business of SEO, the Company is increasing its revenues contributing to higher profits in the past few years.

## ➤ **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 the right skills and behaviors at all levels in the organization is of paramount importance at Megrisoft.

## ➤ **Internal Financial Control**

The Company's internal financial control systems are commensurate with its size and nature of its operations and such internal financial controls are adequate and are operating effectively. The Company has adopted policies and procedures for ensuring orderly and efficient conduct of the business. These controls have been designed to provide reasonable assurance regarding recording and providing reliable financial and operational information, adherence to the Company's policies, safeguarding of assets from unauthorized use and prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

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.

## Annexure I

### Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

#### Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	MEGRISOFT LIMITED
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as Holding Company
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	British Pound Sterling (₹. 99.55 as on March 31, 2022)
4.	Share capital	₹ (100 pounds)
5.	Reserves & surplus	₹ 24.85 Lakhs
6.	Total assets	₹ 56.32 Lakhs
7.	Total Liabilities	₹ 56.32 Lakhs
8.	Investments	N.A.
9.	Turnover	₹ 81.28 Lakhs
10.	Profit before taxation	₹10.23 Lakhs
11.	Provision for taxation	₹ 2.07 Lakhs
12.	Profit after taxation	₹ 8.16 Lakhs
13.	Proposed Dividend	N.A.
14.	% of shareholding	100%

**Notes:** The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations: Nil
- Names of subsidiaries which have been liquidated or sold during the year: Nil

**Part "B": Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

<b>Name of Associates/Joint Ventures</b>	<b>N.A.</b>		
1. Latest audited Balance Sheet Date	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>
2. Shares of Associate/Joint Ventures held by the company on the year end	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>
No.	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>
Amount of Investment in Associates/Joint Venture	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>
Extend of Holding%	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>
3. Description of how there is significant influence	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>
4. Reason why the associate/joint venture is not consolidated	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>
5. Net worth attributable to shareholding as per latest audited Balance Sheet	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>
6. Profit/Loss for the year	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>
i. Considered in Consolidation	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>
ii. Not Considered in Consolidation	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>

**Note:**

- Names of associates or joint ventures which are yet to commence operations - **NA**
- Names of associates or joint ventures which have been liquidated or sold during the year - **NA**

**For and on behalf of the Board**

**Place: Chandigarh**  
**Date: 20.05.2022**

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

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



**Form No. AOC-2**

**(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

This Form pertains to the disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013, including certain arm's length transactions under third proviso thereto

**A Details of contracts or arrangements transactions not at arm's length basis**

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2022, which were not at arm's length basis.

**B Details of transactions at arm's length basis**

1.
  - a) Name(s) of the related party and nature of relationship: Mr. Mohnesh Kohli, Promoter, Director & Person having significant influence
  - b) Nature of contracts/arrangements/transactions: Rent Paid
  - c) Duration of the contracts/arrangements/transactions: 5 Years
  - d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
  - e) Date(s) of approval by the Board: 28.10.2019
  - f) Amount: ₹360,000
2.
  - a) Name(s) of the related party and nature of relationship: Mrs. Neena Kohli, Promoter, Director & Person having significant influence
  - b) Nature of contracts/arrangements/transactions: Rent Paid
  - c) Duration of the contracts/arrangements/transactions: 5 Years
  - d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
  - e) Date(s) of approval by the Board: 28.10.2019
  - f) Amount: ₹480,000
3.
  - a) Name(s) of the related party and nature of relationship: Mr. Mahesh Kohli
  - b) Nature of contracts/arrangements/transactions: Contract given/signed for Construction of premises on Companies land
  - c) Duration of the contracts/arrangements/transactions: 5 years
  - d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
  - e) Date(s) of approval by the Board: 18th February, 2020
  - f) Amount : ₹ 1,52,15,000/-

**For and on behalf of the Board**

**Place: Chandigarh**  
**Date: 20.05.2022**

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

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

**NOMINATION AND REMUNERATION POLICY  
OF**

**MEGRI SOFT LIMITED**

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

**1. PREFACE:**

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

**2. ROLE OF THE COMMITTEE:**

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

**3. MEMBERSHIP:**

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

**4. CHAIRMAN:**

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

**5. FREQUENCY OF MEETINGS:**

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

**6. COMMITTEE MEMBERS' INTERESTS:**

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

**7. SECRETARY:**

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

**8. VOTING:**

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

**9. MINUTES OF COMMITTEE MEETING:**

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

**10. EFFECTIVE DATE & AMENDMENTS:**

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

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

**For the Financial Year Ended March 31, 2022**

**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Megri Soft Limited** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us with a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Megri Soft Limited** ("The Company") for the period ended on **March 31, 2022** according to the provisions of:
  - a. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
  - b. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made thereunder;
  - c. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - d. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - e. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**):
    - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not applicable to the Company during the Audit Period**);
    - iv. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on October 28, 2014 (**Not applicable to the Company during the Audit Period**);
    - v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company during the Audit Period**);
    - vi. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    - vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the Company during the Audit Period**);
    - viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the Company during the Audit Period**);

We have also examined compliance with the applicable clauses/regulations of the following:

- I. Secretarial Standards issued by The Institute of Company Secretaries of India and effective from 01.07.2015.
- II. The Listing Agreements entered into by the Company with BSE Limited & Metropolitan Stock Exchange of India Limited (MSEI)/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on the agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines

**Place : Zirakpur  
Date : 26.04.2022**

**For A.M. & Associates**

**CS Ankur Mahindru (Proprietor)  
Membership No. 27853,  
C.P. NO. 9951  
UDIN: A027853D000209287**

**Note:** This report is to be read with our letter of even date which is annexed as **Annexure-A** and forms an integral part of this report.



#### **Annexure-A**

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, and standards is the responsibility of management. Our examination was limited to the verification of procedures on a random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Place : Zirakpur**  
**Date : 26.04.2022**

**For A.M. & Associates**

**CS Ankur Mahindru (Proprietor)**  
**Membership No. 27853,**  
**C.P. NO. 9951**  
**UDIN: A027853D000209287**

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

1. The percentage increase/decrease in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2021-22 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2021-22 are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for Financial Year 2021-22 ( In Lakhs)	% decrease in remuneration In Financial Year 2021-22	Ratio of remuneration of each Director to median remuneration of employees
1.	Rajnesh Sharma, Whole Time Director & CFO	4.58	2.98%	7.26
2.	Kajal Rawat, Company Secretary(till 21.05.2021)	0.36	N.A	N.A.
3.	Khushboo Goyal, Company Secretary(02.08.2022 to 10-11-2022)	0.61	N.A	N.A
4.	Sunimrat Kaur, Company Secretary(05.02.2022 onwards )	0.46	N.A.	N.A

The median remuneration of employees of the Company during the Financial Year was 0.63 Lakhs (previous year 1.70 Lakhs)

In the Financial Year, there was a decrease of 62.89% in the median remuneration of employees.

There were 7 permanent employees in the role of the Company as on 31st March, 2022.

Average percentage decrease made in the salaries of employees other than managerial personnel in the last Financial Year i.e. 2021-22 was 30.98%.

It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**ANNEXURE VI****CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

The Members,  
Megri Soft Limited  
SCO 80 First Floor  
Back Side, Sector - 47 D  
Chandigarh  
Pin code-160047,

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Megri Soft Limited, having CIN:L72200CH1992PLC011996 and having registered office at SCO 80 back side Sector-47D Chandigarh 160047(hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

S. No	Name of Director	DIN	Date of appointment in Company
1.	Mr. Mohnesh Kohli	01784617	09/09/1994
2.	Ms. Aprajita Kohli	02489600	30/09/2009
3.	Mr. Mahesh Kumar	07584152	12/08/2016
4.	Mr. Rajnesh Sharma	02528435	18/08/1998
5.	Mr. Ishwar Pratap Singh	07505006	30/09/2020

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For A.M & Associates**  
**Practicing Company Secretary**

**CS ANKUR MAHINDRU**  
**Membership No. A 27853**  
**Certificate of Practice No. 9951**  
**UDIN: A027853D000140999**

**Date:17.04.2022**  
**Place: Zirakpur**



**CERTIFICATION BY CHIEF FINANCIAL OFFICER OF THE COMPANY**

**The Board of Directors  
Megri Soft Limited  
S.C.O. 80, Sector 47-D,  
Chandigarh-160047**

Dear members of the Board,

I, Rajnesh Sharma, Chief Financial Officer of Megri Soft Limited, to the best of my knowledge and belief, certify that:-

- a) I have reviewed financial statements and cash flow statement for the year ended on March 31, 2022 and that to the best of my knowledge and belief:
  - I. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - II. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and also disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps we have taken or propose to take to rectify these deficiencies
- d) I have indicated to the auditors and the Audit Committee:-
  - I. Significant changes in internal control over financial reporting during the year;
  - II. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - III. Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Sd/-  
Rajnesh Sharma  
Chief Financial Officer**

**Date:20.05.2022  
Place:Chandigarh**



## **ANNEXURE VIII**

### **CFO's DECLARATION TO COMPLIANCE OF CODE OF CONDUCT**

This is to confirm that the Company has adopted a Code of Conduct for its Board Members and Senior Management and the same is available on our corporate website [www.megrisoft.com](http://www.megrisoft.com). I confirm that the Company has in respect of the financial year ended March 31,2022, received from Members of the Board & Senior Management team of the Company a declaration of the compliance with the Code of Conduct as applicable to them.

**Sd/-**  
**Rajnesh Sharma**  
**Chief Financial Officer**

**Date : 20.05.2022**  
**Place : Chandigarh**

## **Independent Auditors' Report**

**To  
The Members  
Megri Soft Limited**

### **Report on the Audit of the Standalone Ind AS Financial Statements**

#### **Opinion**

We have audited the accompanying standalone Ind AS financial statements of Megri Soft Limited ("the Company"), which comprise the Balance sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.No.	Key Audit Matter	Auditor's Response
01.	Evaluation of uncertain tax positions	The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Note 25 to the Standalone Ind AS Financial Statements

### **Response to key audit matters & conclusion**

#### **Principal Audit Procedures**

We performed the following substantive procedures: Obtained details of completed tax assessments and demands upto the year ended March 31, 2022 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2021 to evaluate whether any change was required to management's position on these uncertainties. Relying on relevant external evidence available including legal opinion relevant judicial precedents and industry practices getting management confirmation wherever necessary. We agree with management's evaluation.

### **Information other than the Standalone Ind AS Financial Statements and Auditors' Report Thereon**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone Ind AS financial statements and our auditors' report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of

the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has an adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS standalone financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in

evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone Ind AS financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e. On the basis of written representations received from the directors as on March 31, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164(2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;



- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 25 & 33 to the standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise;
  - iii. During the year, the company was not liable to transfer any amount to the Investor Education Protection Fund
  - iv. a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement
  - v. The company has not declared or paid any dividend during the year. Hence compliance with Section 123 of the Act is not applicable on the company.

**For Sanjay Arora & Associates**

Chartered Accountants

ICAI Firm Registration Number: 008445N

**Neelkant Gargya**

Partner

Membership Number: 093624

Place of Signature: Chandigarh

Date: 20th May, 2022

UDIN:- 22093624AJHRGL4921

**ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF MEGRI SOFT LIMITED**

**(referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" section of our report of even date)**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

**I. In respect of the Company's Property, Plant and Equipment and Intangible Assets::**

a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification

c) According to the information and explanations given by the management, the title deeds all the immovable properties of land which are freehold, are held in the name of the company. In respect of land that has been taken on lease cum free hold please refer to Notes no 32 of Notes to Accounts.

d) The Company has not revalued any of its Property, Plant and Equipment including right of-use assets) and intangible assets during the year.

e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

**II.**

a) The Company is in the business of rendering software services, and consequently, does not hold any inventory. Therefore, the provisions of Clause (ii) of paragraph 3 of the said Order are not applicable to the Company.

b) The Company has not been sanctioned working capital limits in excess of 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable

**III.** According to the information and explanations are given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided a guarantee or security or granted any advances in the nature of loans, secured or

unsecured, to companies, firms, limited liability partnerships or any other parties during the year. The Company has not granted any loans, secured or unsecured, to firms, limited liability partnerships or any other parties during the year. Accordingly, the provisions of clause 3 (iii) (a) to (f) of the Order are not applicable to the Company and hence not commented upon.

- IV. In our opinion and according to the information and explanations given to us, provisions of section 186 of the Companies Act 2013 in respect of investments made have been complied with by the company. There are no loans, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- V. The Company has not accepted any deposits from the public during the year and hence the provisions of clause 3 (v) of the Order are not applicable to the company.
- VI. The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under Clause 3(vi) of the order is not applicable to the Company.
- VII. According to the information and explanations given to us and based on the records of the company examined by us:
- The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, value added tax, goods and service tax, cess and other statutory dues applicable to it.
  - There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other materials Statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
  - However, according to information and explanations given to us, the following dues of income tax have not been deposited/disputed by the Company:

Nature of Statute	Nature of Dues	Amount (in Rs.)	Period to which amount relates	Forum where dispute is pending
Income tax Act, 1961	Tax and interest	73,47,744/-	A.Y 2013-14	CIT(Appeals)
Income tax Act, 1961	Tax and interest	65,15,710/-	A.Y 2014-15	CIT(Appeals)
Income tax Act, 1961	Tax and interest	18,67,998/-	A.Y 2016-17	CIT(Appeals)
Income tax Act, 1961	Tax and interest	55,38,940/-	A.Y 2020-21	CIT(Appeals)

- VIII. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

- IX. a. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lender.
- b. In our opinion and according to the information and explanation given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority
- c. The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- d. In our opinion and according to the information and explanation given to us, there are no funds raised on short term basis which have been utilised for long term basis.
- e. In our opinion and according to the information and explanation given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f. In our opinion and according to the information and explanation given to us, The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, associates or joint ventures.
- X.
- a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- XI.
- a) On the basis of books and records of the company examined by us and according to the information and explanations given to us, we report no fraud by the Company and no material fraud on the Company has been noticed or reported during the year in the course of audit
- b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report
- c) As represented to us by the Management, the company has not received any whistle blower complaints received by the Company during the year (and upto the date of this report), and hence reporting under clause 3(xi)(b) of the Order is not applicable.
- XII. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable
- XIII. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- XIV.
- a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- XV. According to the information and explanations given to us and on the basis of books and records examined by us, the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of

the Companies Act, 2013 are not applicable to the Company. Accordingly, reporting under clause 3(xv) of the order is not applicable.

XVI.

- a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable

XVII. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year

XVIII. There has been no resignation of the statutory auditors of the Company during the year.

XIX. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

XX. In our opinion and according to the information and explanations are given to us, Corporate Social Responsibility (CSR) is not applicable to the company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

**For Sanjay Arora & Associates**

Chartered Accountants

ICAI Firm Registration Number: 008445N

**Neelkant Gargya**

Partner

Membership Number: 093624

Place of Signature: Chandigarh

Date: 20th May, 2022

UDIN:- 22093624AJHRGL4921

**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF MEGRI SOFT LIMITED**

**(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Megri Soft Limited ("the Company") as of March 31, 2022, in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone Financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these standalone Financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these standalone Financial statements.

