

**MEGRI SOFT LIMITED**

SCO 80 Sector 47-D Chandigarh 160047

Ph. : +91-172-2631561, 2631550

Cell : +91-9501168822, 9501168844

support@megrisoft.com www.megrisoft.com

CIN:L72200CH1992PLC011996

To,

BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400 001 Email Id: corp.compliance@bseindia.com Scrip Code: 539012	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: listingcompliance@msei.in Symbol: MEGRISOFT
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Subject: 32nd Annual Report of the Company for the Financial Year 2022-23

Dear Sir,

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 2022-23.

In compliance with Regulation 34(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, as amended, read with applicable Circulars of the MCA and SEBI, the Annual Report for the Financial Year (FY) 2022-23 comprising the Notice of the AGM, the standalone and consolidated financial statements for the FY 2022-23, along with Board's Report, Auditors' Report and other document required to be attached thereto, is being sent to all the members of the Company whose email addresses are registered with the Company/ Depository Participant(s).

In compliance of the aforesaid Regulation, a copy of the annual report along with the notice of the AGM for the FY 2022-23, being sent to the shareholders through electronic mode, are attached herewith.

The same is also been made available on the website of the Company at the link www.megrisoft.com

This is for your information and record.

Thanking You,

Yours Faithfully,
For Megri Soft Limited

(Manju Bala)
Company Secretary & Compliance Officer
M.No: 67831

Date: 30/08/2023

Place: Chandigarh

32nd Annual Report 2022-23

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

Mr. Vijay Kumar

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
Web Site: 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 32nd Annual Report on the business and operations of the Company together with the audited Standalone and consolidated Financial Statements and the Auditor's Report thereon for the financial year ended March 31, 2023.

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

➤ Results of operations

(Amount in Lakhs)

Particulars	Standalone		Consolidated	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
1. Revenue	189.79	174.28	241.28	255.56
2. Other Income	15.94	26.37	15.94	26.37
3. Total Income (1+2)	205.73	200.65	257.22	281.93
Expenditure:				
a) Employees Benefits Expenses	29.38	23.25	56.47	62.82
b) Depreciation and Amortization expenses	7.04	7.56	7.46	8.11
c) Finance Cost	0	0	0	0
d) Other Expenses	103.42	109.26	123.78	140.19
4. Total Expenditure	139.84	140.07	187.71	211.12
5. Earnings Before Interest and Tax (EBIT) (3-4)	65.89	60.58	69.51	70.81
6. Exceptional Item	0	0	0	0
7. Net Profit before tax (5-6)	65.89	60.58	69.51	70.81
8. Tax Expenses	17.14	14.17	17.92	16.24
9. Net Profit After Tax (7-8)	48.75	46.41	51.59	54.57
10. Other Comprehensive Income (Net of Tax)	(4.71)	0.62	(4.71)	0.62
11. Total Comprehensive Income (9+10)	44.04	47.03	46.88	55.19

➤ 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 recognised accounting practices and policies to the extent applicable. Necessary disclosures as regards 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 ₹ 189.79 Lakh during the year under review as against ₹174.28 Lakh during the previous financial year. Operating EBIT for the year is ₹ 65.89 Lakh compared to ₹ 60.58 Lakh in FY 2021-22. Profit before tax (PBT) from ordinary activities (before exceptional items) is ₹ 65.89 Lakh in FY 2023 as against ₹ 60.58 Lakh in FY 2021-22

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 recognised 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) incorporated in the United Kingdom, as approved by their respective Board of Directors. On a consolidated basis, your Company achieved net revenue of ₹241.28 Lakh during the year under review as against ₹ 255.56 Lakh during the previous financial year. The total consolidated income for the year is ₹ 257.22 Lakh compared to ₹ 281.93 Lakh in FY 2021-22.

➤ 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 ₹ 1770.27Lakhs. 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) 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 subsidiaries' affairs. 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 details the performance and financial positions of the wholly owned subsidiary and their contribution to the company's overall performance.

➤ 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 guarantees.

➤ 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, also available on the Company's website at <http://www.megrisoft.com/pdfs/rptp.pdf>. The Policy intends to ensure 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 that are repetitive and/ or entered in the ordinary course of business and an 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 statement relates 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 the report:

- In the nature of the 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 has been increasing Search Engine Optimization and IT-related services in the United Kingdom (UK) for the past few years. The Company has incorporated a wholly-owned subsidiary in London, United Kingdom, to expand its business in the UK and Europe. The company is already constructing a F. The construction is near completion, and soon the company will start new operations. The company proposes to expand the business of digital marketing, Web development, App development and ITES services.



➤ 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 sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V do not apply 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, analysing, and responding appropriately to all business risks. We have a well-embedded Risk Management Framework to ensure 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 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 to 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 business's nature and the operations' scale and complexity. The Company has adopted policies and procedures covering all financial, operating and compliance functions. These controls have been designed to provide 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 Audit Committee approves the internal audit plan 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 that any internal control framework would have some inherent limitations. It has taught 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 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 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 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 stakeholders' long-term interests. The Company believes that an active, well-informed and independent Board is necessary to achieve the 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 and expertise in their areas of specialisation.

➤ 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 suggestions/details of any matter which requires discussion or approval of the Board so that the same can be incorporated into the agenda of the Board meeting. The Board meeting date is fixed, considering 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 meeting table to discuss 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 by the Board.
- The Company Secretary conducts the Board meetings and prepares all documents, including meeting minutes, 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, 2023, 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 2022-23, the Board met 7 (Seven) times i.e. on 20.05.2022, 16.07.2022, 10.08.2022, 29.08.2022, 10.10.2022, 10.11.2022. And 7.02.2023. The intervening gap between any two meetings was within the period prescribed by the Companies Act 2013.

Quarter – I [April 22-June 22]	Quarter – II [July 22-Sept 22]	Quarter – III [Oct'22-Dec22]	Quarter – IV [Jan'23-Mar'23]
1) 20.05.2022	1.) 16.07.2022 2.) 10.08.2022 3.) 29.08.2022	1) 10.10.2022 2) 10.11.2022	1) 07.02.2023

❖ No. of Meetings Attended by the Board of Directors

S.No	Name of the Directors	Number of meetings attended
1.	Mohnesh Kohli	7
2.	Aprajita Kohli	3
3.	Rajnesh Sharma	7
5.	Mahesh Kumar	7
6.	Ishwar Partap Singh	7

General Meetings

During the Financial Year 2022-23, 1 (one) Meeting was held by the Company's Shareholders. The details of the Meetings are as follows:

S.No.	Meeting	Date of Meeting
1.	Annual General Meeting	30.09.2022

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 a scope of responsibilities, duties, and authorities, which the Board reviews from time to time 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, are 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 Company's Board of Directors, 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 Company's Audit Committee has been constituted in compliance with 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 the 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, including 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 the following:
 - 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 the 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 a 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 the management performance of external and internal auditors and the adequacy of internal control systems;
- Review the adequacy of the 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 report the matter to the Board; 25
- Discussion with Statutory Auditors before the audit commences the nature and scope of the audit as well as have a 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 finalisation of the same by the management. While approving the appointment, the Audit Committee shall assess the qualifications, experience, background etc., of the candidate;
- Reviewing and monitoring the auditor's independence, performance, and effectiveness of the audit process;
- Approving any subsequent modification of transactions of the Company with related parties;
- Monitoring the end use of funds raised through a 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 utilised for purposes other than those stated in the offer/document /prospectus /notice and the report submitted by the monitoring agency monitoring the utilisation 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 the 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;
- Scrutinise inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Reviewing the utilisation 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 of March 31, 2023, of which two are independent directors and one is a 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"/>	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 2022-23, under review 7(Seven) Audit Committee Meetings were held on April 28, 2022, May 20, 2022, May 31, 2022 August 10, 2022, November 10, 2022, November 23, 2022, and February 7, 2023.