## **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone Financial statements includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these standalone Ind AS Financial statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone Financial statements to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS Financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

For **Sanjay Arora & Associates**

Chartered Accountants

ICAI Firm Registration Number: 008445N

**Neelkant Gargya**

Partner

Membership Number: 093624

Place of Signature: Chandigarh

Date: 20th May, 2022

UDIN:- 22093624AJHRGL4921

**MEGRI SOFT LIMITED**  
**CIN : L72200CH1992PLC011996**  
**Regd. Office : SCO 80, Sector 47D, Chandigarh -160047**  
**AUDITED STANDALONE BALANCE SHEET AS AT MARCH 31, 2022**

(Amount in '000)

S. No.	Particulars	Note	As At March 31,2022	As At March 31,2021
<b>A</b>	<b>ASSETS</b>			
<b>1</b>	<b>NON-CURRENT ASSETS</b>			
	Property, Plant and Equipment	3	60954	58214
	Other Intangible Assets	3	585	625
	Intangible Assets Under Development	3	18384	18068
	Capital Work In Progress	3	28393	13846
	Financial Assets			
	(a) Non-Current Investments	4(a)	12460	11498
	Deffered Tax Assets (Net)	5	358	416
	Other Non-Current Assets	6	48541	49014
	<b>Total Non-Current Assets</b>		<b>169675</b>	<b>151681</b>
<b>2</b>	<b>CURRENT ASSETS</b>			
	Financial Assets			
	(a) Current Investments	4(b)	272	412
	b) Trade Receivables	4(c)	157	3270
	c) Cash and Cash Equivalents	7	1998	4978
	d) Bank Balance Other Than (c) Above	8	27516	37150
	e) Other Current Assets	9	7128	4386
	<b>Total Current Assets</b>		<b>37071</b>	<b>50196</b>
	<b>Total Assets</b>		<b>206746</b>	<b>201877</b>
<b>B</b>	<b>EQUITY &amp; LIABILITIES</b>			
<b>1</b>	<b>SHAREHOLDERS' FUNDS</b>			
	(a) Equity Share Capital	10(a)	31407	31407
	(b) Other Equity	10(b)	172623	167920
	<b>Total Equity</b>		<b>204030</b>	<b>199327</b>
<b>2</b>	<b>NON CURRENT LIABILITIES</b>			
	Financial Liabilities			
	(a) Long-Term Borrowings		-	-
	(b) Deferred Tax Liabilities (Net)		-	-
	Total Non-Current Liabilities		-	-
<b>3</b>	<b>CURRENT LIABILITIES</b>			
	Financial Liabilities			
	(a) Trade Payables	11	-	-
	(b) Other Current Liabilities	12	1008	1051
	(c) Provisions	13	1708	1499
	Total Current Liabilities		2716	2550
	<b>Total Equity and Liabilities</b>		<b>206746</b>	<b>201877</b>

The accompanying notes 1 to 35 are in integral part of the Financial Statements.

As per our report of even date  
**For Sanjay Arora & Associates**  
**Chartered Accountants**  
**Firm Registration No. 008445N**

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

**(Neelkant Gargya)**  
**Partner**  
**Membership No. 093624**

**Mohnesh Kohli**      **Rajnesh Sharma**  
**(Director)**      **(Whole Time Director & CFO)**  
**DIN: 01784617**      **DIN: 02528435**

**Place: Chandigarh**  
**Date: 20th May, 2022**



**MEGRI SOFT LIMITED**

CIN : L72200CH1992PLC011996

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

**STATEMENT OF AUDITED STANDALONE PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022**

(Amount in '000) except EPS

S. No.	Particulars	Note	As At March 31,2022	As At March 31,2021
<b>I</b>	Revenue From Operations	<b>14</b>	17428	13641
	Other Income	<b>15</b>	2637	2644
	<b>Total Revenue</b>		<b>20065</b>	<b>16285</b>
	<b>EXPENSES</b>			
	a) Employees Benefit Expenses	<b>16</b>	2325	3026
	b) Finance Cost	<b>17</b>	0	0
	c) Depreciation & Amortization Expenses	<b>18</b>	756	340
	d) Other Operating Expenses	<b>19</b>	10926	7899
<b>II</b>	<b>Total Expenses</b>		<b>14007</b>	<b>11265</b>
<b>III</b>	<b>Profit Before Tax (I-II)</b>		<b>6058</b>	<b>5020</b>
	<b>Tax Expenses</b>			
	a) Current Tax		1359	1212
	b) Deferred Tax (Assets)/Liabilities		58	60
<b>IV</b>	<b>Total Tax Expenses</b>		<b>1417</b>	<b>1272</b>
<b>V</b>	<b>Profit for the period (after Tax) (III-IV)</b>		<b>4641</b>	<b>3748</b>
	<b>Other Comprehensive Income</b>			
	<b>a) Items that will not be reclassified subsequently to profit or loss</b>			
	Equity Investment through other comprehensive income		83	577
	Income tax relating to above		(21)	(150)
<b>VI</b>	<b>Total other comprehensive income</b>		<b>62</b>	<b>427</b>
<b>VII</b>	<b>Total Comprehensive income (V+VI)</b>		<b>4703</b>	<b>4175</b>
	Paid-up Equity Share Capital (face value of Rs. 10 per equity share)		31407	31407
	<b>Earning per Equity share of Rs. 10/- each:</b>			
	1) Basic	<b>20</b>	1.48	1.19
	2) Diluted		1.48	1.19

The accompanying notes 1 to 35 are in integral part of the Financial Statements.

As per our report of even date

**For Sanjay Arora & Associates**

**Chartered Accountants**

**Firm Registration No. 008445N**

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

**(Neelkant Gargya)**

**Partner**

**Membership No. 093624**

**Mohnesh Kohli**

**(Director)**

**DIN: 01784617**

**Rajnesh Sharma**

**(Whole Time  
Director & CFO)**

**DIN: 02528435**

**Place: Chandigarh**

**Date: 20th May, 2022**

**MEGRI SOFT LIMITED**  
**CIN : L72200CH1992PLC011996**  
**Regd. Office : SCO 80, Sector 47D, Chandigarh -160047**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022**

(Amount in '000)

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Net Profit Before Tax</b>		<b>6058</b>		<b>5020</b>
Adjustments for:				
Interest Expenses	0		0	
Depreciation and Amortization	756		340	
Profit on Sale of Assets	0		0	
Profit on Sale of Investments	(760)		4	
Discount Received	-		-	
Interest Income on FDR's	(1798)		(2636)	
Dividend Income	(26)	(1828)	(13)	(2305)
<b>Operating Profit before Working Capital Changes</b>		<b>4230</b>		<b>2715</b>
<b>Adjustments for:</b>				
Short Term Borrowings	-		-	
Trade Payables	-		-	
Other Current Liabilities	(43)		737	
Provisions	209		(75)	
Trade Receivables	3113		(578)	
Short Term Loans & Advances	-		-	
Other Current Assets	(2742)		(525)	
Other Non Current Assets	473	1010	(12460)	(12901)
<b>Cash Generated From Operations</b>		<b>5240</b>		<b>(10186)</b>
Income Tax		(1359)		(1212)
<b>Net Cash Flow From Operating Activities</b>		<b>3881</b>		<b>(11398)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Loang Term Loans & Advances				
Expenditure on property, plant and equipment and intangibles	(18319)		(11992)	
Sale/Transfer of Fixed Assets	0		13842	
Bank deposits	9634		5226	
Investment	(760)		3534	
Interest Income on FDR's	1798		2636	
Dividend Income	26		13	
Profit On Sale of Assets	0		0	
Income From Sale of Investment	760		(4)	
<b>Net Cash Used In Investing Activities</b>		<b>(6861)</b>		<b>13255</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Interest on overdraft facility	0		0	
<b>Net Cash Used In Financing Activities</b>		<b>0</b>		<b>0</b>
Net increase in cash & Cash Equivalents		(2980)		1857
Cash and Cash equivalents (Opening Balance)		4978		3121
Cash and Cash equivalents (Closing Balance)		1998		4978
<b>Net Decrease/(Increase) in Cash and Cash Equivalents</b>		<b>2980</b>		<b>(1857)</b>

Notes:

- Figures in brackets indicate cash outflow.
- The above Statement of Cash Flows has been prepared under the Indirect method as set out in IND AS - 7 on Statement of Cash Flows notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015], as amended.
- The accompanying notes 1 to 35 are in integral part of the Financial Statements.

As per our report of even date

**For Sanjay Arora & Associates**  
**Chartered Accountants**  
**Firm Registration No. 008445N**

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

**(Neelkant Gargya)**  
**Partner**  
**Membership No. 093624**

**Mohnesh Kohli**   **Rajnesh Sharma**  
**Director**   **(Whole Time**  
**DIN: 01784617**   **Director & CFO)**  
**DIN: 02528435**

**Place: Chandigarh**  
**Date: 20th May, 2022**

MEGRI SOFT LIMITED  
CIN : L72200CH1992PLC011996  
Regd. Office : SCO 80, Sector 47D, Chandigarh - 160047  
STATEMENT OF CHANGE IN EQUITY ( F.Y.2021-22)

**A. Equity Share Capital ( F.Y.2021-22)**

(Amount in '000)

Balance as at April 1, 2021	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
31407	-	31407	-	31407

**Equity Share Capital ( F.Y.2020-21)**

(Amount in '000)

Balance as at April 1, 2020	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
31407	-	31407	-	31407

**Other Equity ( F.Y.2021-22)**

(Amount in '000)

Particulars	Reserves and surplus						Other comprehensive income				Total equity attributable to equity holders of the Company
	Capital equity reserve	Capital redemption reserve	Securities Premium	Retained earnings	General reserve	Statutory reserve	Equity Instruments through other comprehensive income	Effective portion of Cash Flow Hedges	Other items of other comprehensive income / (loss)	Foreign currency translation reserve	
Balance as at April 1, 2021	-	-	-	162198	5295	-	427	-	-	-	167920
Profit for the year	-	-	-	4641	-	-	-	-	-	-	4641
Total comprehensive income	-	-	-	-	-	-	62	-	-	-	62
Dividend	-	-	-	-	-	-	-	-	-	-	-
Transfer to reserves	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	0	0	0	166839	5295	0	489	0	0	0	172623

**Other Equity ( F.Y.2020-21)**

(Amount in '000)

Particulars	Reserves and surplus						Other comprehensive income				Total equity attributable to equity holders of the Company
	Capital equity reserve	Capital redemption reserve	Securities Premium	Retained earnings	General reserve	Statutory reserve	Equity Instruments through other comprehensive income	Effective portion of Cash Flow Hedges	Other items of other comprehensive income / (loss)	Foreign currency translation reserve	
Balance as at April 1, 2020	-	-	-	158450	5295	-	-	-	-	-	163745
Profit for the year	-	-	-	3748	-	-	-	-	-	-	3748
Total Comprehensive Income	-	-	-	-	-	-	427	-	-	-	427
Dividend	-	-	-	-	-	-	-	-	-	-	-
Transfer to reserves	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2021	0	0	0	162198	5295	0	427	0	0	0	167920

The accompanying notes 1 to 35 are in integral part of the Financial Statements.

As per our report of even date

**For Sanjay Arora & Associates**  
Chartered Accountants  
Firm Registration No. 008445N

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

(Neelkant Gargya)  
Partner  
Membership No. 093624

Mohnesh Kohli  
(Director)  
DIN: 01784617

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

Place: Chandigarh  
Date: 20th May, 2022

## Notes to the Standalone Financial Statements for the year ended March 31, 2022

1. **Corporate Information** - Megri Soft Limited (the Company) is a public limited company domiciled and incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at SCO 80 Sector 47 D Chandigarh India 160047. Its shares are listed on two stock exchanges of India i.e Bombay Stock Exchange (BSE) and Metropolitan Stock Exchange of India (MSE). The company is registered with STPI as a 100 % Software Export Oriented Unit and carries on the IT/ITES activities. The Company is primarily engaged in providing web design, application development, web development, e-strategy consulting, eCommerce solutions, search engine research, search engine optimization, social media optimization and SEO services. The standalone financial statements were authorised for issue in accordance with a resolution of the directors on 20th May 2022

## 2. Significant Accounting Policies

- 2.1. **Basis of Preparation of Financial Statements** - This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use.

- 2.1.1. **Compliance with Ind AS** - These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ('the Act') [Companies (Indian Accounting Standards) Rules, 2015, as amended by notification dated March 31, 2016] and other relevant provisions of the Act.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III (Division II) to the Companies Act, 2013. Based on the nature of services and the time between the rendering of service and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and noncurrent classification of assets and liabilities.

The financial statements are presented in Indian Rupees and all amounts disclosed in the financial statements and notes have been rounded off upto two decimal points to the nearest Thousands (as per the requirement of Schedule III), unless otherwise stated.

- 2.1.2. **Historical Cost Convention**- The Financial statements have been prepared on a historical cost basis, except for the following:
    - Certain financial assets and liabilities (including derivative instruments) which are measured at fair value / amortised cost;
    - Defined benefit plans-plan assets measured at fair value; and
    - Share based payments

### 2.1.3. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below

Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

**2.2. Property, plant and equipment - Property, plant and equipment** are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are recognized in profit or loss during the reporting period, in which they are incurred. Depreciation is provided on a pro-rata basis on the straight line method over the estimated useful lives of assets, based on internal assessment and independent technical evaluation done by the Management.

Assets Estimated useful life (Years)

Assets	Estimated useful life (Years)
Building	60
Computers	3
Plant and Machinery	10
Furniture and Fixtures	10
Office Equipments	5
Vehicles	6

Gains and losses on disposals are determined by comparing net disposal proceeds with carrying amount of the asset. These are included in profit or loss within other income.

- 2.3. Intangible Assets -** Intangible assets are stated at cost less accumulated amortization and impairment, wherever applicable. Intangible assets are amortized over their respective individual estimated useful lives on a straight line basis, from the date they are available for use. The estimated useful life of an identifiable asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flow from the asset. The research costs are expensed as incurred. The development costs, which can be capitalized, include the cost of material, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Amortization methods and useful lives are reviewed periodically including at each financial year end.

**Assets Estimated useful life (Years)**

Assets	Estimated useful life (Years)
Softwares	6
Web Properties	10

**2.4. Impairment of non-financial assets -**

Assessment is done at each balance sheet date as to whether there is any indication that an asset may be impaired. If any such indication exists or when annual impairment testing for an asset is required, an estimate of the recoverable amount of the asset/cash generating unit is made. Recoverable amount is higher of an asset's or cash generating unit's fair value less costs of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purpose of assessing impairment, the recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. The smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit (CGU). An asset or CGU whose carrying value exceeds its recoverable amount is considered impaired and is written down to its recoverable amount. Assessment is also done at each balance sheet for possible reversal of an impairment loss recognized for an asset, in prior accounting periods.

**2.5. Foreign currency translations**

- 2.5.1. Functional and presentation currency** -Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency') i.e., Indian Rupee (INR) which is its presentation currency as well.

- 2.5.2. Initial recognition** - On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.
- 2.5.3. Subsequent recognition** - As at the reporting date, foreign currency monetary items are translated using the closing rate and non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Exchange gains and losses arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the year or in previous financial statements are recognised in profit or loss in the year in which they arise.
- 2.5.4. Translation of foreign operations-** The financial statements of foreign operations are translated using the principles and procedures mentioned above since these businesses are carried on as if it is an extension of the Company's operations.

## **2.6. Revenue Recognition**

- 2.6.1.** Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration we expect to receive in exchange for those services.
- 2.6.2.** Dividend income is recognized as and when the right to receive is established. Interest on Bank fixed deposits is recognized on an accrual basis on certificates of interest issued by banks.
- 2.6.3.** Export benefits and other benefits are accounted for on an accrual basis. Export entitlements are recognized as a reduction from material consumption when the right to receive credit is established in respect of the exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

## **2.7. Income tax**

- 2.7.1.** The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.
- 2.7.2.** The current income tax is calculated on the basis of the tax rates and the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It establishes provisions or make reversals of provisions made in earlier years, where appropriate, on the basis of amounts expected to be paid to / received from the tax authorities
- 2.7.3.** Deferred tax is recognized for all the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognized and carried forward only if it is probable that sufficient future taxable amounts will be available against which such deferred

tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. The carrying amount of deferred tax assets are reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

- 2.7.4.** Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.
- 2.7.5.** Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.
- 2.7.6.** Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.
- 2.7.7.** Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets and liabilities and the deferred tax balances relate to the same taxable authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

## **2.8. Provisions**

- 2.8.1.** Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.
- 2.8.2.** Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.
- 2.8.3.** If the effect of the time value of money is material, provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects the risks specific to the liability. The increase in the provision due to the passage of time is recognized as a finance cost
- 2.8.4.** The company has adopted the following accounting policy for making provision in respect of income-tax cases under appeal: "In respect of disputed income-tax



demand, where the company is in appeal, provision for tax is made when the matter is finally decided.”

## **2.9. Trade and other payables**

These amounts represent liabilities for goods and services provided prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

## **2.10. Earnings Per Share (EPS)**

### **2.10.1. Basic earnings per share is calculated by dividing**

- 2.10.1.1. the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year

### **2.10.2. Diluted earnings per share**

- 2.10.2.1. Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account - the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential instruments into equity shares.

## **2.11. Critical estimates and judgements**

- 2.11.1. The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS that requires management to make accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company’s accounting policies. The estimates and assumptions used in the accompanying financial statements are based upon Management’s evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of non-current investments and have been discussed below. Key source of estimation of uncertainty in respect of current tax expense and payable, employee benefits and fair value of unlisted subsidiary entities have been discussed in their respective policies.

## **2.12. Employee Retirement Benefits**

**2.12.1. Short term employee benefits** - All employee benefits payable/available within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages and bonuses etc., are recognised in the statement of profit and loss in the period in which the employee renders the related service.

### **2.12.2. Post-employment benefits**

**Defined contribution plans** – Retirement benefits in the form of a provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

#### **Defined benefit plans – Gratuity**

The company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity payment plan provides for a lump sum payment to the vested employees at retirement, death, incapacitation while in employment or on termination of employment of an amount based on the respective employee's salary and tenure of employment. Vesting occurs upon the completion of five years of service.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. Re-measurements comprising of actuarial gains and losses are recognised in other comprehensive income which are not reclassified to profit or loss in the subsequent periods

**2.12.3. Bonus Plans** - The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

**2.12.4. Long – term employee benefits** -Leave Encashment The liability of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date Using the projected unit credit method.

## **2.13. Segment Reporting**

The Company has primarily one business segment of IT/ITES service and accordingly there is no separate reportable segment as per Ind AS -108 'Operating Segments' specified under section 133 of the Companies Act, 2013.

## **2.14. Cash and Cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash on hand, the amount at banks and other short-term deposits with an original maturity of three months or less that are readily convertible to a known amount of cash and, which are subject to an insignificant risk of changes in value.

## **2.15. Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

**2.15.1. Initial Recognition and measurement** - On initial recognition, all the financial assets and liabilities are recognized at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability except financial asset or financial liability measured at fair value through profit or loss ("FVTPL"). Transaction costs of financial assets and liabilities carried at fair value through the Profit and Loss are immediately recognized in the Statement of Profit and Loss.

### **2.15.2. Subsequent measurement**

**2.15.2.1. Financial assets carried at amortised cost** - A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**2.15.2.2. Financial assets at fair value through other comprehensive income (FVTOCI)** - A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**2.15.2.3. Financial assets at fair value through profit or loss (FVTPL)** - A financial asset is measured at fair value through profit and loss unless it is measured at amortized cost or at fair value through other comprehensive income.

**2.15.2.4. Investments in subsidiaries** - The Company has adopted to measure investments in subsidiaries at a cost in accordance with Ind AS 27 and the carrying amount as per previous GAAP at the date of transition has been considered as deemed cost in accordance with Ind AS 101.

**2.15.2.5. Financial Liabilities** - Financial liabilities are classified, at initial recognition, as loans and borrowings, payables, as appropriate. The Company's financial liabilities include trade and other payables. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to short term maturity of these instruments.

**2.15.3. Derecognition of financial instruments** - A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability is derecognized when the obligation specified in the contract is discharged or canceled or expired.

**2.15.4. Fair value measurement of financial instruments** - The fair value of financial instruments is determined using the valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Based on the three level fair value hierarchy, the methods used to determine the fair value of financial assets and liabilities include quoted market price, discounted cash flow analysis and valuation certified by the external valuer. In case of financial instruments where the carrying amount approximates fair value due to the short maturity of those instruments, carrying amount is considered as fair value.

**2.16. Provisions, contingent liabilities and contingent assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, can be reliably estimated, will be required to settle such an obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate. A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non -occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

**Note 3**

**Changes in the carrying value of Property, Plant & Equipment For the Financial Year 2021-22**

(Amount in '000)

Particulars	Gross Block			Depreciation				Net Block		
	Carrying Value As On April 01,2021	Additions	Deductions	Carrying Value As On March 31,2022	As On March 31, 2021	Current Year	Written Off	Transfer	Carrying Value As On March 31, 2022	Carrying Value As On March 31, 2021
(a)Land & Building										
Land	57328	0	-	57328	-	-	-	-	57328	57328
Building	0	-	0	0	-	-	-	-	0	0
Total	57328	0	0	57328	-	-	-	-	57328	57328
(b)Tangible Assets										
Furniture & Fixtures	2281	34		2315	2032	103	-	-	180	249
Computer	2808	185		2993	2580	101	-	-	312	228
Generator	727	-	-	727	690	-	-	-	36	36
Air Conditioner	604	86	-	690	573	8	-	-	109	31
Office Equipment	616	79		695	567	10	-	-	118	49
Vehicles	5836	3072	-	8908	5543	494	-	-	2871	293
Total	12872	3456	0	16328	11985	716	-	0	3626	886
(I) Property, Plant and Equipment (a+b)	70200	3456	0	73656	11985	716	0	0	60954	58214
Note 3 -										
(II) Other Intangible Assets										
Computer Software	902	0	-	902	722	40	-	-	140	180
Web Properties	8909	-	-	8909	8464	-	-	-	445	445
Total	9811	0	-	9811	9186	40	-	-	585	625
(II) Intangible Assets under Development										
Capital work in progress	18068	316	-	18384	-	-	-	-	18384	18068
	13846	14547	-	28393	-	-	-	-	28393	13846
GRAND TOTAL	111925	18319	0	130244	21171	756	-	0	108316	90753

### Capital Work -In-Progress

The capital work-in-progress ageing schedule for the year ended March 31, 2022 and March 31, 2021 is as follows:

Particulars	Amount in CWIP for a period of			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	14547	10577	3269	-
<b>Total Capital work-in-progress 31st March 2022</b>				<b>28393</b>
Projects in progress	10577	3269	-	-
<b>Total Capital work-in-progress 31st March 2021</b>				<b>13846</b>

For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan the project wise details of when the project is expected to be completed is given below as of March 31, 2022 and March 31, 2021 :

Particulars	Amount in CWIP for a period of			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	-	-	-	-
<b>Total Capital work-in-progress 31st March 2022</b>				<b>0</b>
Projects in progress	-	-	-	-
<b>Total Capital work-in-progress 31st March 2021</b>				<b>0</b>

### Intangible assets under development:

The Intangible assets under development ageing schedule for the year ended March 31, 2022 and March 31, 2021 is as follows:

Particulars	Amount in CWIP for a period of			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	316	410	344	17314
Projects temporarily suspended				18384
<b>Total Intangible assets under development 31st March 2022</b>				<b>18384</b>
Projects in progress	410	344	0	17314
Projects temporarily suspended				18068
<b>Total Intangible assets under development 31st March 2021</b>				<b>18068</b>

No Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original project as of March 31, 2022 and March 31, 2021. No Intangible assets under development project has been suspended as of March 31, 2022 and March 31, 2021

**Note 4**
**(a) Non-Current Investments**

Particulars	As At March 31,2022			As At March 31,2021		
	Number of Unit	Face value (₹)	('000)	Number of Unit	Face value (₹)	('000)
<b>Investment in Equity shares (fully paid up)</b>						
<b>(Quoted)</b>						
Tata Consultancy Services Ltd	60	1	224	35	1	111
Infosys Limited	255	5	486	385	5	527
Mindtree Limited	180	10	775	130	10	271
Wipro Limited	470	2	278	470	2	195
Yes Bank Limited	7000	2	86	17000	2	265
Reliance Industries	160	10	422	185	10	370
Tech Mahindra Ltd	65	5	98	40	5	40
SBI cards & Payment Services Ltd	370	10	315	220	10	204
Karnataka Bank Limited	2400	10	133	1400	10	86
Indusind Bank Limited	160	10	150	80	10	76
Info Edge India Ltd	30	10	135	25	10	107
ICICI Bank Limited	90	2	66	-	-	-
Birla Soft Limited	100	2	46	-	-	-
<b>Investments at fair value through other comprehensive income (FVOCI) - A</b>			<b>3214</b>			<b>2252</b>
<b>Aggregate amount of quoted investments at cost</b>			2654			1675
<b>Investment in Equity shares - fully paid up (Unquoted)</b>						
Dynamic Petro Products Limited	262000	10	2620	262000	10	2620
Basel Investments Limited	380000	10	3800	380000	10	3800
Himalyan Financial Services Ltd.	281600	10	2816	281600	10	2816
<b>Aggregate amount of unquoted investments at cost - B</b>			<b>9236</b>			<b>9236</b>
<b>Investment in Subsidiary Companies -fully paid up (Unquoted)</b>						
Megrisoft Limited (UK)	100		10	100		10
<b>Aggregate amount of unquoted investments at cost - C</b>			<b>10</b>			<b>10</b>
<b>Total Non current investments (A+B+C)</b>			<b>12460</b>			<b>11498</b>
<b>Investments carried at cost</b>			<b>9246</b>			<b>9246</b>
<b>Investments carried at fair value through other comprehensive income (FVOCI)</b>			<b>3214</b>			<b>2252</b>

Note: Invested in quoted investments carried at fair value through other comprehensive income (FVOCI) to recognise the unrealized gains. The previous year the quoted investments carried at cost price.

**(b) Current investments**

Particulars	As At March 31,2022			As At March 31,2021		
	Number of Unit	Amount per unit Rs	('000)	Number of Unit	Amount per unit Rs	('000)
<b>Investment in Mutual Funds (unquoted) (Liquid/ Liquid Plus) (At Cost)</b>						
Franklin India Ultra Short Bond Fund	443	28	15	9,057.00	28	253
Mirae Asset Large cap fund growth plan	3324	48	257	3,324.00	48	159
<b>Investments at fair value through other comprehensive income (FVOCI)</b>			<b>272</b>			<b>412</b>
<b>Investments carried at cost</b>			<b>172</b>			<b>412</b>
<b>Investments carried at fair value through other comprehensive income (FVOCI)</b>			<b>272</b>			<b>412</b>

**(c) Trade Receivables**

Particulars	As At March 31,2022 ('000)	As At March 31,2021 ('000)
<b>Trade receivable outstanding for a period exceeding six months</b>		
Unsecured		
Considered good - Against Sale of Investments	-	2520
Considered doubtful	-	-
<b>Trade receivable outstanding for a period less than six months</b>		
Unsecured		
Considered good - Against Exports	157	750
Considered doubtful	-	-
<b>Total</b>	<b>157</b>	<b>3270</b>

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.

The trade receivable for current year 157 (Thousands) ( Previous Year 3270 Thousands).

**Trade receivables ageing schedule for the year ended as on March 31, 2022 and March 31, 2021:**

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables – considered good	-	157	-	-	-	-	157
Undisputed Trade receivables – credit impaired	-	-	-	-	-	-	0
Disputed Trade receivables – considered good	-	-	-	-	-	-	0
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	0
	0	157	0	0	0	0	157
Less: Allowance for credit loss	-	-	-	-	-	-	0
<b>Total Trade Receivables 31st March 2022</b>							<b>157</b>
Undisputed Trade receivables – considered good	-	750	-	-	-	2520	3270
Undisputed Trade receivables – credit impaired	-	-	-	-	-	-	0
Disputed Trade receivables – considered good	-	-	-	-	-	-	0
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	0
	0	750	0	0	0	2520	3270
Less: Allowance for credit loss	-	-	-	-	-	-	0
<b>Total Trade Receivables 31st March 2021</b>							<b>3270</b>

**Note 5**

**Deferred Tax Assets (Net)**

Particulars	As At March 31, 2022	As At March 31, 2021
	('000)	('000)
Opening Balance	416	476
Add: Deferred Tax Assets on Depreciation	0	0
Less: Deferred Tax Liabilities on Depreciation	(58)	(60)
<b>Total</b>	<b>358</b>	<b>416</b>

**Note 6**

**Other Non-Current Assets**

Particulars	As At March 31, 2022	As At March 31, 2021
<b>(Unsecured, considered good, unless otherwise stated)</b>	<b>('000)</b>	<b>('000)</b>
Capital Advances (Against Land & Building)	35341	35325
Other Loans and Advances	13038	13473
Deferred revenue Expenditure	162	216
<b>Total</b>	<b>48541</b>	<b>49014</b>

Rs 54000 is written off and charged to the profit and loss account every year being 1/10 of principal amount of deferred Revenue expenditure.

**Note 7**

**Cash & Cash Equivalents**

Particulars	As At March 31, 2022	As At March 31, 2021
<b>Balances with banks</b>	<b>('000)</b>	<b>('000)</b>
In Current Account & Deposit Accounts	1987	4962
Cash in hand	11	16
<b>Total</b>	<b>1998</b>	<b>4978</b>

**Note 8**

**Bank balance other then (7) above**

Particulars	As At March 31, 2022	As At March 31, 2021
	('000)	('000)
<b>Balances with bank:-</b>		
In Fixed Deposit	27516	37150
<b>Total</b>	<b>27516</b>	<b>37150</b>

**Note 9**

**Other Current Assets**

Particulars	As At March 31, 2022	As At March 31, 2021
<b>(Unsecured, considered good, unless otherwise stated)</b>	<b>('000)</b>	<b>('000)</b>
Advances with suppliers & others	5826	3243
Other Advances	172	176
Advance Tax	750	576
TDS/TCS Recoverable	206	201
Other Current Assets	174	190
<b>Total</b>	<b>7128</b>	<b>4386</b>



**Note 10 (a)****Share Capital**

Particulars	As At March 31, 2022	As At March 31, 2021
	('000)	('000)
<b>Authorised</b>		
3300000 Equity Shares of Rs. 10/- each	33000	33000
	33000	33000
<b>Issued &amp; subscribed</b>		
3140700 equity shares of Rs. 10/- each fully paid	31407	31407
	31407	31407
<b>Issued, Subscribed &amp; Paid up</b>		
3140700 equity shares of Rs. 10/- each fully paid	31407	31407
	31407	31407
<b>Total</b>	<b>31407</b>	<b>31407</b>

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

Particulars	As At March 31, 2022	As At March 31, 2021
	('000)	('000)
<b>EQUITY SHARES</b>		
At the beginning of the year	31407	31407
Add: Issued during the year	-	-
<b>Outstanding at the end of the year</b>	<b>31407</b>	<b>31407</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. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company in proportion to their shareholding.

c. During last 5 years immediately preceding the balance sheet date, no Equity Share has been issued pursuant to any contract without payment being received in cash. Further the company has neither allotted any share by way of bonus shares, nor it had bought back any Equity during aforesaid period of 5 years. Unpaid Calls - NIL ( Previous Year NIL) No shares have been forfeited by the company during the year.