Number of Meetings attended by the Members of the Audit Committee

S.No	Name of the Directors	Number of meetings attended
1.	Mahesh Kumar	7
2.	Mohnesh Kohli	7
3.	Ishwar Pratap Singh	7

❑ 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, organisation and governance of the 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 are 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 to evaluate 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 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 the performance of whole-time directors and whole-time directors of the subsidiaries nominated by the Company on its Board and 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 with respect to 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 about the Remuneration Policy for Directors, KMP and all other employees of the Company.

Our Nomination and Remuneration Committee comprised the following directors as of March 31, 2023 :

❑	Mr. Mohnesh Kohli	-	Member (Non-Executive Director)
❑	Mr. Mahesh Kumar	-	Member (Non-Executive & Independent Director)
❑	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 2022-23, 4 (four) meetings were held by the Nomination & Remuneration Committee members, and a requisite quorum attended the meeting were held on April 5, 2022, July 6, 2022, October 4, 2022 and January 6, 2023.

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

S.No	Name of the Directors	Number of meetings attended
1.	Mahesh Kumar	4
2.	Mohnesh Kohli	4
3.	Ishwar Pratap Singh	4

❑ Shareholders'/Investors' Grievance Committee (Stakeholders' Relationship Committee)

The Board has a Stakeholders' Relationship Committee pursuant to Section 178 of the Act and Regulation 20 of the Listing Regulations, to look into various aspects of interest of shareholders and other security holders, if any. The Committee considers and resolves the grievances of the shareholders of the Company, including complaints related to the transfer of shares, non-receipt of annual reports or non-receipt of declared dividends.

The stakeholder's relationship committee is mandated to review and redress stakeholder grievances.

Our Stakeholders Relationship committee comprised the following directors as of March 31, 2023 :

❑	Mr. Mohnesh Kohli	-	Chairman (Non-Executive Director)
❑	Mr. Mahesh Kumar	-	Member (Non-Executive & Independent Director)
❑	Mr. Ishwar Pratap Singh	-	Member (Non-Executive & Independent Director)

During the Financial Year 2022-23, 6 (Six) meetings were held by the Members of the stakeholder's relationship committee, and a requisite quorum attended the meeting were held on June 6, 2022, June 8, 2022, June 9, 2022, July 5, 2022, October 6, 2022, and January 4, 2023.

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

S.No	Name of the Directors	Number of meetings attended
1.	Mahesh Kumar	6
2	Mohnesh Kohli	6
3.	Ishwar Pratap Singh	6

Details of a number of complaints received during the year are given below, and the Status of Investor Complaints as of March 31, 2023, are as under :

Complaints as on April 1, 2022	0
Received during the year	0
Resolved during the year	0
Pending as on 31st March, 2023	0

During the Financial Year 2022-23, the Company has not received any complaints from any shareholder.

❑ Board Evaluation Process

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 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 Board evaluated the performance of the Board after seeking inputs from all the directors on the basis of criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc. The board evaluates the performance of the committees after seeking inputs from the committee members on the basis of 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 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. The Board of Directors had expressed their satisfaction to the overall evaluation process.

❑ Committee of Independent Directors

The company's Independent directors 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 2022-23 was held on **February 07, 2023** to discuss:

- 1) Review and 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 the 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 familiarise themselves 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 describing the terms of employment, including their roles, functions, responsibilities and fiduciary duties as a Director of the Company.

➤ Declaration by Independent Directors

The Independent Directors hold office for their respective term and are not liable to retire by rotation. The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Act and under the Listing Regulations and that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence as required under Regulation 25 of the Listing Regulations. Further, in pursuance of Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, all Independent Directors of the Company have duly confirmed the renewal of their respective registration with the Indian Institute of Corporate Affairs (IICA) database.

Further, in the opinion of the Board, the Independent Directors of the Company possess the requisite expertise and experience (including the proficiency) and are persons of high integrity and repute.

➤ 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.

➤ Insolvency And Bankruptcy Code, 2016

No application or any proceeding has been filed against the Company under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) (IBC Code) during the FY23.

➤ Details Of Significant And Material Orders Passed By The Regulators/Courts/Tribunals

During the year under review, no significant and material orders have been passed by the regulators or courts or tribunals impacting the ongoing concern status and the Company's operations in the future.

➤ 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 unethical behaviour, 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 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 minimisation procedures, the Board of Directors has formulated a Risk Management Policy, which is available for viewing on the Company's website at the following link: <http://www.megrisoft.com/pdfs/rmp.pdf>

➤ Internal Financial Control

Your Company has established adequate internal financial controls concerning the financial statements. Such controls were tested during the year, and no reportable material weaknesses 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 commensurate with the 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 (KMPs)

At Megrisoft, it is our belief that a strong Board is imperative to create a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance.

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 a declaration by Independent Directors, which forms part of this Annual Report

❑ Appointment

Also, the Board of Directors of the Company, on the basis of the recommendation of the Nomination and Remuneration Committee of the Company, had appointed Ms Sunimrat Kaur as the Company Secretary & Compliance Officer w.e.f Feb 5, 2022, and resigned due to personal reasons on 10.11.2022. Mr Vijay Kumar was appointed as Company Secretary and Compliance Officer on 03.05.2023.

❑ Change in Designation

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

❑ Cessation

During the year under review, Ms. Sunimrat Kaur has resigned as Company Secretary and Compliance Officer w.e.f. 10th November 2022.

❑ Retirement by Rotation

In terms of Section 152 (6) of the Companies Act, 2013, During the period under review Aprajita Kohli (DIN: 02489600) retired by rotation and reappointment in an Annual General Meeting held on 29.09.2023.

❑ Key Managerial Personnel

The following persons have been designated as Key Managerial Personnel of the Company pursuant to Section 2(51) of the Act, read with the Rules framed thereunder:

S.No.	Name	Designation
1.	Mr. Rajnesh Sharma	Whole Time Director
2.	Mr. Rajnesh Sharma	Chief Financial Officer
3.	Mr Vijay Kumar	Company Secretary & Compliance Officer

*Ms. Sunimrat Kaur has been appointed Company Secretary and Compliance Officer of the Company w.e.f. February 5, 2022, who has resigned from the said designation w.e.f. 10th November 2022. Further, Vijay Kumar, Company Secretary and Compliance Officer, with effect from May 3, 2023.