**d. The details of the shares held by promoters as at March 31, 2022 are as follows:**

Particulars	As at March 31, 2022			As At March 31, 2021	
	No. of Shares	% Holding	% Change during the year	No. of Shares	% Holding
Mohnesh Kohli	777000	24.74%	-	777000	24.74%
Neena	391100	12.45%	-	391100	12.45%
Mohnesh Kohli HUF	709700	22.60%	-	709700	22.60%
Aprajita Kohli	193000	6.15%	-	193000	6.15%
Austin Kohli	254200	8.09%	-	254200	8.09%
<b>Total</b>	<b>2325000</b>	<b>74.03%</b>	-	<b>2325000</b>	<b>74.03%</b>

**Note 10(b)****Other Equity**

Particulars	As At March 31, 2022	As At March 31, 2021
	('000)	('000)
General reserve	5295	5295
Retained earnings	167328	162625
<b>Total</b>	<b>172623</b>	<b>167920</b>

**Note 11****Trade Payables**

Particulars	As At March 31, 2022	As At March 31, 2021
	('000)	('000)
Trade Payables	-	-
<b>Total</b>	<b>0</b>	<b>0</b>

Based on information available with the Company, there are no dues to micro, small and medium enterprises, as defined in Micro, Small and Medium Enterprises Development Act, 2006 as on March 31, 2022.

**Trade payables ageing schedule for the year ended as on March 31, 2022 and March 31, 2021:**

Particulars	Not Due	Less than 1 year months	1-2 years year	2-3 years	More than 3 year	Total
Outstanding dues to MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Disputed dues – MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
<b>Total trade payables 31st March 2022</b>						<b>0</b>
Outstanding dues to MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Disputed dues – MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
<b>Total trade payables 31st March 2021</b>						<b>0</b>

**Note 12****Other Current Liabilities**

Particulars	As At March 31, 2022	As At March 31, 2021
	('000)	('000)
Audit Fees Payable	55	45
Contribution to Provident & Other Funds	1	0
Other Payables	952	1006
<b>Total</b>	<b>1008</b>	<b>1051</b>

**Note 13****Provisions**

Particulars	As At March 31, 2022	As At March 31, 2021
	(‘000)	(‘000)
Provision for Income Tax	1518	1362
Provision for Employee Benefits	190	137
<b>Total</b>	<b>1708</b>	<b>1499</b>

**Note 14****Revenue From Operations**

Particulars	As At March 31,2022	As At March 31,2021
	(‘000)	(‘000)
<b>Information Technology Services</b>		
Income From IT Exports Of Services	17428	13641
<b>Total</b>	<b>17428</b>	<b>13641</b>

**Note 15****Other Income**

Particulars	As At March 31,2022	As At March 31,2021
	(‘000)	(‘000)
Interest on Fixed Deposits with Bank	1798	2635
Income from Investment (Dividend and Profits on Investments etc.)	786	9
Other Income	53	0
<b>Total</b>	<b>2637</b>	<b>2644</b>

**Note 16****Employee Benefit Expenses**

Particulars	As At March 31,2022	As At March 31,2021
	(‘000)	(‘000)
Salary & Wages (Including Director Remuneration see note no. 31)	2143	2894
Contribution to Provident & Other Funds	7	15
Staff Welfare Expenses	175	117
<b>Total</b>	<b>2325</b>	<b>3026</b>

**Note 17****Finance Cost**

Particulars	As At March 31,2022	As At March 31,2021
	(‘000)	(‘000)
Borrowings Cost	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**Note 18****Depreciation & Amortisation**

Particulars	As At March 31,2022	As At March 31,2021
	(‘000)	(‘000)
Depreciation & Amortization Expenses	756	340
<b>Total</b>	<b>756</b>	<b>340</b>

**Note 19****Other Operating Expenses**

Particulars	As At March 31,2022	As At March 31,2021
	(‘000)	(‘000)
Advertisement & Marketing expenses	438	252
Bank Charges	110	168
Communication & Internet Expenses	181	163
Insurance Expenses	62	63
IT Operating Expenses	7292	5046
Legal & Professional Expenses	682	609
Miscellaneous Expenses	314	226
Payment to auditors (refer Note 19.1 below)	60	60
Power Fuel & Water Charges	118	93
Printing & stationery	37	20
Rent Rates & Taxes	840	840
Repair & Maintenance Expenses	429	183
Travelling & conveyance expenses (Including Director Foreign travelling Expenses)	363	176
<b>Total</b>	<b>10926</b>	<b>7899</b>

**Note 19.1****Payment to Auditors**

Particulars	As At March 31,2022	As At March 31,2021
<b>Payment to auditor</b>	<b>('000)</b>	<b>('000)</b>
As Auditor Statutory Audit	60	60
For Other Services	-	-
<b>Total</b>	<b>60</b>	<b>60</b>

**Note 20****Earning Per Share**

Particulars	As At March 31,2022	As At March 31,2021
<b>Earnings per share</b>	<b>('000)</b>	<b>('000)</b>
Basic		
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	4641	3748
Weighted average number of equity shares	3140700	3140700
Par value per share	10	10
Earnings per share from continuing operations - Basic	1.48	1.19
Diluted	1.48	1.19

**20.1 Ratios**

The ratios for the years ended March 31, 2022 and March 31, 2021 are as follows:

Particulars	Numerator	Denominator	31st March 2022	31st March 2021	Variance
Current Ratio	Current assets	Current liabilities	13.65	19.68	(30.64%)
Debt – Equity Ratio	Total Debt (represents lease liabilities)	Shareholder's Equity	-	-	-
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	-	-	-
Return on Equity (ROE)	Net Profits after taxes	Shareholder's Equity	14.78%	11.93%	2.85%
Trade receivables turnover ratio	Revenue	Average Trade Receivable	10.17	4.58	122.05%
Trade payables turnover ratio	Purchases of services and other expenses	Average Current Liabilities	10.61	11.57	(8.30%)
Net capital turnover ratio	Revenue	Working Capital	0.51	0.29	75.86%
Net profit ratio	Net Profit	Revenue	26.99%	30.61%	(3.62%)
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed	2.97%	2.52%	0.45%
Return on Investment(ROI)	Income generated from investments	Average investments	6.38%	0.07%	6.31%

## Note 21

### Current Assets, Loans & Advances:

In the opinion of the Board, current assets, loans and advances have a value at least equal to the amount shown in the balance sheet, if realized in the ordinary course of the business. The provisions for all known liabilities are made and not in excess of the amount considered reasonably necessary.

## Note 22

### Impairment

In the view of management no impairment conditions existed on 31st March 2022. Hence, no provision is required in the accounts for the year under review.

## Note 23

### Auditor's Remuneration

Auditors' remuneration for the financial year 2021-22 is Rs 60000 Excluding GST (Previous Year Rs. 60000)

## Note 24

### Foreign Exchange Earnings

The particulars regarding foreign exchange earnings during the year of Rs. 174.28 Lakhs only (Previous Year Rs. 136.41 Lakhs) and expenditure in foreign currency is Rs. 3.25 Lakhs only (Previous year 1.21 Lakhs).

## Note 25

### Contingent Liabilities and Litigations

In view of accounting policies, Contingent Liability not provided for: Disputed Income Tax Demand against which company has gone into appeal in view of facts of the cases/ opinion obtained Rs. 2,12,70,392/-

Nature of Statute	Nature of Dues	Amount (in Rs.)	Period to which amount relates	Forum where dispute is pending
Income tax Act, 1961	Tax and interest	73,47,744/-	A.Y 2013-14	CIT(Appeals)
Income tax Act, 1961	Tax and interest	65,15,710/-	A.Y 2014-15	CIT(Appeals)
Income tax Act, 1961	Tax and interest	18,67,998/-	A.Y 2016-17	CIT(Appeals)
Income tax Act, 1961	Tax and interest	55,38,940/-	A.Y 2020-21	CIT(Appeals)

## Note 26

### Employee Benefits

- A. Defined Contribution Plans** - The Company has a defined contribution plan in respect of provident fund. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to a registered provident fund administered by the Government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

During the year, the Company has recognised the following amounts towards the defined contribution plan in the Statement of Profit and Loss –

Amount (000)		
Particulars	As At March 31, 2022,	As At March 31, 2021
Employers' Contribution to Provident Fund	1	12
Employer's Contribution to Employees State Insurance	6	3

- B. Other Long term benefits** - The leave obligations cover the Company's liability for earned leave.. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next twelve months.
- C. Defined Benefit Plans - Contribution to Gratuity Funds** – The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The company does not have any employees who are in continuous service for a period of 5 years Hence The Company doesn't operate a defined benefit gratuity plan, which requires contributions to be made to the recognised fund.

## Note 27

**Regulation 34(3) read with para A of Schedule V to Securities And Exchange Board of India (Listing Obligations And Disclosures Requirements) Regulations, 2015:**

Amount (000)		
Particulars	As At March 31, 2022,	As At March 31, 2021
<b>Advance given to subsidiary</b>		
<b>Megrisoft Limited ( UK Subsidiary)</b>		
Balance at the year end	2019	2019
Maximum amount outstanding at any time during the year	2019	2019

## Note 28

### Foreign Travelling Expenses

Rs. 2.04 Lakhs was incurred on foreign travelling during the financial year under review as compared to Rs. 1.07 Lakhs during the preceding financial year. The entire amount was incurred on foreign travelling expenses of the director.

## Notes 29

During the year ended March 31, 2022, the company incurred an expense of 283.93 lacs (Previous year: 138.46) for the construction of an IT plot at I-46, Sector-83 Alpha, I.T. City, SAS Nagar, Punjab, 160055. Since construction is in progress and the amount shown under head Capital work in progress in the Schedule of Fixed Assets (Notes 3).

## Note 30

### Related Party Disclosures:

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

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

Sr.No.	Name of Related Party	Relationship
1.	Mr. Mohnesh Kohli	Promoter, Director & Person having significant influence
2.	Mrs. Neena Kohli	Relative of a person having significant influence
3.	Ms. Aprajita Kohli	
4.	Mr. Austin Kohli	
5.	Mr. Mahesh Kohli	
6.	Mr. Rajnesh Sharma (Whole Time Director)	Key Managerial Personnel
7.	Ms. Sunimrat Kaur (Company Secretary)	
8.	Mohnesh Kohli & Co.	Enterprise Over which controlling person have significant influence
9.	Mohnesh Kohli HUF	
10.	Megrisoft Limited (UK)	Subsidiary Company

**B) Details of transactions with the related party during the year ended March 31, 2022, in the ordinary course of business:**

**(Rs. in Lakhs)**

<b>Sr No</b>	<b>Nature of Relationship/ transaction</b>	<b>Person having Significant Influence &amp; their relatives</b>	<b>Key Managerial Personnel &amp; relatives</b>	<b>Independent &amp; Other Non Executive Directors</b>	<b>Enterprise over which controlling person have significant influence</b>	<b>Subsidiary Company</b>	<b>Total</b>
<b>1.</b>	<b>KMP Remuneration</b> Mr. Rajnesh Sharma Ms. Kajal Rawat Ms. Khushboo Goyal Ms. Sunimrat Kaur	- - - -	4.58 0.36 0.61 0.46	- - - -	- - - -	- - - -	<b>6.01</b>
<b>2.</b>	<b>Director Sitting Fees:</b> Mohnesh Kohli Diksha Mahesh Kumar Ishwar Partap Singh	- - - -	- - - -	0.30 0.20 0.30 0.30	- - - -	- - - -	<b>1.10</b>
<b>3.</b>	<b>Reimbursement of Tour &amp; Travelling Expense:</b> Aprajita Kohli Mohnesh Kohli	- -	- -	1.46 0.97	-	-	<b>3.13</b>
<b>4.</b>	<b>Rent paid:</b> Mohnesh Kohli Ms. Neena Kohli	3.60 4.80	- -	- -	- -	- -	<b>8.40</b>
<b>5</b>	<b>Payment for Construction of Building at IT Park Mohali Punjab</b> Mahesh Kohli	152.15	-	-	-	-	<b>152.15</b>

Out of above payments to related parties director remuneration outstanding on 31st March 2022 is 0.47 lacs ( previous year 0.27)

**Note 31**

Salary and wages include director remuneration 4.58 lacs ( Previous Year 4.73 lacs) and sitting fee 1.10 lacs. ( Previous Year 1.20)

**Note 32**

The Industrial plot allotment by GMADA at I.T. City, SAS Nagar Punjab at Lease and freehold basis and allotment and its possession is in the name of the Company. The plot will be converted into a freehold after 7 years from the completion of full payment. The Company has already paid the full amount of 324.05 lacs.

**Note 33**

The company filed a case against Godrej Estate Developers Pvt Ltd on 31/07/2020 in State Consumer Dispute Redressal Commission, U.T. Chandigarh regarding the refund of full money of Rs 1,38,42,183/- along with interest paid for the purchase of a commercial space Unit No. W-3D, 3rd Floor of Tower No. Plot No. 70, Industrial Area, Phase 1, Chandigarh. On 18th April 2022, The court ordered Godrej Estate Developers Pvt Ltd to refund the entire amount to the company along with interest of @12% p.a. and the Cost of litigation of Rs. 50000. Estimated Interest will be approximately Rs 166 lakhs and Final interest is yet to be determined by the court.

**Note 34**

The company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,.

**Note 35****Previous Year Figures Regrouping/Reclassification**

Previous year figures have been regrouped/reclassified to conform to the current year classification.

**As per the report of event date attached.**

For **Sanjay Arora & Associates**

Chartered Accountants

ICAI Firm Registration Number: 008445N

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

**Neelkant Gargya**

Partner

Membership Number: 093624

Place of Signature: Chandigarh

Date: 20th May 2022

**Mohnesh Kohli**

**(Director)**

**DIN: 01784617**

**Rajnesh Sharma**

**(Director & CFO)**

**DIN: 02528435**



## **Independent Auditors' Report**

**To the Members of Megri Soft Limited**

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

#### **Opinion**

We have audited the accompanying consolidated Ind AS financial statements of Megri Soft Limited (hereinafter referred to as “the Holding Company”), its subsidiary (the Holding Company and its subsidiary together referred to as “the Group”) comprising of the Consolidated Balance sheet as at March 31 2022, the Consolidated Statement of Profit and Loss, including other comprehensive income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the ‘Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements’ section of our report. We are independent of the Group in accordance with the ‘Code of Ethics’ issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.No.	Key Audit Matter	Auditor's Response
01.	Evaluation of uncertain tax positions	The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Note 25 to the Standalone Financial Statements.

## Response to key audit matters & conclusion

### Principal Audit Procedures

We performed the following substantive procedures:

Obtained details of completed tax assessments and demands upto the year ended March 31, 2022 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2021 to evaluate whether any change was required to management's position on these uncertainties. Relying on relevant external evidence available including legal opinion relevant judicial precedents and industry practices getting management confirmation wherever necessary. We agree with management's evaluation.

## Information other than the Consolidated Ind AS Financial Statements and Auditors' Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with [the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group for preventing and

detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our

auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated annual financial results of which we are the independent auditors. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and its subsidiary included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiary, we report, to the extent applicable, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books;
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in

- agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company that none of the directors of the companies incorporated in/outside India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company and its subsidiary company, refer to our separate Report in “Annexure 1” to this report;
  - g. With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Holding Company incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
  - h. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us as also the other financial information of the subsidiary:
    - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated financial statements – Refer Note 25 & 33 to the consolidated financial statements;
    - ii. The Group did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise;
    - iii. During the year, the company was not liable to transfer any amount to the Investor Education Protection Fund.
- iv.
- a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities

identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement
- v. The company has not declared or paid any dividend during the year. Hence compliance with Section 123 of the Act is not applicable on the company.

- 2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

**For Sanjay Arora & Associates**

Chartered Accountants

ICAI Firm Registration Number: 008445N

**Neelkant Gargya**

Partner

Membership Number: 093624

Place of Signature: Chandigarh

Date: 20th May, 2022

UDIN:- 22093624AJHSMQ2150

**ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED Ind AS FINANCIAL STATEMENTS OF MEGRI SOFT LIMITED**

**(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated Ind AS financial statements of Megri Soft Limited as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of Megri Soft Limited (hereinafter referred to as the "Holding Company") and its subsidiary company (the Holding Company and its subsidiary together referred to as "the Group"), which is the company incorporated outside India, as of that date

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company, and its subsidiary company which is company incorporated outside India, is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

## **Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements**

A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Holding Company, and its subsidiary company, which is the company incorporated outside India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Sanjay Arora & Associates**

Chartered Accountants

ICAI Firm Registration Number: 008445N

**Neelkant Gargya**

Partner

Membership Number: 093624

Place of Signature: Chandigarh

Date: 20th May, 2022

UDIN:- 22093624AJHSMQ2150



**MEGRI SOFT LIMITED**  
**CIN : L72200CH1992PLC011996**  
**Regd. Office : SCO 80, Sector 47D, Chandigarh -160047**  
**AUDITED CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022**

(Amount in '000)

S. No.	Particulars	Note	As At March 31,2022	As At March 31,2021
<b>A</b>	<b>ASSETS</b>			
<b>1</b>	<b>NON-CURRENT ASSETS</b>			
	Property, Plant and Equipment	3	61110	58425
	Other Intangible Assets	3	585	625
	Intangible Assets Under Development	3	19502	19107
	Capital Work In Progress	3	28393	13846
	Financial Assets			
	(a) Non-Current Investments	4(a)	12450	11488
	Deffered Tax Assets (Net)	5	357	415
	Other Non-Current Assets	6	46360	46816
	<b>Total Non-Current Assets</b>		<b>168757</b>	<b>150722</b>
<b>2</b>	<b>CURRENT ASSETS</b>			
	Financial Assets			
	(a) Current Investments	4(b)	272	412
	b) Trade Receivables	4(c)	278	3270
	c) Cash and Cash Equivalents	7	6118	8810
	d) Bank Balance Other Then (c) Above	8	27516	37150
	e) Other Current Assets	9	7246	4386
	<b>Total Current Assets</b>		<b>41430</b>	<b>54028</b>
	<b>Total Assets</b>		<b>210187</b>	<b>204750</b>
<b>B</b>	<b>EQUITY &amp; LIABILITIES</b>			
<b>1</b>	<b>SHAREHOLDERS' FUNDS</b>			
	(a) Equity Share Capital	10(a)	31407	31407
	(b) Other Equity	10(b)	175108	169589
	<b>Total Equity</b>		<b>206515</b>	<b>200996</b>
<b>2</b>	<b>NON CURRENT LIABILITIES</b>			
	Financial Liabilities			
	(a) Long-Term Borrowings		-	-
	(b) Deferred Tax Liabilities (Net)		-	-
	Total Non-Current Liabilities		-	-
<b>3</b>	<b>CURRENT LIABILITIES</b>			
	Financial Liabilities			
	(a) Trade Payables	11	-	-
	(b) Other Current Liabilities	12	1531	1849
	(c) Provisions	13	2141	1905
	Total Current Liabilities		3672	3754
	<b>Total Equity and Liabilities</b>		<b>210187</b>	<b>204750</b>

The accompanying notes 1 to 35 are in integral part of the Financial Statements.

As per our report of even date  
**For Sanjay Arora & Associates**  
**Chartered Accountants**  
**Firm Registration No. 008445N**

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

**(Neelkant Gargya)**  
**Partner**  
**Membership No. 093624**

**Mohnesh Kohli**      **Rajnesh Sharma**  
**(Director)**      **(Whole Time Director & CFO)**  
**DIN: 01784617**      **DIN: 02528435**

**Place: Chandigarh**  
**Date: 20th May, 2022**

**MEGRI SOFT LIMITED**

CIN : L72200CH1992PLC011996

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

**STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022**

(Amount in '000) except EPS

S. No.	Particulars	Note	As At March 31,2022	As At March 31,2021
<b>I</b>	Revenue From Operations	<b>14</b>	25556	21675
	Other Income	<b>15</b>	2637	2644
	<b>Total Revenue</b>		<b>28193</b>	<b>24319</b>
	<b>EXPENSES</b>			
	a) Employees Benefit Expenses	<b>16</b>	6282	7025
	b) Finance Cost	<b>17</b>	0	0
	c) Depreciation & Amortization Expenses	<b>18</b>	811	381
	d) Other Operating Expenses	<b>19</b>	14019	10970
<b>II</b>	<b>Total Expenses</b>		<b>21112</b>	<b>18376</b>
<b>III</b>	<b>Profit Before Tax (I-II)</b>		<b>7081</b>	<b>5943</b>
	<b>Tax Expenses</b>			
	a) Current Tax		1566	1393
	b) Deferred Tax (Assets)/Liabilities		58	60
<b>IV</b>	<b>Total Tax Expenses</b>		<b>1624</b>	<b>1453</b>
<b>V</b>	<b>Profit for the period (after Tax) (III-IV)</b>		<b>5457</b>	<b>4490</b>
	<b>Other Comprehensive Income</b>			
	<b>a) Items that will not be reclassified subsequently to profit or loss</b>			
	Equity Investment through other comprehensive income		83	577
	Income tax relating to above		(21)	(150)
<b>VI</b>	<b>Total other comprehensive income</b>		<b>62</b>	<b>427</b>
<b>VII</b>	<b>Total Comprehensive income (V+VI)</b>		<b>5519</b>	<b>4917</b>
	Paid-up Equity Share Capital (face value of Rs. 10 per equity share)		31407	31407
	<b>Earning per Equity share of Rs. 10/- each:</b>			
	1) Basic	<b>20</b>	1.74	1.43
	2) Diluted		1.74	1.43

The accompanying notes 1 to 35 are in integral part of the Financial Statements.

As per our report of even date

**For Sanjay Arora & Associates**

**Chartered Accountants**

**Firm Registration No. 008445N**

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

**(Neelkant Gargya)**

**Partner**

**Membership No. 093624**

**Mohnesh Kohli**

**(Director)**

**DIN: 01784617**

**Rajnesh Sharma**

**(Whole Time  
Director & CFO)**

**DIN: 02528435**

**Place: Chandigarh**

**Date: 20th May, 2022**

**MEGRI SOFT LIMITED**  
**CIN : L72200CH1992PLC011996**  
**Regd. Office : SCO 80, Sector 47D, Chandigarh -160047**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022**

(Amount in '000)

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Net Profit Before Tax</b>		<b>7081</b>		<b>5943</b>
Adjustments for:				
Interest Expenses	0		0	
Depreciation and Amortization	811		381	
Profit on Sale of Assets	0		0	
Profit on Sale of Investments	(760)		4	
Discount Received	-		-	
Interest Income on FDR's	(1798)		(2636)	
Dividend Income	(26)	(1773)	(13)	(2264)
<b>Operating Profit before Working Capital Changes</b>		<b>5308</b>		<b>3679</b>
<b>Adjustments for:</b>				
Short Term Borrowings	-		-	
Trade Payables	-		-	
Other Current Liabilities	(318)		1127	
Provisions	236		58	
Trade Receivables	2992		(375)	
Short Term Loans & Advances	-		-	
Other Current Assets	(2860)		(525)	
Other Non Current Assets	456	506	(12299)	(12014)
<b>Cash generated from operations</b>		<b>5814</b>		<b>(8335)</b>
Income Tax		(1566)		(1393)
<b>Net Cash flow from Operating activities</b>		<b>4248</b>		<b>(9728)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Loang Term Loans & Advances	0		0	
Expenditure on property, plant and equipment and intangibles	(18398)		(12092)	
Sale/Transfer of Fixed Assets	0		13843	
Bank deposits	9634		5226	
Investment	(760)		3534	
Interest Income on FDR's	1798		2636	
Dividend Income	26		13	
Profit on Sale of Assets	0		0	
Income From Sale of Investment	760		(4)	
<b>Net Cash used in Investing activities</b>		<b>(6940)</b>		<b>13156</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Interest on overdraft facility	0		0	
<b>Net Cash used in financing activities</b>		<b>0</b>		<b>0</b>
Net Increase in cash & Cash Equivalents		(2692)		3428
Cash and Cash equivalents (Opening Balance)		8810		5382
Cash and Cash equivalents (Closing Balance)		6118		8810
<b>Net Decrease/(Increase) in Cash and Cash Equivalents</b>		<b>2692</b>		<b>(3428)</b>

Notes:

- Figures in brackets indicate cash outflow.
- The above Statement of Cash Flows has been prepared under the Indirect method as set out in IND AS - 7 on Statement of Cash Flows notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015], as amended.
- The accompanying notes 1 to 35 are in integral part of the Financial Statements.

As per our report of even date

**For Sanjay Arora & Associates**  
**Chartered Accountants**  
**Firm Registration No. 008445N**

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

**(Neelkant Gargya)**  
**Partner**  
**Membership No. 093624**

**Mohnesh Kohli**   **Rajnesh Sharma**  
**Director**   **(Whole Time**  
**DIN: 01784617**   **Director & CFO)**  
**DIN: 02528435**

**Place: Chandigarh**  
**Date: 20th May, 2022**

MEGRI SOFT LIMITED  
CIN : L72200CH1992PLC011996  
Regd. Office : SCO 80, Sector 47D, Chandigarh -160047  
STATEMENT OF CHANGE IN EQUITY ( F.Y.2021-22)

**A. Equity Share Capital ( F.Y.2021-22)**

(Amount in '000)

Balance as at April 1, 2021	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
31407	-	31407	-	31407

**Equity Share Capital ( F.Y.2020-21)**

(Amount in '000)

Balance as at April 1, 2020	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
31407	-	31407	-	31407

**Other Equity ( F.Y.2021-22)**

(Amount in '000)

Particulars	Reserves and surplus						Other comprehensive income				Total equity attributable to equity holders of the Company
	Capital equity reserve	Capital redemption reserve	Securities Premium	Retained earnings	General reserve	Statutory reserve	Equity Instruments through other comprehensive income	Effective portion of Cash Flow Hedges	Other items of other comprehensive income / (loss)	Foreign currency translation reserve	
Balance as at April 1, 2021	-	-	-	163821	5341	-	427	-	-	-	169589
Profit for the year	-	-	-	5457	-	-	-	-	-	-	5457
Total comprehensive income	-	-	-	-	-	-	62	-	-	-	62
Dividend	-	-	-	-	-	-	-	-	-	-	-
Transfer to reserves	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	0	0	0	169278	5341	0	489	0	0	0	175108

**Other Equity ( F.Y.2020-21)**

(Amount in '000)

Particulars	Reserves and surplus						Other comprehensive income				Total equity attributable to equity holders of the Company
	Capital equity reserve	Capital redemption reserve	Securities Premium	Retained earnings	General reserve	Statutory reserve	Equity Instruments through other comprehensive income	Effective portion of Cash Flow Hedges	Other items of other comprehensive income / (loss)	Foreign currency translation reserve	
Balance as at April 1, 2020	-	-	-	159331	5341	-	-	-	-	-	164672
Profit for the year	-	-	-	4490	-	-	-	-	-	-	4490
Total Comprehensive Income	-	-	-	-	-	-	427	-	-	-	427
Dividend	-	-	-	-	-	-	-	-	-	-	-
Transfer to reserves	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2021	0	0	0	163821	5341	0	427	0	0	0	169589

The accompanying notes 1 to 35 are in integral part of the Financial Statements.

As per our report of even date  
For Sanjay Arora & Associates  
Chartered Accountants  
Firm Registration No. 008445N

For and on behalf of Board of Directors

(Neelkant Gargya)  
Partner  
Membership No. 093624

Mohnesh Kohli  
(Director)  
DIN: 01784617

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

Place: Chandigarh  
Date: 20th May, 2022

## Notes to the Consolidated Financial Statements for the year ended March 31, 2022

1. **Corporate Information** - Megri Soft Limited (the Company) is a public limited company domiciled and incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at SCO 80 Sector 47 D Chandigarh India 160047. Its shares are listed on two stock exchanges of India i.e Bombay Stock Exchange ( BSE) and Metropolitan Stock Exchange of India(MSE). The company is registered with STPI as a 100 % Software Export Oriented Unit and carries on the IT/ITES activities. The Company is primarily engaged in providing web design, application development, web development, e-strategy consulting, ecommerce solutions, search engine research, search engine optimization, social media optimization and SEO services. Megrisoft Limited, a company limited by shares, registered in England and Wales is a 100% subsidiary of Megri Soft Limited India. The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on 20th May 2022.

## 2. Significant Accounting Policies

- 2.1. **Basis of Preparation of Financial Statements** - This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use.

- 2.1.1. **Compliance with Ind AS** - These consolidated financial statements have been prepared in accordance with the Indian Accounting standards (Ind AS) notified under section 133 of the Companies Act, 2013 ('the Act') [Companies (Indian Accounting Standards) Rules, 2015, as amended by notification dated March 31, 2016] and other relevant provisions of the Act.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III (Division II) to the Companies Act, 2013. Based on the nature of services and the time between the rendering of service and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and noncurrent classification of assets and liabilities.

The financial statements are presented in Indian Rupees and all amounts disclosed in the financial statements and notes have been rounded off upto two decimal points to the nearest Thousands (as per the requirement of Schedule III), unless otherwise stated.

The consolidated financial statements consist of financial statements of Megri Soft Limited (parent company) and its 100% owned subsidiary namely Megrisoft Limited registered in England and Wales. Financial statements of foreign subsidiary have been recasted for the purpose of consolidation.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and

expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of all entities used for the purpose of consolidation are drawn up to the same reporting date as that of the parent company, i.e, year ended on March 31 2022.

2.1.2. **Historical Cost Convention**-The Financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments) which are measured at fair value / amortised cost;
- Defined benefit plans-plan assets measured at fair value; and
- Share based payments

2.1.3. **Recent accounting pronouncements**

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below

Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

2.2. **Property, plant and equipment** - **Property, plant and equipment** are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are recognized in profit or loss during the reporting period, in which they are incurred. Depreciation is provided on a pro-rata basis on the straight line method over

the estimated useful lives of assets, based on internal assessment and independent technical evaluation done by the Management.

**Assets Estimated useful life (Years)**

Assets	Estimated useful life (Years)
Building	60
Computers	3
Plant and Machinery	10
Furniture and Fixtures	10
Office Equipments	5
Vehicles	6

Gains and losses on disposals are determined by comparing net disposal proceeds with the carrying amount of the asset. These are included in profit or loss within other income.

- 2.3. Intangible Assets** - Intangible assets are stated at cost less accumulated amortization and impairment, wherever applicable. Intangible assets are amortized over their respective individual estimated useful lives on a straight line basis, from the date they are available for use. The estimated useful life of an identifiable asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. The research costs are expensed as incurred. The development costs, which can be capitalized, include the cost of material, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Amortization methods and useful lives are reviewed periodically including at each financial year end.

**Assets Estimated useful life (Years)**

Assets	Estimated useful life (Years)
Softwares	6
Web Properties	10

**2.4. Impairment of non-financial assets**

Assessment is done at each balance sheet date as to whether there is any indication that an asset may be impaired. If any such indication exists or when annual impairment testing for an asset is required, an estimate of the recoverable amount of the asset/cash generating unit is made. Recoverable amount is higher of an asset's or cash generating unit's fair value less costs of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purpose of assessing impairment, the recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of

assets. The smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit (CGU). An asset or CGU whose carrying value exceeds its recoverable amount is considered impaired and is written down to its recoverable amount. Assessment is also done at each balance sheet for possible reversal of an impairment loss recognized for an asset, in prior accounting periods.