❑ Performance Evaluation of the Board

Listing Regulations laying down the key functions of the Board mandate that the Board shall monitor and review the Board Evaluation Process and stipulate that the Company's Nomination and Remuneration Committee shall lay down the evaluation criteria for the performance evaluation of Independent Directors. Section 134 of the Companies Act 2013 states that the Board needs a formal evaluation of its own performance and that of its committees and individual directors. Further, Schedule IV to the Companies Act 2013 states that the 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 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, 2023, 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 the 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

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 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.

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

❑ 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 2022-2023. The Secretarial Audit Report does not contain any qualification, reservation adverse remark, or disclaimer.

❑ Internal Auditors

M/s. N S Mann & Associates Chartered Accountants perform the duties of internal auditors of the Company, and their report is reviewed by the Audit Committee on a quarterly basis.

❑ Reporting Of Frauds By Auditors

During the year under review, none of the auditors, viz. Statutory Auditors and Secretarial Auditors have reported to the Audit Committee, under Section 143(12) of the Act, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

❑ Maintenance of Cost Records

The provisions of maintenance of Cost Records as specified by the Central Government under subsection (1) of Section 148 of the Act are not applicable to the Company.

❑ Audit Reports

- The Auditors' Report for the financial year ended March 31, 2023, 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, 2023, 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 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, concerning the 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 to improve 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 ₹ 189.79 Lakhs only (Previous Year ₹ 174.28 Lakhs) and expenditure in foreign currency is ₹ 5.28 Lakhs only (Previous year 3.25 Lakhs).

➤ Green Initiatives

The Company has implemented the 'Green Initiative' to enable electronic delivery of notice/documents/annual reports to shareholders. Further, the Ministry of Corporate Affairs, Government of India (MCA), vide General Circular Nos. 14/2020, dated April 08, 2020, 17/2020 dated April 13, 2020, 20/2020, dated May 5, 2020, 22/2020, dated June 15, 2020, 33/2020, dated September 28, 2020, 39/2020 dated December 31, 2020, 02/2021 dated January 13, 2021, 10/2021 dated June 23, 2021, 19/2021 dated December 8, 2021, 20/2021 dated December 8, 2021, 21/2021 dated December 14, 2021, 2/2022, dated May 5, 2022, and 10/2022 dated December 28, 2022, and circulars issued by the Securities and Exchange Board of India (SEBI) bearing Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 (hereinafter collectively referred to as 'the Circulars') has allowed companies to conduct their extra-ordinary general meeting/annual general meeting (EGM/AGM) through video conferencing or other audio visual means and also granted relaxations to issue/service notices and other reports/ documents of AGM/EGM/Postal Ballots to its shareholders, only electronically, at their registered e-mail address(es)

Accordingly, in compliance with the aforementioned Circulars, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depository Participant. Members may note that the Notice and Annual Report 2022- 23 will also be available on the Company's website www.megrisoft.com and websites of the Stock Exchanges i.e.BSE at www.bseindia.com.

The Company is providing an e-voting facility to all members to enable them to cast their votes electronically on all resolutions set forth in the AGM Notice. This is pursuant to Section 108 of the Act, 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 the formation/constitution of the CSR Committee prescribed under Section 135 of the Companies Act, 2013, are presently not applicable to the Company's 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 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 organisational structure that is agile and focused on delivering business results.

Regular communication and sustained efforts ensure 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. It seeks to ensure that everyone understands the company's values and principles and is 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 a healthy working environment without fear of prejudice, gender bias and sexual harassment.

During the FY 2022-23, the Company received no complaints on sexual harassment under The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.



➤ **Particulars of the Employees**

The particulars of employees required under Rule 5(2) & (3) of the Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014, framed under the Act, forms part of this Report. However, pursuant to provisions of Section 136 of the Act, the Annual Report, excluding the aforesaid information, is being sent to all the members of your Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary of the Company. The same shall also be available for inspection by members at the Registered Office of your Company.

➤ **Directors Responsibility Statement**

In accordance with the provisions of Section 134(3)(c) and 134(5) of the Act the Board of Directors confirms that:

- a) In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) The Directors 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 as at March 31, 2023, and of the profit of the Company for that year;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities
- d) The Directors have prepared the Annual Accounts on a going concern basis;
- e) The Directors have laid down internal financial controls to be followed by the Company and that such financial controls are adequate and were operating effectively;
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

The Company has complied with the revised Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

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 2022-2023.

➤ **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 Company's financial position occurred between the end of the Financial Year to which these financial statements relate and the date of this report.
- 4) No change in the nature of the Business of the Company.

Your Directors further state that no cases were filed during the year under review 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 that applies 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/behaviours 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. Their hard work, solidarity, cooperation and support made our consistent growth possible.



We also thank the Governments 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: 18.05.2023

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 for iPhone and 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 attracting 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 has spawned an emerging dot-com sector and is largely responsible for its 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's decision to increase Internet bandwidth will enable Internet penetration to rise, which will help expand the dot-com business and increase the overall efficiency of the Internet export business industry.

➤ **Opportunities and Threats**

The Company has a lot of scope for increasing its IT export business in the coming times. It has growth in sales because of having the technology edge it has in comparison with other competitor firms and 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 grow and expand in the coming times.

The Company's unique geographical location enables a 24x7 service offering and a reduction in turnaround time due to time zone differences, thereby giving its clients the best, which will ultimately increase the Company's business and performance. Our motto of manpower is providing services with proficiency and efficiency.

With the increase in the dotcom business, more and more firms are opting into this field which will increase the competition in the market regarding 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 future competition as well as emerging as a winner.

Because of the software business sector opening up 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 could maintain the quality of the employees in the future as well. The Company being in the IT sector, has risks of Data Security, Attrition, Content Liability, IPR Protect, Obsolescence and Competition Risk.

➤ **Outlook**

The Company has been increasing Search Engine Optimization and IT-related services in the United Kingdom (UK) for the past few years. Considering the fact, the Company has incorporated a wholly owned subsidiary in London, United Kingdom 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 Companies Act 2013 requirements and 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 and 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 Company's future challenges, 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. Ensuring the right skills and behaviours at all organisational levels is paramount at Megrisoft.

➤ **Internal Financial Control**

The Company's internal financial control systems are commensurate with the 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 business conduct.

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 unauthorised 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 maintaining asset accountability.

➤ **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 spending, new disruptive technologies or business models, significant changes in India's political and economic environment, exchange rate fluctuations, tax laws, litigation, labour relations and interest costs.

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.	The 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 of the last date of the relevant Financial year in the case of foreign subsidiaries	British Pound Sterling (₹. 101.87 as on March 31, 2023)
4.	Share capital	₹ (100 pounds)
5.	Reserves & surplus	₹ 27.69 Lakhs
6.	Total assets	₹ 35.71 Lakhs
7.	Total Liabilities	₹ 35.71 Lakhs
8.	Investments	N.A.
9.	Turnover	₹ 51.49 Lakhs
10.	Profit before taxation	₹ 3.62 Lakhs
11.	Provision for taxation	₹ 0.79 Lakhs
12.	Profit after taxation	₹ 2.83 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

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

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: 18.05.2023

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, 2023, 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 : ₹ 10847,000/-

For and on behalf of the Board

Place: Chandigarh
Date: 18.05.2023

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 Senior Management in accordance with the criteria laid down and recommend to the 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. The 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 of 3 non-executive directors, the majority of them being independent.
- b) A minimum of 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) The chairman of the Committee shall be an Independent Director.
- b) The 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) The 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 the Board of Directors.