## **2.5. Foreign currency translations**

- 2.5.1. **Functional and presentation currency** -Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Company operates ('the functional currency') i.e., Indian Rupee (INR) which is its presentation currency as well.
- 2.5.2. **Initial recognition** - On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.
- 2.5.3. **Subsequent recognition** - As at the reporting date, foreign currency monetary items are translated using the closing rate and non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Exchange gains and losses arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the year or in previous financial statements are recognised in profit or loss in the year in which they arise.
- 2.5.4. **Translation of foreign operations**- The financial statements of foreign operations are translated using the principles and procedures mentioned above, since these businesses are carried on as if it is an extension of the Group operations.

## **2.6. Revenue Recognition**

- 2.6.1. Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration we expect to receive in exchange for those services.
- 2.6.2. Dividend income is recognized as and when the right to receive is established. Interest on Bank fixed deposit is recognized on an accrual basis on certificates of interest issued by banks.
- 2.6.3. Export benefits and other benefits are accounted for on an accrual basis. Export entitlements are recognized as reduction from material consumption when the right to receive credit is established in respect of the exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

## **2.7. Income tax**

- 2.7.1. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.



- 2.7.2. The current income tax is calculated on the basis of the tax rates and the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It establishes provisions or make reversals of provisions made in earlier years, where appropriate, on the basis of amounts expected to be paid to / received from the tax authorities
- 2.7.3. Deferred tax is recognized for all the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognized and carried forward only if it is probable that sufficient future taxable amounts will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. The carrying amount of deferred tax assets are reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
- 2.7.4. Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.
- 2.7.5. Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.
- 2.7.6. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.
- 2.7.7. Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets and liabilities and the deferred tax balances relate to the same taxable authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

## **2.8. Provisions**

- 2.8.1. Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

- 2.8.2. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.
- 2.8.3. If the effect of the time value of money is material, provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects the risks specific to the liability. The increase in the provision due to the passage of time is recognized as a finance cost
- 2.8.4. The company has adopted the following accounting policy for making provision in respect of income-tax cases under appeal: "In respect of disputed income-tax demand, where the company is in appeal, provision for tax is made when the matter is finally decided."

## **2.9. Trade and other payables**

These amounts represent liabilities for goods and services provided prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

## **2.10. Earnings Per Share (EPS)**

### **2.10.1. Basic earnings per share is calculated by dividing**

- 2.10.1.1. the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year

### **2.10.2. Diluted earnings per share**

- 2.10.2.1. Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account - the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential instruments into equity shares.

## **2.11. Critical estimates and judgements**

- 2.11.1. The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS that requires management to make accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. The estimates and assumptions used in the accompanying financial statements are

based upon Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of non-current investments and has been discussed below. Key source of estimation of uncertainty in respect of current tax expense and payable, employee benefits and fair value of unlisted subsidiary entities have been discussed in their respective policies.

## **2.12. Employee Retirement Benefits**

2.12.1. **Short term employee benefits** - All employee benefits payable/available within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the statement of profit and loss in the period in which the employee renders the related service.

2.12.2. **Post – employment benefits**

**Defined contribution plans** – Retirement benefits in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. Payments to defined contribution plans are recognised as an expense when employees have rendered service Entitling them to the contributions.

**Defined benefit plans – Gratuity**

The company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity payment plan provides for a lump sum payment to the vested employees at retirement, death, incapacitation while in employment or on termination of employment of an amount based on the respective employee's salary and tenure of employment. Vesting occurs upon completion of five years of service.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. Re-measurements comprising of actuarial gains and losses, are recognised in other comprehensive income which are not reclassified to profit or loss in the subsequent periods

2.12.3. **Bonus Plans** - The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.12.4. **Long – term employee benefits** -Leave Encashment The liability of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date Using projected unit credit method.

## **2.13. Segment Reporting**

The Company has primarily one business segment of IT/ITES service and accordingly there is no separate reportable segment as per Ind AS -108 ' Operating Segments' specified under section 133 of the Companies Act, 2013.

## **2.14. Cash and Cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash on hand, amount at banks and other short-term deposits with an original maturity of three months or less that are readily convertible to known amount of cash and, which are subject to an insignificant risk of changes in value.

## **2.15. Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

**2.15.1. Initial Recognition and measurement** - On initial recognition, all the financial assets and liabilities are recognized at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability except financial asset or financial liability measured at fair value through profit or loss ("FVTPL"). Transaction costs of financial assets and liabilities carried at fair value through the Profit and Loss are immediately recognized in the Statement of Profit and Loss.

### **2.15.2. Subsequent measurement**

**2.15.2.1. Financial assets carried at amortised cost** - A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**2.15.2.2. Financial assets at fair value through other comprehensive income (FVTOCI)** - A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**2.15.2.3. Financial assets at fair value through profit or loss (FVTPL)** - A financial asset is measured at fair value through profit and loss unless it is measured at amortized cost or at fair value through other comprehensive income.

**2.15.2.4. Investments in subsidiaries** - The Company has adopted to measure investments in subsidiaries at cost in accordance with Ind AS 27 and

carrying amount as per previous GAAP at the date of transition has been considered as deemed cost in accordance with Ind AS 101.

**2.15.2.5. Financial Liabilities** - Financial liabilities are classified, at initial recognition, as loans and borrowings, payables, as appropriate. The Company's financial liabilities include trade and other payables. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to short term maturity of these instruments.

**2.15.3. Derecognition of financial instruments** - A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability is derecognized when the obligation specified in the contract is discharged or cancelled or expired.

**2.15.4. Fair value measurement of financial instruments** - The fair value of financial instruments is determined using the valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Based on the three level fair value hierarchy, the methods used to determine the fair value of financial assets and liabilities include quoted market price, discounted cash flow analysis and valuation certified by the external valuer. In case of financial instruments where the carrying amount approximates fair value due to the short maturity of those instruments, carrying amount is considered as fair value.

## **2.16. Provisions, contingent liabilities and contingent assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate. A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non -occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

**Note 3**

**Changes in the carrying value of Property, Plant & Equipment For the Financial Year 2021-22**

(Amount in '000)

Particulars	Gross Block			Depreciation				Net Block		
	Carrying Value As On April 01,2021	Additions	Deductions	Carrying Value As On March 31,2022	As On March 31, 2021	Current Year	Written Off	Transfer	Carrying Value As On March 31, 2022	Carrying Value As On March 31, 2021
(a)Land & Building										
Land	57328	-	-	57328	-	-	-	-	57328	57328
Building	0	-	-	0	-	-	-	-	0	0
Total	57328	0	0	57328	-	-	-	-	57328	57328
(b)Tangible Assets										
Furniture & Fixtures	2281	34		2315	2032	103	-	-	180	249
Computer	3157	185		3342	2718	156	-	-	468	439
Generator	727	-	-	727	690	-	-	-	36	36
Air Conditioner	604	86	-	690	573	8	-	-	109	31
Office Equipment	616	79		695	566	10	-	-	119	50
Vehicles	5835	3072	-	8907	5543	494	-	-	2870	292
Total	13220	3456	0	16676	12122	771	-	0	3782	1097
(I) Property, Plant and Equipment (a+b)	70548	3456	0	74004	12122	771	0	0	61110	58425
Note 3 -										
(II) Other Intangible Assets										
Computer Software	902	0	-	902	722	40	-	-	140	180
Web Properties	8909	-	-	8909	8464	-	-	-	445	445
Total	9811	0	-	9811	9186	40	-	-	585	625
(II) Intangible Assets under Development										
Capital work in progress	19107	395	-	19502	-	-	-	-	19502	19107
	13846	14547	-	28393	-	-	-	-	28393	13846
GRAND TOTAL	113312	18398	0	131710	21308	811	-	0	109590	92003

### Capital Work -In-Progress

The capital work-in-progress ageing schedule for the year ended March 31, 2022 and March 31, 2021 is as follows:

Particulars	Amount in CWIP for a period of			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	14547	10577	3269	-
<b>Total Capital work-in-progress 31st March 2022</b>				<b>28393</b>
Projects in progress	10577	3269	-	-
<b>Total Capital work-in-progress 31st March 2021</b>				<b>13846</b>

For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan the project wise details of when the project is expected to be completed is given below as of March 31, 2022 and March 31, 2021

Particulars	Amount in CWIP for a period of			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	-	-	-	-
<b>Total Capital work-in-progress 31st March 2022</b>				<b>0</b>
Projects in progress	-	-	-	-
<b>Total Capital work-in-progress 31st March 2021</b>				<b>0</b>

### Intangible assets under development:

The Intangible assets under development ageing schedule for the year ended March 31, 2022 and March 31, 2021 is as follows:

Particulars	Amount in CWIP for a period of			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	395	410	344	18353
Projects temporarily suspended				19502
<b>Total Intangible assets under development 31st March 2022</b>				<b>19502</b>
Projects in progress	410	344	1039	17314
Projects temporarily suspended				19107
<b>Total Intangible assets under development 31st March 2021</b>				<b>19107</b>

No Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original project as of March 31, 2022 and March 31, 2021. No Intangible assets under development project has been suspended as of March 31, 2022 and March 31, 2021

**Note 4**
**(a) Non-Current Investments**

Particulars	As At March 31,2022			As At March 31,2021		
	Number of Unit	Face value (₹)	('000)	Number of Unit	Face value (₹)	('000)
<b>Investment in Equity shares (fully paid up)</b>						
<b>(Quoted)</b>						
Tata Consultancy Services Ltd	60	1	224	35	1	111
Infosys Limited	255	5	486	385	5	527
Mindtree Limited	180	10	775	130	10	271
Wipro Limited	470	2	278	470	2	195
Yes Bank Limited	7000	2	86	17000	2	265
Reliance Industries	160	10	422	185	10	370
Tech Mahindra Ltd	65	5	98	40	5	40
SBI cards & Payment Services Ltd	370	10	315	220	10	204
Karnataka Bank Limited	2400	10	133	1400	10	86
Indusind Bank Limited	160	10	150	80	10	76
Info Edge India Ltd	30	10	135	25	10	107
ICICI Bank Limited	90	2	66	-	-	-
Birla Soft Limited	100	2	46	-	-	-
<b>Investments at fair value through other comprehensive income (FVOCI) - A</b>			<b>3214</b>			<b>2252</b>
<b>Aggregate amount of quoted investments at cost</b>			2654			1675
<b>Investment in Equity shares - fully paid up (Unquoted)</b>						
Dynamic Petro Products Limited	262000	10	2620	262000	10	2620
Basel Investments Limited	380000	10	3800	380000	10	3800
Himalyan Financial Services Ltd.	281600	10	2816	281600	10	2816
<b>Aggregate amount of unquoted investments at cost - B</b>			<b>9236</b>			<b>9236</b>
<b>Total Non current investments (A+B)</b>			<b>12450</b>			<b>11488</b>
<b>Investments carried at cost</b>			<b>9236</b>			<b>9236</b>
<b>Investments carried at fair value through other comprehensive income (FVOCI)</b>			<b>3214</b>			<b>2252</b>

Note: Invested in quoted investments carried at fair value through other comprehensive income (FVOCI) to recognise the unrealized gains. The previous year the quoted investments carried at cost price.

**(b) Current investments**

Particulars	As At March 31,2022			As At March 31,2021		
	Number of Unit	Amount per unit Rs	('000)	Number of Unit	Amount per unit Rs	('000)
<b>Investment in Mutual Funds (unquoted) (Liquid/ Liquid Plus) (At Cost)</b>						
Franklin India Ultra Short Bond Fund	443	28	15	9,057.00	28	253
Mirae Asset Large cap fund growth plan	3324	48	257	3,324.00	48	159
<b>Investments at fair value through other comprehensive income (FVOCI)</b>			<b>272</b>			<b>412</b>
<b>Investments carried at cost</b>			<b>172</b>			<b>412</b>
<b>Investments carried at fair value through other comprehensive income (FVOCI)</b>			<b>272</b>			<b>412</b>

**(c) Trade Receivables**

Particulars	As At March 31,2022	As At March 31,2021
<b>Trade receivable outstanding for a period exceeding six months</b>	<b>(‘000)</b>	<b>(‘000)</b>
Unsecured		
Considered good - Against Sale of Investments	0	2520
Considered doubtful	-	-
<b>Trade receivable outstanding for a period less than six months</b>		
Unsecured		
Considered good - Against Exports	278	750
Considered doubtful	-	-
<b>Total</b>	<b>278</b>	<b>3270</b>

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.

The trade receivable for current year 278 (Thousands) ( Previous Year 3270 Thousands).



**Trade receivables ageing schedule for the year ended as on March 31, 2022 and March 31, 2021:**

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables – considered good	-	278	-	-	-	-	278
Undisputed Trade receivables – credit impaired	-	-	-	-	-	-	0
Disputed Trade receivables – considered good	-	-	-	-	-	-	0
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	0
	-	278	-	-	-	-	278
Less: Allowance for credit loss	-	-	-	-	-	-	0
<b>Total Trade Receivables 31st March 2022</b>							<b>278</b>
Undisputed Trade receivables – considered good	-	750	-	-	-	2520	3270
Undisputed Trade receivables – credit impaired	-	-	-	-	-	-	0
Disputed Trade receivables – considered good	-	-	-	-	-	-	0
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	0
	-	750	-	-	-	2520	3270
Less: Allowance for credit loss	-	-	-	-	-	-	0
<b>Total Trade Receivables 31st March 2021</b>							<b>3270</b>

**Note 5**

**Deferred Tax Assets (Net)**

Particulars	As At March 31, 2022	As At March 31, 2021
	(‘000)	(‘000)
Opening Balance	415	475
Add: Deferred Tax Assets on Depreciation	0	0
Less: Deferred Tax Liabilities on Depreciation	(58)	(60)
<b>Total</b>	<b>357</b>	<b>415</b>

**Note 6**

**Other Non-Current Assets**

Particulars	As At March 31, 2022	As At March 31, 2021
<b>(Unsecured, considered good, unless otherwise stated)</b>	<b>(‘000)</b>	<b>(‘000)</b>
Capital Advances (Against Land & Building)	35341	35325
Other Loans and Advances	10857	11275
Deferred revenue Expenditure	162	216
<b>Total</b>	<b>46360</b>	<b>46816</b>

Rs 54000 is written off and charged to the profit and loss account every year being 1/10 of principal amount of deferred Revenue expenditure.