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

For the Financial Year Ended March 31, 2023

[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, 2023, 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, 2023** 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 : 10.05.2023**

For A.M. & Associates

**CS Ankur Mahindru (Proprietor)
Membership No. 27853,
C.P. NO. 9951
UDIN: A027853E000281942**

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 a 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 the 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: 10.05.2023

For A.M. & Associates

CS Ankur Mahindru (Proprietor)
Membership No. 27853,
C.P. NO. 9951
UDIN: A027853E000281942

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.

The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year is given below:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for Financial Year 2022-23 (₹ In Lakhs)	% decrease in remuneration In Financial Year 2022-23	Ratio of remuneration of each Director to median remuneration of employees
1.	Rajnesh Sharma, Whole Time Director & CFO	4.37	4.59%	2.32
2.	Sunimrat Kaur Company Secretary	1.70	N.A.	N.A

The percentage increase in the median remuneration of the employees of the Company during the financial year is 199.16%

The median remuneration of employees of the Company during the Financial Year was 1.89 Lakhs (previous year 0.63 Lakhs)

The number of permanent employees on the rolls of the company 10

The average increase in salaries of employees other than managerial personnel in FY 2022-23 was around 46.18% in comparison with a percentile decrease in salaries of managerial personnel of around 30.98%.

It is hereby affirmed that the remuneration paid is 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) 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, 2023 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: A027853E000281975

Date: 10.05.2023
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 statements for the year ended on March 31, 2023, 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.

**Rajnesh Sharma
Chief Financial Officer**

**Date:18.05.2023
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. I confirm that the Company has, in respect of the financial year ended March 31, 2023, received from Members of the Board and senior Management team of the Company a declaration of compliance with the Code of Conduct as applicable to them.

Rajnesh Sharma
Chief Financial Officer
Date: 18.05.2023
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, 2023, 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, 2023, 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, 2023. 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 up to the year ended March 31, 2023 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, 2022 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, 2023 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, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, 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, 2023 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.
- vi. As Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software, which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For Sanjay Arora & Associates
Chartered Accountants
ICAI Firm Registration Number: 008445N

Neelkant Gargya
Partner
Membership Number: 093624
Place of Signature: Chandigarh
Date: 18-05-2023
UDIN:- 23093624BGRWFI8683

**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)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state 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) The title deeds all the immovable properties included in property, plant & equipment, are held in the name of the company as on March 31, 2023. 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 ended 31 March, 2023. Accordingly, the requirement to report on clause 3(i)(d) of the Order is not applicable to the Company.

e) There are no proceedings initiated or pending against the Company as at March 31, 2023, 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. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

III. 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. The Company has not advanced any loans, guarantees or security to any entity covered by the provisions of section 185 and section 186 of the Companies Act, 2013. Accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company in respect of section 185 and section 186 of the Companies Act, 2013, pertaining to these transactions. In respect of investments made, the Company has complied with the provisions of section 186 of the Companies Act, 2013.

V. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is 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 audit procedures performed by us:

a) 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.

b) 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, 2023, for a period of more than six months from the date they became payable.

c) The dues of goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have not been deposited on account of any dispute, are as follows:

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.**
- The Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lender.
 - The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
 - 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.
 - On an overall examination of the standalone Ind AS financial statements of the Company, there are no funds raised on short-term basis which have been utilized for long term basis.
 - On an overall examination of the standalone Ind AS financial statements of the Company, 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.
 - The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, associates or joint ventures. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company

X.

- The Company has not raised any money 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.
- During the year under audit, 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.

- No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- 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
- 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 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order are not applicable to the Company.

XIII. 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) 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. 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 to the Company.

XVI. (a)

The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Further, the Company is not engaged in any Non-Banking Financial or Housing Finance activities and is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(a), 3 (xvi)(b) and 3(xvi)(c) of the Order is not applicable to the Company.

- (b) In our opinion, and according to the information and explanation given to us, 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 respectively. Accordingly, the requirement to report on clause 3(xvii) of the Order is not applicable to the Company.

XVIII. There has been no resignation of the statutory auditors of the Company during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

XIX. On the basis of the financial ratios disclosed in note 20.1 to the standalone financial statements, 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: 18-05-2023
UDIN:- 23093624BGRWFI8683

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 2 (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, 2023, 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, 2023, 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: 18-05-2023

UDIN:-23093624BGRWFI8683

MEGRI SOFT LIMITED
CIN : L72200CH1992PLC011996
Regd. Office : SCO 80, Sector 47D, Chandigarh -160047
AUDITED STANDALONE BALANCE SHEET AS AT MARCH 31, 2023

(Amount in '000)

S. No.	Particulars	Note	As At March 31,2023	As At March 31,2022
A	ASSETS			
1	NON-CURRENT ASSETS			
	Property, Plant and Equipment	3	62042	60954
	Other Intangible Assets	3	545	585
	Intangible Assets Under Development	3	19479	18384
	Capital Work In Progress	3	44285	28393
	Financial Assets			
	(a) Non-Current Investments	4(a)	9499	12460
	Deffered Tax Assets (Net)	5	313	358
	Other Non-Current Assets	6	48102	48541
	Total Non-Current Assets		184265	169675
2	CURRENT ASSETS			
	Financial Assets			
	(a) Current Investments	4(b)	255	272
	b) Trade Receivables	4(c)	1669	157
	c) Cash and Cash Equivalents	7	606	1998
	d) Bank Balance Other Than (c) Above	8	14694	27516
	e) Other Current Assets	9	10284	7128
	Total Current Assets		27508	37071
	Total Assets		211773	206746
B	EQUITY & LIABILITIES			
1	SHAREHOLDERS' FUNDS			
	(a) Equity Share Capital	10(a)	31407	31407
	(b) Other Equity	10(b)	177027	172623
	Total Equity		208434	204030
2	NON CURRENT LIABILITIES			
	Financial Liabilities			
	(a) Long-Term Borrowings		-	-
	(b) Deferred Tax Liabilities (Net)		-	-
	Total Non-Current Liabilities		-	-
3	CURRENT LIABILITIES			
	Financial Liabilities			
	(a) Trade Payables	11	-	-
	(b) Other Current Liabilities	12	1448	1008
	(c) Provisions	13	1891	1708
	Total Current Liabilities		3339	2716
	Total Equity and Liabilities		211773	206746