**Note 7**

**Cash & Cash Equivalents**

Particulars	As At March 31, 2022	As At March 31, 2021
<b>Balances with banks</b>	<b>(‘000)</b>	<b>(‘000)</b>
In Current Account & Deposit Accounts	6075	8764
Cash in hand	43	46
<b>Total</b>	<b>6118</b>	<b>8810</b>

**Note 8**

**Bank balance other then (7) above**

Particulars	As At March 31, 2022	As At March 31, 2021
<b>Balances with bank:-</b>	<b>(‘000)</b>	<b>(‘000)</b>
In Fixed Deposit	27516	37150
<b>Total</b>	<b>27516</b>	<b>37150</b>

**Note 9**

**Other Current Assets**

Particulars	As At March 31, 2022	As At March 31, 2021
<b>(Unsecured, considered good, unless otherwise stated)</b>	<b>(‘000)</b>	<b>(‘000)</b>
Advances with suppliers & others	5826	3243
Other Advances	172	176
Advance Tax	750	576
TDS/TCS Recoverable	206	201
Other Current Assets	292	190
<b>Total</b>	<b>7246</b>	<b>4386</b>

**Note 10 (a)**  
**Share Capital**

Particulars	As At March 31, 2022	As At March 31, 2021
	('000)	('000)
<b>Authorised</b>		
3300000 Equity Shares of Rs. 10/- each	33000	33000
	33000	33000
<b>Issued &amp; subscribed</b>		
3140700 equity shares of Rs. 10/- each fully paid	31407	31407
	31407	31407
<b>Issued, Subscribed &amp; Paid up</b>		
3140700 equity shares of Rs. 10/- each fully paid	31407	31407
<b>Total</b>	<b>31407</b>	<b>31407</b>

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

Particulars	As At March 31, 2022	As At March 31, 2021
	('000)	('000)
<b>EQUITY SHARES</b>		
At the beginning of the year	31407	31407
Add: Issued during the year	-	-
<b>Outstanding at the end of the year</b>	<b>31407</b>	<b>31407</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. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company in proportion to their shareholding.

c. During last 5 years immediately preceding the balance sheet date, no Equity Share has been issued pursuant to any contract without payment being received in cash. Further the company has neither allotted any share by way of bonus shares, nor it had bought back any Equity during aforesaid period of 5 years. Unpaid Calls - NIL ( Previous Year NIL) No shares have been forfeited by the company during the year.

**d. The details of the shares held by promoters as at March 31, 2022 are as follows:**

Particulars	As at March 31, 2022			As At March 31, 2021	
	No. of Shares	% Holding	% Change during the year	No. of Shares	% Holding
Mohnesh Kohli	777000	24.74%	-	777000	24.74%
Neena	391100	12.45%	-	391100	12.45%
Mohnesh Kohli HUF	709700	22.60%	-	709700	22.60%
Aprajita Kohli	193000	6.15%	-	193000	6.15%
Austin Kohli	254200	8.09%	-	254200	8.09%
<b>Total</b>	<b>2325000</b>	<b>74.03%</b>	-	<b>2325000</b>	<b>74.03%</b>

**Note 10(b)**

**Other Equity**

Particulars	As At March 31, 2022	As At March 31, 2021
	('000)	('000)
General reserve	5341	5341
Retained earnings	169767	164248
<b>Total</b>	<b>175108</b>	<b>169589</b>

**Note 11**

**Trade Payables**

Particulars	As At March 31, 2022	As At March 31, 2021
	('000)	('000)
Trade Payables	-	-
<b>Total</b>	<b>0</b>	<b>0</b>

Based on information available with the Company, there are no dues to micro, small and medium enterprises, as defined in Micro, Small and Medium Enterprises Development Act, 2006 as on March 31, 2022.

**Trade payables ageing schedule for the year ended as on March 31, 2022 and March 31, 2021:**

Particulars	Not Due	Less than 1 year months	1-2 years year	2-3 years	More than 3 year	Total
Outstanding dues to MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
<b>Total trade payables 31st March 2022</b>						<b>0</b>
Outstanding dues to MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
<b>Total trade payables 31st March 2021</b>						<b>0</b>

**Note 12**

**Other Current Liabilities**

Particulars	As At March 31, 2022	As At March 31, 2021
	('000)	('000)
Audit Fees Payable	55	45
Contribution to Provident & Other Funds	232	156
Other Payables	1244	1648
<b>Total</b>	<b>1531</b>	<b>1849</b>

**Note 13****Provisions**

Particulars	As At March 31, 2022	As At March 31, 2021
	('000)	('000)
Provision for Income Tax	1726	1543
Provision for Employee Benefits	415	362
<b>Total</b>	<b>2141</b>	<b>1905</b>

**Note 14****Revenue From Operations**

Particulars	As At March 31,2022	As At March 31,2021
	('000)	('000)
<b>Information Technology Services</b>		
Income From IT Exports Of Services	25556	21675
<b>Total</b>	<b>25556</b>	<b>21675</b>

**Note 15****Other Income**

Particulars	As At March 31,2022	As At March 31,2021
	('000)	('000)
Interest on Fixed Deposits with Bank	1798	2635
Income from Investment (Dividend and Profits on Investments etc.)	786	9
Other Income	53	0
<b>Total</b>	<b>2637</b>	<b>2644</b>

**Note 16****Employee Benefit Expenses**

Particulars	As At March 31,2022	As At March 31,2021
	('000)	('000)
Salary & Wages (Including Director Remuneration see note no. 31)	5727	6514
Contribution to Provident & Other Funds	380	394
Staff Welfare Expenses	175	117
<b>Total</b>	<b>6282</b>	<b>7025</b>

**Note 17****Finance Cost**

Particulars	As At March 31,2022	As At March 31,2021
	('000)	('000)
Borrowings Cost	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**Note 18****Depreciation & Amortisation**

Particulars	As At March 31,2022	As At March 31,2021
	('000)	('000)
Depreciation & Amortization Expenses	811	381
<b>Total</b>	<b>811</b>	<b>381</b>

**Note 19****Other Operating Expenses**

Particulars	As At March 31,2022	As At March 31,2021
	('000)	('000)
Advertisement & Marketing expenses	447	252
Bank Charges	148	237
Communication & Internet Expenses	181	163
Insurance Expenses	62	63
IT Operating Expenses	9157	7771
Legal & Professional Expenses	1675	638
Miscellaneous Expenses	447	248
Payment to auditors (refer Note 19.1 below)	60	60
Power Fuel & Water Charges	118	93
Printing & stationery	37	20
Rent Rates & Taxes	895	910
Repair & Maintenance Expenses	429	183
Travelling & conveyance expenses (Including Director Foreign travelling Expenses)	363	332
<b>Total</b>	<b>14019</b>	<b>10970</b>

**Note 19.1****Payment to Auditors**

Particulars	As At March 31,2022	As At March 31,2021
<b>Payment to auditor</b>	<b>(‘000)</b>	<b>(‘000)</b>
As Auditor Statutory Audit	60	60
For Other Services	-	-
<b>Total</b>	<b>60</b>	<b>60</b>

**Note 20****Earning Per Share**

Particulars	As At March 31,2022	As At March 31,2021
<b>Earnings per share</b>	<b>(‘000)</b>	<b>(‘000)</b>
Basic		
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	5457	4490
Weighted average number of equity shares	3140700	3140700
Par value per share	10	10
Earnings per share from continuing operations - Basic	1.74	1.43
Diluted	1.74	1.43

**20.1 Ratios**

The ratios for the years ended March 31, 2022 and March 31, 2021 are as follows:

Particulars	Numerator	Denominator	31st March 2022	31st March 2021	Variance
Current Ratio	Current assets	Current liabilities	11.28	14.39	(21.61%)
Debt – Equity Ratio	Total Debt (represents lease liabilities)	Shareholder's Equity	-	-	-
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	-	-	-
Return on Equity (ROE)	Net Profits after taxes	Shareholder's Equity	17.37%	14.30%	3.07%
Trade receivables turnover ratio	Revenue	Average Trade Receivable	14.41	7.03	104.98%
Trade payables turnover ratio	Purchases of services and other expenses	Average Current Liabilities	8.30	8.54	(2.81%)
Net capital turnover ratio	Revenue	Working Capital	0.68	0.43	58.14%
Net profit ratio	Net Profit	Revenue	21.59%	22.69%	(1.10%)
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed	3.43%	2.96%	0.47%
Return on Investment(ROI)	Income generated from investments	Average investments	6.38%	0.07%	6.31%

## Note 21

### Current Assets, Loans & Advances:

In the opinion of the Board, current assets, loan and advances have a value at least equal to the amount shown in the balance sheet, if realized in the ordinary course of the business. The provisions for all known liabilities are made and not in excess of the amount considered reasonably necessary.

## Note 22

### Impairment

In the view of management no impairment conditions existed on 31st March, 2022. Hence, no provision is required in the accounts for the year under review.

## Note 23

### Auditor's Remuneration

Auditors remuneration for the financial year 2021-22 is Rs 60000 Excluding GST (Previous Year Rs. 60000)

## Note 24

### Foreign Exchange Earnings

The particulars regarding foreign exchange earnings of holding company during the year of Rs. 174.28 Lakhs only (Previous Year Rs. 136.41 Lakhs) and expenditure in foreign currency is Rs. 3.25 Lakhs only (Previous year 1.21 Lakhs).

## Note 25

### Contingent Liabilities and Litigations

In view of accounting policies, Contingent Liability not provided for: Disputed Income Tax Demand against which company has gone into appeal in view of facts of the cases/ opinion obtained Rs. 2,12,70,392/-

Nature of Statute	Nature of Dues	Amount (in Rs.)	Period to which amount relates	Forum where dispute is pending
Income tax Act, 1961	Tax and interest	73,47,744/-	A.Y 2013-14	CIT(Appeals)
Income tax Act, 1961	Tax and interest	65,15,710/-	A.Y 2014-15	CIT(Appeals)
Income tax Act, 1961	Tax and interest	18,67,998/-	A.Y 2016-17	CIT(Appeals)
Income tax Act, 1961	Tax and interest	55,38,940/-	A.Y 2020-21	CIT(Appeals)

## Note 26

### Employee Benefits

- A. Defined Contribution Plans - The Company has a defined contribution plan in respect of provident fund. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to a registered provident fund administered by the Government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

During the year, the Company has recognised the following amounts towards defined contribution plan in the Statement of Profit and Loss –

Amount (000)		
Particulars	As At March 31,2022	As At March 31,2021
Employers' Contribution to Provident Fund	1	12
Employer's Contribution to Employees State Insurance	379	382

- B. Other Long term benefits - The leave obligations cover the Company's liability for earned leave.. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next twelve months.

- C. Defined Benefit Plans - Contribution to Gratuity Funds – The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The company does not have any employees who are in continuous service for a period of 5 years Hence The Company doesn't operate a defined benefit gratuity plan, which requires contributions to be made to the recognised fund.

## Note 27

**Regulation 34(3) read with para A of Schedule V to Securities And Exchange Board of India (Listing Obligations And Disclosures Requirements) Regulations, 2015:**

Amount (000)		
Particulars	As At March 31,2022	As At March 31,2021
<b>Advance given to subsidiary</b>		
<b>Megrisoft Limited ( UK Subsidiary)</b>		
<b>Advance given to subsidiary</b> Balance at the year end	2019	2019
Maximum amount outstanding at any time during the year	2019	2019
<b>Investment in Equity Shares - 100%</b>		
100 Equity Share of £1 each	10	10

## Note 28

### Foreign Travelling Expenses

Rs. 2.04 Lakhs was incurred on foreign travelling during the financial year under review as compared to Rs.1.07 Lakhs during the preceding financial year. The entire amount was incurred on foreign travelling expenses of the director.

## Notes 29

During the year ended March 31, 2022 the company incurred an expense of 283.93 lacs (Previous year : 138.46) for construction of IT plot at I-46, Sector-83 Alpha, I.T. City, SAS Nagar, Punjab,160055. Since construction is in progress and the amount shown under head Capital work in progress in the Schedule of Fixed Assets (Notes 3).

## Note 30

### Related Party Disclosures:

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

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

Sr.No.	Name of Related Party	Relationship
1.	Mr. Mohnesh Kohli	Promoter, Director & Person having significant influence
2.	Mrs. Neena Kohli	Relative of person having significant influence
3.	Ms. Aprajita Kohli	
4.	Mr. Austin Kohli	
5.	Mr. Mahesh Kohli	
6.	Mr. Rajnesh Sharma (Whole Time Director)	Key Managerial Personnel
7.	Ms. Sunimrat Kaur (Company Secretary)	
8.	Mohnesh Kohli & Co.	Enterprise Over which controlling person have significant influence
9.	Mohnesh Kohli HUF	
10.	Megrisoft Limited (UK)	Subsidiary Company

**B) Details of transactions with related party during year ended March 31, 2022 in the ordinary course of business:**

**(Rs. in Lakhs)**

<b>Sr No</b>	<b>Nature of Relationship/ transaction</b>	<b>Person having Significant Influence &amp; their relatives</b>	<b>Key Managerial Personnel &amp; relatives</b>	<b>Independent &amp; Other Non Executive Directors</b>	<b>Enterprise over which controlling person have significant influence</b>	<b>Subsidiary Company</b>	<b>Total</b>
<b>1.</b>	<b>KMP Remuneration</b> Mr. Rajnesh Sharma Ms. Aprajita Kohli Ms. Kajal Rawat Ms. Khushboo Goyal Ms. Sunimrat Kaur	- - - - -	4.58 35.84 0.36 0.61 0.46	- - - - -	- - - - -	- - - - -	<b>41.85</b>
<b>2.</b>	<b>Director Sitting Fees:</b> Mohnesh Kohli Diksha Mahesh Kumar Ishwar Partap Singh	- - - -	- - - -	0.30 0.20 0.30 0.30	- - - -	- - - -	<b>1.10</b>
<b>3.</b>	<b>Reimbursement of Tour &amp; Travelling Expense:</b> Aprajita Kohli Mohnesh Kohli	- -	- -	2.16 0.97	- -	- -	<b>3.13</b>
<b>4.</b>	<b>Rent paid:</b> Mohnesh Kohli Ms. Neena Kohli	3.60 4.80	- -	- -	- -	- -	<b>8.40</b>
<b>5.</b>	<b>Payment for Construction of Building at IT Park Mohali Punjab</b> Mahesh Kohli	152.15	-	-	-	-	<b>152.15</b>

Out of above payments to related parties director remuneration outstanding on 31st March 2022 is 2.71 lacs ( previous year 2.53)



### **Note 31**

Salary and wages include director remuneration 40.42 lacs ( Previous Year 40.93 lacs) and sitting fee 1.10 lacs ( Previous Year 1.20).

### **Note 32**

The Industrial plot allotment by GMADA at I.T. City, SAS Nagar Punjab at Lease and freehold basis and allotment and its possession is in the name of the Company. The plot will be converted into freehold after 7 years from completion of full payment. The Company has already paid the full amount of 324.05 lacs.

### **Note 33**

The company filed a case against Godrej Estate Developers Pvt Ltd on 31/07/2020 in State Consumer Dispute Redressal Commission, U.T. Chandigarh regarding the refund of full money of Rs 1,38,42,183/- along with interest paid for the purchase of a commercial space Unit No. W-3D, 3rd Floor of Tower No. Plot No. 70, Industrial Area, Phase 1, Chandigarh. On 18th April 2022, The court ordered Godrej Estate Developers Pvt Ltd to refund the entire amount to the company along with interest of @12% p.a. and the Cost of litigation of Rs. 50000. Estimated Interest will be approximately Rs 166 lakhs and Final interest is yet to be determined by the court.

### **Note 34**

The company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,

### **Note 35**

#### **Previous Year Figures Regrouping/Reclassification**

Previous year figures have been regrouped/reclassified to conform to the current year classification.

**As per the report of even date attached.**

For **Sanjay Arora & Associates**

Chartered Accountants

ICAI Firm Registration Number: 008445N

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

**Neelkant Gargya**

Partner

Membership Number: 093624

Place of Signature: Chandigarh

Date: 20th May, 2022

**Mohnesh Kohli**

**(Director)**

**DIN: 01784617**

**Rajnesh Sharma**

**(Director & CFO)**

**DIN: 02528435**

**NOTICE TO THE 31ST ANNUAL GENERAL MEETING**

---

NOTICE is hereby given that the **31st (Thirty first) Annual General Meeting (AGM)** of the Members of **MEGRI SOFT LIMITED** will be held on Friday, September 30, 2022 at 14:30 p.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), in compliance with applicable provisions of the Companies Act, 2013 and in accordance with relevant circulars issued by Ministry of Corporate Affairs ("MCA") and Securities and Exchange Board of India ("SEBI") to transact the following businesses:

**Ordinary Business**

**Item No. 1- Adoption of Financial Statements**

To consider and if thought fit, to assent or dissent, to the following resolution to be passed as an Ordinary Resolution:

**"RESOLVED THAT** the Audited Financial Statements (including Consolidated Financial Statements) for the Financial Year ended March 31, 2022 together with the Director's Report and Independent Auditor's Report thereon as circulated to the members and laid before the meeting be and are hereby received, considered, approved and adopted."