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: 18th May, 2023

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, 2023

(Amount in '000) except EPS

S. No.	Particulars	Note	As At March 31,2023	As At March 31,2022
I	Revenue From Operations	14	18979	17428
	Other Income	15	1594	2637
	Total Revenue		20573	20065
	EXPENSES			
	a) Employees Benefit Expenses	16	2938	2325
	b) Finance Cost	17	0	0
	c) Depreciation & Amortization Expenses	18	704	756
	d) Other Operating Expenses	19	10342	10926
II	Total Expenses		13984	14007
III	Profit Before Tax (I-II)		6589	6058
	Tax Expenses			
	a) Current Tax		1669	1359
	b) Deffered Tax (Assets)/Liabilities		45	58
IV	Total Tax Expenses		1714	1417
V	Profit for the period (after Tax) (III-IV)		4875	4641
	Other Comprehensive Income			
	a) Items that will not be reclassified subsequently to profit or loss			
	Equity Investment through other comprehensive income		(637)	83
	Income tax relating to above		166	(21)
VI	Total other comprehensive income		(471)	62
VII	Total Comprehensive income (V+VI)		4404	4703
	Paid-up Equity Share Capital (face value of Rs. 10 per equity share)		31407	31407
	Earning per Equity share of Rs. 10/- each:			
	1) Basic	20	1.55	1.48
	2) Diluted		1.55	1.48

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: 18th May, 2023

MEGRI SOFT LIMITED
CIN : L72200CH1992PLC011996
Regd. Office : SCO 80, Sector 47D, Chandigarh -160047
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

(Amount in '000)

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax		6589		6058
Adjustments for:				
Interest Expenses	0		0	
Depreciation and Amortization	704		756	
Profit on Sale of Assets	0		0	
Profit on Sale of Investments	(340)		(760)	
Discount Received	-		-	
Interest Income on FDR's	(1209)		(1798)	
Dividend Income	(32)	(877)	(26)	(1828)
Operating Profit before Working Capital Changes		5712		4230
Adjustments for:				
Short Term Borrowings	-		-	
Trade Payables	-		-	
Other Current Liabilities	440		(43)	
Provisions	183		209	
Trade Receivables	(1512)		3113	
Short Term Loans & Advances	-		-	
Other Current Assets	(3156)		(2742)	
Other Non Current Assets	439	(3606)	473	1010
Cash Generated From Operations		2106		5240
Income Tax		(1669)		(1359)
Net Cash Flow From Operating Activities		437		3881
CASH FLOW FROM INVESTING ACTIVITIES				
Loang Term Loans & Advances				
Expenditure on property, plant and equipment and intangibles	(18739)		(18319)	
Sale/Transfer of Fixed Assets	0		0	
Bank deposits	12822		9634	
Investment	2507		(760)	
Interest Income on FDR's	1209		1798	
Dividend Income	32		26	
Profit On Sale of Assets	0		0	
Income From Sale of Investment	340		760	
Net Cash Used In Investing Activities		(1829)		(6861)
CASH FLOW FROM FINANCING ACTIVITIES				
Interest on overdraft facility	0		0	
Net Cash Used In Financing Activities		0		0
Net increase in cash & Cash Equivalents		(1392)		(2980)
Cash and Cash equivalents (Opening Balance)		1998		4978
Cash and Cash equivalents (Closing Balance)		606		1998
Net Decrease/(Increase) in Cash and Cash Equivalents		1392		2980

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 **Rajnish Sharma**
Director **(Whole Time**
DIN: 01784617 **Director & CFO)**
DIN: 02528435

Place: Chandigarh
Date: 18th May, 2023

MEGRI SOFT LIMITED
CIN : L72200CH1992PLC011996
Regd. Office : SCO 80, Sector 47D, Chandigarh -160047
STATEMENT OF CHANGE IN EQUITY (F.Y.2022-23)

A. Equity Share Capital (F.Y.2022-23)					(Amount in '000)
Balance as at April 1, 2022	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2022	Changes in equity share capital during the year	Balance as at March 31, 2023	
31407	-	31407	-	31407	

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	

Other Equity (F.Y.2022-23)												(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, 2022	-	-	-	166839	5295	-	489	-	-	-	-	172623
Profit for the year	-	-	-	4875	-	-	-	-	-	-	-	4875
Total comprehensive income	-	-	-	-	-	-	(471)	-	-	-	-	(471)
Dividend	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to reserves	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2023	0	0	0	171714	5295	0	18	0	0	0	0	177027

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	0	172623

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: 18th May, 2023

Notes to the Standalone Financial Statements for the year ended March 31, 2023

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 18th May 2023

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 2022-23

(Amount in '000)

Particulars	Gross Block			Depreciation					Net Block		
	Carrying Value As On April 01,2022	Additions	Deductions	Carrying Value As On March 31,2023	As On March 31, 2022	Current Year	Written Off	Transfer	As On March 31, 2023	Carrying Value As On March 31, 2023	Carrying Value As On March 31, 2022
(a)Land & Building											
Land	57328	1538	-	58866	-	-	-	-	-	58866	57328
Building	0	-	0	0	-	-	-	-	-	0	0
Total	57328	1538	0	58866	-	-	-	-	-	58866	57328
(b)Tangible Assets											
Furniture & Fixtures	2315	35		2350	2135	7	-	-	2142	208	180
Computer	2993	136		3129	2681	129	-	-	2810	319	312
Generator	727	-	-	727	690		-	-	690	36	36
Air Conditioner	690	25	-	715	581	20	-	-	601	114	109
Office Equipment	695	18		713	577	22	-	-	599	114	118
Vehicles	8908	0	-	8908	6037	486	-	-	6523	2385	2871
Total	16328	214	0	16542	12701	664	-	0	13365	3176	3626
(I) Property, Plant and Equipment (a+b)	73656	1752	0	75408	12701	664	0	0	13365	62042	60954
Note 3 -											
(II) Other Intangible Assets											
Computer Software	902	0	-	902	762	40	-	-	802	100	140
Web Properties	8909	-	-	8909	8464	-	-	-	8464	445	445
Total	9811	0	-	9811	9226	40	-	-	9266	545	585
(II) Intangible Assets under Development											
Capital work in progress	18384	1095	-	19479	-	-	-	-	-	19479	18384
	28393	15892	-	44285	-	-	-	-	-	44285	28393
GRAND TOTAL	130244	18739	0	148983	21927	704	-	0	22631	126351	108316

Notes:

1. Addition to the cost of Land consists of Registration charges by Punjab govt and Development charges by DLF Home Developers Ltd of the name of company

Capital Work -In-Progress

The capital work-in-progress ageing schedule for the year ended March 31, 2023 and March 31, 2022 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	15892	14547	10577	3269
Total Capital work-in-progress 31st March 2023				44285
Projects in progress	14547	10577	3269	-
Total Capital work-in-progress 31st March 2022				28393

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, 2023 and March 31, 2022 :

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	-	-	-	0
Total Capital work-in-progress 31st March 2023				0
Projects in progress	-	-	-	0
Total Capital work-in-progress 31st March 2022				0

Intangible assets under development:

The Intangible assets under development ageing schedule for the year ended March 31, 2023 and March 31, 2022 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	1095	316	410	17658
Projects temporarily suspended				19479
Total Intangible assets under development 31st March 2023				19479
Projects in progress	316	410	344	17314
Projects temporarily suspended				18384
Total Intangible assets under development 31st March 2022				18384

No Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original project as of March 31, 2023 and March 31, 2022. No Intangible assets under development project has been suspended as of March 31, 2023 and March 31, 2022

Note 4
(a) Non-Current Investments

Particulars	As At March 31,2023			As At March 31,2022		
	Number of Unit	Face value (₹)	('000)	Number of Unit	Face value (₹)	('000)
Investment in Equity shares (fully paid up)						
(Quoted)						
Tata Consultancy Services Ltd	-	-	-	60	1	224
Infosys Limited	-	-	-	255	5	486
Mindtree Limited	-	-	-	180	10	775
Wipro Limited	-	-	-	470	2	278
Yes Bank Limited	6900	2	104	7000	2	86
Reliance Industries	-	-	-	160	10	422
Tech Mahindra Ltd	-	-	-	65	5	98
SBI cards & Payment Services Ltd	-	-	-	370	10	315
Karnataka Bank Limited	-	-	-	2400	10	133
Indusind Bank Limited	-	-	-	160	10	150
Info Edge India Ltd	40	10	149	30	10	135
ICICI Bank Limited	-	-	-	90	2	66
Birla Soft Limited	-	-	-	100	2	46
Investments at fair value through other comprehensive income (FVOCI) - A			253			3214
Aggregate amount of quoted investments at cost			326			2654
Investment in Equity shares - fully paid up (Unquoted)						
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
Aggregate amount of unquoted investments at cost - B			9236			9236
Investment in Subsidiary Companies -fully paid up (Unquoted)						
Megrisoft Limited (UK)	100		10	100		10
Aggregate amount of unquoted investments at cost - C			10			10
Total Non current investments (A+B+C)			9499			12460
Investments carried at cost			9246			9246
Investments carried at fair value through other comprehensive income (FVOCI)			253			3214

(b) Current investments

Particulars	As At March 31,2023			As At March 31,2022		
	Number of Unit	Amount per unit Rs	('000)	Number of Unit	Amount per unit Rs	('000)
Investment in Mutual Funds (unquoted) (Liquid/ Liquid Plus) (At Cost)						
Franklin India Ultra Short Bond Fund	-	-	-	443.00	28	15
Mirae Asset Large cap fund growth plan	3324	48	255	3,324.00	48	257
Investments at fair value through other comprehensive income (FVOCI)			255			272
Investments carried at cost			159			172
Investments carried at fair value through other comprehensive income (FVOCI)			255			272

(c) Trade Receivables

Particulars	As At March 31,2023 ('000)	As At March 31,2022 ('000)
Trade receivable outstanding for a period exceeding six months		
Unsecured		
Considered good - Against Sale of Investments	-	-
Considered doubtful	-	-
Trade receivable outstanding for a period less than six months		
Unsecured		
Considered good - Against Exports	1669	157
Considered doubtful	-	-
Total	1669	157

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 1669 (Thousands)(Previous Year 157 Thousands).

Trade receivables ageing schedule for the year ended as on March 31, 2023 and March 31, 2022:

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	-	1669	-	-	-	-	1669
Undisputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables – considered good	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
	0	1669	0	0	0	0	1669
Less: Allowance for credit loss	-	-	-	-	-	-	0
Total Trade Receivables 31st March 2023							1669
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
Total Trade Receivables 31st March 2022							157

Note 5

Deferred Tax Assets (Net)

Particulars	As At March 31, 2023	As At March 31, 2022
	(‘000)	(‘000)
Opening Balance	358	416
Less: Deferred Tax Liabilities on Depreciation	(45)	(58)
Total	313	358

Note 6

Other Non-Current Assets

Particulars	As At March 31, 2023	As At March 31, 2022
(Unsecured, considered good, unless otherwise stated)	(‘000)	(‘000)
Capital Advances (Against Land & Building)	35347	35341
Other Loans and Advances	12182	12573
Securities	465	465
Deffered revenue Expenditure	108	162
Total	48102	48541

Rs 54 thousand 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, 2023	As At March 31, 2022
Balances with banks	(‘000)	(‘000)
In Current Account & Deposit Accounts	576	1987
Cash in hand	30	11
Total	606	1998

Note 8

Bank balance other then (7) above

Particulars	As At March 31, 2023	As At March 31, 2022
	(‘000)	(‘000)
<u>Balances with bank:-</u>		
In Fixed Deposit	14694	27516
Total	14694	27516

Note 9

Other Current Assets

Particulars	As At March 31, 2023	As At March 31, 2022
(Unsecured, considered good, unless otherwise stated)	(‘000)	(‘000)
Advances with suppliers & others	8658	5826
Other Advances	195	172
Advance Tax	1010	750
TDS/TCS Recoverable	124	206
Other Current Assets	297	174
Total	10284	7128

Note 10 (a)
Share Capital

Particulars	As At March 31, 2023	As At March 31, 2022
	('000)	('000)
Authorised 3300000 Equity Shares of Rs. 10/- each	33000	33000
	33000	33000
Issued & subscribed 3140700 equity shares of Rs. 10/- each fully paid	31407	31407
	31407	31407
Issued, Subscribed & Paid up 3140700 equity shares of Rs. 10/- each fully paid	31407	31407
	31407	31407
Total	31407	31407

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

Particulars	As At March 31, 2023	As At March 31, 2022
	('000)	('000)
EQUITY SHARES		
At the beginning of the year	31407	31407
Add: Issued during the year	-	-
Outstanding at the end of the year	31407	31407

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 preceeding 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, 2023 are as follows:

Particulars	As at March 31, 2023			As At March 31, 2022	
	No. of Shares	% Holding	% Change during the year	No. of Shares	% Holding
Mohnesh Kohli	777000	24.74%	-	777000	24.74%
Neena (Deceased)	391100	12.45%	-	391100	12.45%
Mohnesh Kohli HUF	715700	22.79%	-	709700	22.60%
Aprajita Kohli	193000	6.15%	-	193000	6.15%
Austin Kohli	254200	8.09%	-	254200	8.09%
Greenwich Fintech Private Limited	24200	0.77%	0.77%	0	0.00%
Total	2355200	74.99%	0.77%	2325000	74.03%

Note: Mrs. Neena member of the promoter group died on 12th February 2023 still the company has not received information for transmission of the shares to the legal heir(s).

Note 10(b)
Other Equity

Particulars	As At March 31, 2023	As At March 31, 2022
	('000)	('000)
General reserve	5295	5295
Retained earnings	171732	167328
Total	177027	172623

Note 11

Trade Payables

Particulars	As At March 31, 2023	As At March 31, 2022
	('000)	('000)
Trade Payables	-	-
Total	0	0

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, 2023.