**Item No. 2- Appointment of Mr. Aprajita Kohli as a director liable to retire by Rotation**

To appoint a Director in place of Ms. Aprajita Kohli (DIN 02489600), who retires by rotation in terms of Section 152 (6) of the Companies Act, 2013 and being eligible, offers herself for re-appointment

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution

**"RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, the approval of the members of the Company, be and is hereby accorded to the re-appointment of Ms. Aprajita Kohli (DIN 02489600) who retires by rotation and being eligible, offers herself for re-appointment."

**Place: Chandigarh**  
**Date: 29.08.2022**

**By order of the Board of Directors**  
**For Megri Soft Limited**

**Registered Office:**  
**S.C.O. 80, Sector 47- D**  
**Chandigarh(UT) 160047**  
**E-Mail: [legal@megrisoft.com](mailto:legal@megrisoft.com)**  
**CIN:L72200CH1992PLC011996**

**Sunimrat Kaur**  
**Company Secretary**

## Notes:

1. As you aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021. The forthcoming AGM/EGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.
3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to all members as the members of the company are not more than 1000 therefore participation is unlimited. large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. are also allowed to attend the EGM/AGM.
4. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, , the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
6. In line with the MCA Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.megrisoft.com](http://www.megrisoft.com). The Notice can also be accessed from the website of the Stock Exchanges i.e. BSE Ltd. at [www.bseindia.com](http://www.bseindia.com) and Metropolitan Stock Exchange of India Ltd. at [www.msei.in](http://www.msei.in) respectively and is also available on the website of e-voting agency Central Depository Services (India) Limited (CDSL) at the website address [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021.
8. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.

**THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM/EGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**

- I. The remote e-voting commences on 9.00 a.m on Tuesday, September 27, 2022 and will end at 5.00 p.m on Thursday, September 29, 2022. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, September 23, 2022, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- II. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- III. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.
- IV. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi /Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all</p>

	e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<p>1) If you are already registered for the NSDL IDeAS facility, please visit the e-Services website of NSDL. Open a web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting ” under e-Voting services and you will be able to see the e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, the option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open a web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to the NSDL Depository site wherein you can see the e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting options. Once you click on the e-Voting option, you will be redirected to the NSDL/CDSL Depository site after successful authentication, wherein you can see the e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**V. Login method for e-Voting and joining virtual meetings for shareholders other than individual shareholders holding in Demat form & physical shareholders.**

A. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

B. Click on the “Shareholders” tab.

C. Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

Or

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in

to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

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

	<b>For Members holding shares in Demat Form and Physical Form</b>
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>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li></ul>
Dividend Bank Details Or Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <p><input type="checkbox"/> If both the details are not recorded with the depository or Company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (v)</p>

- VI. After entering these details appropriately, click on the "SUBMIT" tab.
- VII. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach the 'Password Creation' menu wherein they are required to mandatorily 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.
- VIII. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- IX. Click on the EVSN **220820004 <Megri Soft Limited>** on which you choose to vote.
- X. 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. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- XI. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- XII. 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.



- XIII. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- XIV. You can also take out a print of the voting done by you by clicking on the “Click here to print” option on the Voting page.
- XV. If the Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

**INSTRUCTIONS FOR THE MEMBERS FOR ATTENDING THE AGM/E-AGM THROUGH VIDEO CONFERENCE & E VOTING:**

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Members may access the same at [www.evotingindia.com](http://www.evotingindia.com) under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of the Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of CDSL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. The facility of joining the e-AGM through VC/OAVM will be opened 15 minutes before and will be open upto 15 minutes after the scheduled start time of the e-AGM, i.e. from 14:15 p.m. to 14:45 p.m.
4. Further Members will be required to allow Camera and use the Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
6. **AGM Questions prior to e-AGM:** Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 07 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 07 days prior to meeting mentioning their name, demat account number/folio

number, email id, mobile number at [legal@megrisoft.com](mailto:legal@megrisoft.com) . These queries will be replied to by the company suitably by email.

7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is the same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the AGM.

**(XXI) Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporate” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login 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.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [legal@megrisoft.com](mailto:legal@megrisoft.com) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, 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) or contact Mr. Nitin Kunder (022- 23058738 ) or Mr. Bhavesh Pimputkar (022-23058543) or Mr. Rakesh Dalvi (022-23058542).



All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**PROCEDURE FOR OBTAINING THE ANNUAL REPORT, E-AGM NOTICE AND E-VOTING INSTRUCTIONS BY THE SHAREHOLDERS WHOSE E-MAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES OR WITH RTA ON PHYSICAL FOLIOS:**

On account of threat posed by COVID-19 and in terms of the MCA and SEBI Circulars, the Company has sent the Annual Report, Notice of e-AGM and e-voting instructions only in electronic form to the registered E-mail addresses of the shareholders. Therefore, those shareholders who have not yet registered their e-mail address are requested to get their email addresses registered by following the procedure given below:

1. Those shareholders who have registered/not registered their mail address and mobile no. including address and bank details may please contact and validate/update their details with the Depository Participant in case of shares held in electronic form and with the Company's Registrar and Share Transfer Agent, Beetal Financial & Computer Services Private Limited in case the shares held in physical form.
2. Shareholders who have not registered their mail address and in consequence the Annual Report, Notice of e-AGM and e-voting notice could not be serviced may temporarily get their email address and mobile number provided with the Company's Registrar and Share Transfer Agent, M/s Beetal Financial & Computer Services Pvt. Ltd., Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukh Dass Mandir, New Delhi – 110062, Phone No. : 011-29961281-83, Fax No. : 011 – 29961284, E-mail : [beetalrta@gmail.com](mailto:beetalrta@gmail.com)
3. Shareholders are also requested to visit the website of the Company [www.megrisoft.com](http://www.megrisoft.com) for downloading the Annual Report and Notice of the e-AGM.
4. Alternatively, member may send signed copy of the request letter providing the email address, mobile number, self-attested PAN copy along with client master copy (in case of electronic folio)/copy of share certificate (in case of physical folio) via e-mail to Depository Participant for obtaining the Annual Report and Notice of e-AGM.

**Other Important Notes:**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (MCA) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as 'MCA Circulars') permitted the holding of the Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (Act), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the MCACirculars, the AGM of the Company is being held through VC / OAVM
2. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
3. The Register of members & Share Transfer books will remain closed from Saturday, September 24, 2022 to Friday, September 30, 2022 (both days inclusive).
4. Brief details of the directors, who are seeking appointment/re-appointment, are annexed hereto as per requirements of regulation 36(3) of the Listing Regulations and as per provisions of the Act.

5. In support of the Green Initiative, the Notice of AGM and the copies of audited standalone & consolidated financial statements, directors' report, auditors' report etc. will also be displayed on the website at [www.megrisoft.com](http://www.megrisoft.com) of the Company. Members holding shares in electronic mode are therefore requested to ensure to keep their email addresses updated with the depository participants. Those members who have not registered their e-mail addresses and mobile nos. and in consequence could not be served the Annual Report and Notice of e-AGM, may temporarily get themselves registered by writing to the Company or RTA quoting their folio number(s).
6. SEBI has vide circular no. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021 , mandated furnishing of PAN,KYC details and Nomination by Members holding shares in physical form.In view of the same,concerned shareholders are requested to furnish the requisite documents/information at the earliest.Non-availability of the same on or after April 1 ,2023 will result in freezing of the folios of such shareholders pursuant to the aforesaid SEBI circular.The company has sent communications to the concerned shareholders explaining the aforesaid requirements.The necessary forms for updation of the aforementioned information are available on the website of the company at [www.megrisoft.com](http://www.megrisoft.com) .Members may contact the Company/Company's RTA for assistance in this regard.
7. As per the provisions of Section 72 of the Act,the facility for making nomination is available for the members in respect of the shares held by them.Members who were not registered their nomination are required to register the same by submitting Form No. SH-13.If a member desires to opt-out or cancel the earlier nomination and record a fresh nomination,he/she may submit the same in Form No. ISR-3 or Form No. SH-14 as the case may be.The said forms are available on the website of the company under the weblink at <https://www.megrisoft.com/information-for-shareholders>. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialised form,and to the RTA/Company ,in case the shares are held in physical form.
8. In case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the e-AGM
9. Since the meeting will be conducted through VC/ OAVM facility, the Route Map is not annexed in this Notice.
10. The Board of Directors has appointed A.M. & Associates, Practicing Company Secretaries as the Scrutinizer to the e-voting process and voting at the e-AGM in a fair and transparent manner.
11. The Scrutinizer shall, immediately after the conclusion of voting at the e-AGM, first count the votes cast at the meeting, thereafter unblock the votes through e-voting in the presence of at least two witnesses, not in the employment of the Company and make a consolidated Scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman of the Company, who shall countersign the same.
12. The Results on above resolutions shall be declared not later than 48 hours from the conclusion of the e-AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the resolutions.The results declared along with the Scrutinizers Report shall be placed at the Company's website [www.megrisoft.com](http://www.megrisoft.com) immediately after the results are declared by the Company and simultaneously communicated to the BSE and MSEI.
13. Since the AGM is being held through VC in accordance with the MCA Circulars, the route map, proxy form and attendance slips are not being attached to this notice.
14. The business set out in the Notice will be transacted through Electronic Voting System and the Company is providing facility for voting by electronic means. The instructions & other information relating to remote

e-voting are above mentioned in this notice and the Company will also send communication relating to remote-e-voting which inter-alia would contain details about User ID and Password along with a copy of this Notice to the members, separately.

15. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members. The Members seeking to inspect such documents can send an email to [legal@megrisoft.com](mailto:legal@megrisoft.com)
16. Members holding shares in dematerialized mode are requested to intimate all changes with respect to their bank details, mandate, nomination, power of attorney, change of address, email address, change in name etc. to their Depository Participant. These changes will be automatically reflected in the Company's records which will help the Company to provide efficient and better service to the members.

#### 17. Important Instructions And Information For Shareholders

Pursuant to Securities & Exchange Board of India vide its circulars SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021 and SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated December 14, 2021 it is mandatory for holders of physical securities to furnish valid PAN (where the PAN is linked with Aadhaar), full KYC details (address proof, email address, mobile number, bank account details) and nomination (for all the eligible folios).

➤ **Freezing of Folios without valid PAN, KYC details, Nomination**

- a) In case, any of the aforesaid documents/details are not available in a Folio, on or after 01st April, 2023, the same shall be frozen by RTA.
- b) Similarly, in case the PAN(s) in a folio is/are not valid as on the cut-off date of March 31, 2022 or any other date as may be specified by The Central Board of Direct Taxes (CBDT) then also the folio shall be Frozen as above.
- c) A member/claimant will be eligible to lodge grievance or avail service request from the RTA or eligible for any payment including dividend only after furnishing the complete documents or details as aforesaid.

***In case the folio continues to remain frozen as on 31st December, 2025, the RTA / Company shall refer such frozen folios to the Administering Authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002.***

➤ **Issuance of Securities in dematerialized form in case of Investor Service Requests**

We would further like to draw your attention to SEBI Notification dated January 24th, 2022 and SEBI Circular SEBI/HO/MIRSD/ MIRSD\_RTAMB/P/CIR/2022/8 dated January 25th, 2022. Accordingly, while processing service requests in relation to; 1) Issue of duplicate securities certificate; 2) Claim from Unclaimed Suspense Account; 3) Renewal /Exchange of securities certificate; 4) Endorsement; 5) Sub-division / Splitting of securities certificate; 6) Consolidation of securities certificates/folios; 7) Transmission and 8) Transposition, the Company shall issue securities only in dematerialised form. For processing any of the aforesaid service requests the securities holder/claimant shall submit duly filled up Form No.: ISR-4. We hereby request to the holders of physical securities to furnish the documents/details, as per the table below for respective service request, to the Registrars & Transfer Agents i.e., M/s Beetal Financial & Computer Services Pvt. Ltd

Sr.No.	Particulars	Form
1.	PAN	Form No.: ISR-1
2.	Address with PIN Code	
3.	Email address	
4.	Mobile Number	
5.	Bank account details (Bank name and Branch, Bank account number, IFS Code)	
6.	Demat Account Number	
7.	Specimen Signature	Form No.: ISR-2
8.	Nomination details	Form No.: SH-13
9.	Declaration to opt out nomination	Form No.: ISR-3
10.	Cancellation or Variation of Nomination	Form No.: SH-14
11.	Request for issue of Securities in dematerialized form in case of below: i. Issue of duplicate securities certificate ii. Claim from Unclaimed Suspense Account iii. Renewal / Exchange of securities certificate iv. Endorsement v. Sub-division / Splitting of securities certificate vi. Consolidation of securities certificates/folios vii. Transmission viii. Transposition	Form No.: ISR-4

A member needs to submit Form No.: ISR-1 for updating PAN and other KYC details to the RTA of the Company.

18. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the **31<sup>st</sup> Annual General Meeting**, scheduled to be held on **Friday, September 30, 2022 at 14:30 p.m.** by electronic means ('remote e-voting') services provided by the Central Depository Services (India) Limited (CDSL).
19. Any person who acquires shares of the Company and become the member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date, i.e. September 23, 2022 have the option to obtain user-ID & password by sending a request at [legal@megrisoft.com](mailto:legal@megrisoft.com) and may follow the same instructions as mentioned above for e-voting.
20. A copy of this notice has been placed on the website of the Company at [www.megrisoft.com](http://www.megrisoft.com) and the website of CDSL at [www.cdslindia.com](http://www.cdslindia.com). Members holding shares in electronic mode are therefore requested to ensure to keep their email addresses updated with the depository participants. Members holding shares in physical mode are also requested to update their email addresses by writing to the RTA of the Company quoting their folio number(s).

21. The Results shall be declared after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website at [www.megrisoft.com](http://www.megrisoft.com) and on the website of CDSL at [www.cdslindia.com](http://www.cdslindia.com) and communicated to the Stock Exchanges.

**Place: Chandigarh**

**Date: 29.08.2022**

**By order of the Board of Directors**

**For Megri Soft Limited**

**Registered Office:**

**S.C.O. 80, Sector 47- D**

**Chandigarh(UT) 160047**

**E-Mail: [legal@megrisoft.com](mailto:legal@megrisoft.com)**

**CIN:L72200CH1992PLC011996**

**Sunimrat Kaur**  
**Company Secretary**

#### **Annexure A**

**Details of the Directors seeking appointment/re-appointment in the Annual General Meeting [pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015]**

<b>Name of the Director</b>	Ms. Aprajita Kohli
<b>Date of Birth</b>	25.10.1990
<b>Date of Appointment</b>	30.09.2009
<b>Expertise in Specific Functional Area</b>	Internet Technology
<b>Qualification</b>	Graduation in Journalism & PR,Advanced IT Course and MBA in International Business Greenwich ,London
<b>No. of Shares Held</b>	1,93,000
<b>Relationship with Other Directors</b>	Related to Mr. Mohnesh Kohli
<b>Board Membership of other Companies as on March 31, 2022</b>	None
<b>Chairman/ Member of the Committee of the Board of Directors as on March 31, 2022</b>	None