Trade payables ageing schedule for the year ended as on March 31, 2023 and March 31, 2022:

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	-	-	-	-	-	-
Total trade payables 31st March 2023						0
Outstanding dues to MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Disputed dues – MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total trade payables 31st March 2022						0

Note 12

Other Current Liabilities

Particulars	As At March 31, 2023	As At March 31, 2022
	('000)	('000)
Audit Fees Payable	55	55
Contribution to Provident & Other Funds	1	1
Other Payables	1392	952
Total	1448	1008

Note 13**Provisions**

Particulars	As At March 31, 2023	As At March 31, 2022
	('000)	('000)
Provision for Income Tax	1675	1518
Provision for Employee Benefits	216	190
Total	1891	1708

Note 14**Revenue From Operations**

Particulars	As At March 31,2023	As At March 31,2022
	('000)	('000)
Information Technology Services		
Income From IT Exports Of Services	18979	17428
Total	18979	17428

Note 15**Other Income**

Particulars	As At March 31,2023	As At March 31,2022
	('000)	('000)
Interest on Fixed Deposits with Bank	1209	1798
Income from Investment (Dividend and Profits on Investments etc.)	372	786
Other Income	13	53
Total	1594	2637

Note 16**Employee Benefit Expenses**

Particulars	As At March 31,2023	As At March 31,2022
	('000)	('000)
Salary & Wages (Including Director Remuneration see note no. 31)	2749	2143
Contribution to Provident & Other Funds	12	7
Staff Welfare Expenses	177	175
Total	2938	2325

Note 17**Finance Cost**

Particulars	As At March 31,2023	As At March 31,2022
	('000)	('000)
Borrowings Cost	0	0
Total	0	0

Note 18**Depreciation & Amortisation**

Particulars	As At March 31,2023	As At March 31,2022
	('000)	('000)
Depreciation & Amortization Expenses	704	756
Total	704	756

Note 19**Other Operating Expenses**

Particulars	As At March 31,2023	As At March 31,2022
	('000)	('000)
Advertisement & Marketing expenses	616	438
Bank Charges	101	110
Communication & Internet Expenses	249	181
Insurance Expenses	60	62
IT Operating Expenses	5370	7292
Legal & Professional Expenses	607	682
Miscellaneous Expenses	269	314
Payment to auditors (refer Note 19.1 below)	60	60
Power Fuel & Water Charges	161	118
Printing & stationery	31	37
Rent Rates & Taxes	840	840
Repair & Maintenance Expenses	402	429
Travelling & conveyance expenses (Including Director Foreign travelling Expenses)	1576	363
Total	10342	10926

Note 19.1**Payment to Auditors**

Particulars	As At March 31,2023	As At March 31,2022
Payment to auditor	(‘000)	(‘000)
As Auditor Statutory Audit	60	60
For Other Services	-	-
Total	60	60

Note 20**Earning Per Share**

Particulars	As At March 31,2023	As At March 31,2022
Earnings per share	(‘000)	(‘000)
Basic		
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	4875	4641
Weighted average number of equity shares	3140700	3140700
Par value per share	10	10
Earnings per share from continuing operations - Basic	1.55	1.48
Diluted	1.55	1.48

20.1 Ratios

The ratios for the years ended March 31, 2023 and March 31, 2022 are as follows:

Particulars	Numerator	Denominator	31st March 2023	31st March 2022	Variance	Reason for Variance
Current Ratio	Current assets	Current liabilities	8.24	13.65	(39.63%)	Refer Note 1
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	15.52%	14.78%	0.74%	-
Trade receivables turnover ratio	Revenue	Average Trade Receivable	20.79	10.17	104.42%	Refer Note 2
Trade payables turnover ratio	Purchases of services and other expenses	Average Current Liabilities	8.42	10.61	(20.64%)	Refer Note 3
Net capital turnover ratio	Revenue	Working Capital	0.79	0.51	54.90%	Refer Note 4
Net profit ratio	Net Profit	Revenue	23.20%	26.99%	(3.79%)	-
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed	3.16%	2.97%	0.19%	-
Return on Investment(ROI)	Income generated from investments	Average investments	3.31%	6.38%	(3.07%)	-

Notes:-

1. The current Ratio is reduced because the company invested a fund in the construction of the building out of its cash and bank balances.
2. The trade receivables turnover ratio increased due to an increase in debtors in 2023. The debtor increased from 157 thousand to 1669 thousand.
3. The Trade payables turnover ratio increased due to an increase in current liabilities as compared to the previous year.
4. The net capital turnover ratio increased due to an increase in revenue and a decrease in working capital.

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 2023. Hence, no provision is required in the accounts for the year under review.

Note 23

Auditor's Remuneration

Auditors' remuneration for the financial year 2022-23 is Rs 60 thousand Excluding GST (Previous Year Rs. 60 thousand)

Note 24

Foreign Exchange Earnings

The particulars regarding foreign exchange earnings during the year of Rs. 18979 Thousand only (Previous Year Rs. 17428 Thousand) and expenditure in foreign currency is Rs. 528 Thousand only (Previous year 325 Thousand).

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. 21271 Thousand

Nature of Statute	Nature of Dues	Amount (in '000)	Period to which amount relates	Forum where dispute is pending
Income tax Act, 1961	Tax and interest	7348	A.Y 2013-14	CIT(Appeals)
Income tax Act, 1961	Tax and interest	6516	A.Y 2014-15	CIT(Appeals)
Income tax Act, 1961	Tax and interest	1868	A.Y 2016-17	CIT(Appeals)
Income tax Act, 1961	Tax and interest	5539	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, 2023,	As At March 31, 2022
Employers' Contribution to Provident Fund	1	1
Employer's Contribution to Employees State Insurance	11	6

- 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, 2023,	As At March 31, 2022
Advance given to subsidiary		
Megrisoft Limited (UK Subsidiary)		
Balance at the year end	2019	2019
Maximum amount outstanding at any time during the year	2019	2019

Note 28

Foreign Travelling Expenses

Rs. 487 Thousand was incurred on foreign travelling during the financial year under review as compared to Rs. 204 Thousand during the preceding financial year. The entire amount was incurred on foreign travelling expenses of the director.

Notes 29

Up to the year ended March 31, 2023, the company incurred an expense of 44285 Thousand (Previous year: 28393 Thousand) 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.	Mr. Vijay Kumar (Company Secretary)	
9.	Mohnesh Kohli & Co.	Enterprise Over which controlling person have significant influence
10.	Mohnesh Kohli HUF	
11.	Megrisoft Limited (UK)	Subsidiary Company
12.	Greenwich Fintech Private Limited	A company over which promotor and its relative are director and promoters.
13.	Seomart Services Private Limited	Relative of Mohnesh Kohli is director and promotor of the company.

B) Details of transactions with the related party during the year ended March 31, 2023, in the ordinary course of business:

(Amount. in '000)

Sr No	Nature of Relationship/ transaction	Person having Significant Influence & their relatives	Key Managerial Personnel & relatives	Independent & Other Non Executive Directors	Enterprise over which controlling person have significant influence	Subsidiary Company	Total
1.	KMP Remuneration Mr. Rajnesh Sharma Ms. Sunimrat Kaur	- -	437 170	- -	- -	- -	607
2.	Director Sitting Fees: Mohnesh Kohli Mahesh Kumar Ishwar Partap Singh	- - -	- - -	20 20 20	- - -	- - -	60
3.	Reimbursement of Tour & Travelling Expense: Aprajita Kohli Mohnesh Kohli	- -	- -	401 1104	-	-	1505
4.	Rent paid: Mohnesh Kohli Ms. Neena Kohli	360 480	- -	- -	- -	- -	840
5	Payment for Construction of Building at IT Park Mohali Punjab Mahesh Kohli	10847	-	-	-	-	10847

Out of above payments to related parties director remuneration outstanding on 31st March 2023 is 32 thousand (previous year 47 thousand)

Note 31

Salary and wages include director remuneration 437 thousand (Previous Year 458 thousand) and sitting fee 60 thousand (Previous Year 110 thousand)

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 32405 thousand.

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 13842 thousand 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. 50 thousand. Estimated Interest will be approximately Rs 16600 thousand and Final interest is yet to be determined by the court. Godrej Estate Developers Pvt Ltd filed appeal against the order and pending at National Consumer Disputes Redressal Commission New Delhi.

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: 18th May 2023

Mohnesh Kohli

(Director)

DIN: 01784617

Rajnish 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 2023, 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, 2023, 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 Consolidated 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 up to the year ended March 31, 2023 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, 2022 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 skepticism 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, 2023 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.

Other Matter

(a) The accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of 1 subsidiary, whose financial statements and other financial information reflect total assets of Rs. 3,571 thousands as at March 31, 2023, and total revenues of Rs. 5,149 thousands and net cash outflows of Rs. 423 thousands for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries is based solely on such unaudited financial statements and other unaudited financial information.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the financial statements and other financial information certified by the Management.

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 of the aforesaid consolidated Ind AS financial statements;

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, 2023 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, 2023 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, 2023 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 as noted in the 'Other matter' paragraph:

- 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.
- vi. As Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software, which has a feature of recording audit trail (edit log) facility is applicable to the Holding Company and its subsidiaries w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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 as noted in the 'Other Matter' paragraph 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: 18-05-2023

UDIN:- 23093624BGRWFJ9818

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, 2023, 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, 2023, 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: 18-05-2023

UDIN:- 23093624BGRWFJ9818

MEGRI SOFT LIMITED
CIN : L72200CH1992PLC011996
Regd. Office : SCO 80, Sector 47D, Chandigarh -160047
AUDITED CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023

(Amount in '000)

S. No.	Particulars	Note	As At March 31,2023	As At March 31,2022
A	ASSETS			
1	NON-CURRENT ASSETS			
	Property, Plant and Equipment	3	62369	61110
	Other Intangible Assets	3	545	585
	Intangible Assets Under Development	3	20626	19502
	Capital Work In Progress	3	44285	28393
	Financial Assets			
	(a) Non-Current Investments	4(a)	9489	12450
	Deffered Tax Assets (Net)	5	312	357
	Other Non-Current Assets	6	45841	46360
	Total Non-Current Assets		183467	168757
2	CURRENT ASSETS			
	Financial Assets			
	(a) Current Investments	4(b)	255	272
	b) Trade Receivables	4(c)	2102	278
	c) Cash and Cash Equivalents	7	4303	6118
	d) Bank Balance Other Then (c) Above	8	14694	27516
	e) Other Current Assets	9	10523	7246
	Total Current Assets		31877	41430
	Total Assets		215344	210187
B	EQUITY & LIABILITIES			
1	SHAREHOLDERS' FUNDS			
	(a) Equity Share Capital	10(a)	31407	31407
	(b) Other Equity	10(b)	179796	175108
	Total Equity		211203	206515
2	NON CURRENT LIABILITIES			
	Financial Liabilities			
	(a) Long-Term Borrowings		-	-
	(b) Deferred Tax Liabilities (Net)		-	-
	Total Non-Current Liabilities		-	-
3	CURRENT LIABILITIES			
	Financial Liabilities			
	(a) Trade Payables	11	-	-
	(b) Other Current Liabilities	12	2138	1531
	(c) Provisions	13	2003	2141
	Total Current Liabilities		4141	3672
	Total Equity and Liabilities		215344	210187

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: 18th May, 2023

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, 2023

(Amount in '000) except EPS

S. No.	Particulars	Note	As At March 31,2023	As At March 31,2022
	Revenue From Operations	14	24128	25556
	Other Income	15	1594	2637
I	Total Revenue		25722	28193
	EXPENSES			
	a) Employees Benefit Expenses	16	5647	6282
	b) Finance Cost	17	0	0
	c) Depreciation & Amortization Expenses	18	746	811
	d) Other Operating Expenses	19	12378	14019
II	Total Expenses		18771	21112
III	Profit Before Tax (I-II)		6951	7081
	Tax Expenses			
	a) Current Tax		1747	1566
	b) Deffered Tax (Assets)/Liabilities		45	58
IV	Total Tax Expenses		1792	1624
V	Profit for the period (after Tax) (III-IV)		5159	5457
	Other Comprehensive Income			
	a) Items that will not be reclassified subsequently to profit or loss			
	Equity Investment through other comprehensive income		(637)	83
	Income tax relating to above		166	(21)
VI	Total other comprehensive income		(471)	62
VII	Total Comprehensive income (V+VI)		4688	5519
	Paid-up Equity Share Capital (face value of Rs. 10 per equity share)		31407	31407
	Earning per Equity share of Rs. 10/- each:			
	1) Basic	20	1.64	1.74
	2) Diluted		1.64	1.74

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: 18th May, 2023

MEGRI SOFT LIMITED
CIN : L72200CH1992PLC011996
Regd. Office : SCO 80, Sector 47D, Chandigarh -160047
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

(Amount in '000)

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax		6951		7081
Adjustments for:				
Interest Expenses	0		0	
Depreciation and Amortization	746		811	
Profit on Sale of Assets	0		0	
Profit on Sale of Investments	(340)		(760)	
Discount Received	-		-	
Interest Income on FDR's	(1209)		(1798)	
Dividend Income	(32)	(835)	(26)	(1773)
Operating Profit before Working Capital Changes		6116		5308
Adjustments for:				
Short Term Borrowings	-		-	
Trade Payables	-		-	
Other Current Liabilities	607		(318)	
Provisions	(138)		236	
Trade Receivables	(1824)		2992	
Short Term Loans & Advances	-		-	
Other Current Assets	(3277)		(2860)	
Other Non Current Assets	519	(4113)	456	506
Cash generated from operations		2003		5814
Income Tax		(1747)		(1566)
Net Cash flow from Operating activities		256		4248
CASH FLOW FROM INVESTING ACTIVITIES				
Loang Term Loans & Advances	0		0	
Expenditure on property, plant and equipment and intangibles	(18981)		(18398)	
Sale/Transfer of Fixed Assets	0		0	
Bank deposits	12822		9634	
Investment	2507		(760)	
Interest Income on FDR's	1209		1798	
Dividend Income	32		26	
Profit on Sale of Assets	0		0	
Income From Sale of Investment	340		760	
Net Cash used in Investing activities		(2071)		(6940)
CASH FLOW FROM FINANCING ACTIVITIES				
Interest on overdraft facility	0		0	
Net Cash used in financing activities		0		0
Net Increase in cash & Cash Equivalents		(1815)		(2692)
Cash and Cash equivalents (Opening Balance)		6118		8810
Cash and Cash equivalents (Closing Balance)		4303		6118
Net Decrease/(Increase) in Cash and Cash Equivalents		1815		2692

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 **Rajnish Sharma**
Director **(Whole Time**
DIN: 01784617 **Director & CFO)**
DIN: 02528435

Place: Chandigarh
Date: 18th May, 2023

MEGRI SOFT LIMITED
CIN : L72200CH1992PLC011996
Regd. Office : SCO 80, Sector 47D, Chandigarh -160047
STATEMENT OF CHANGE IN EQUITY (F.Y.2022-23)

A. Equity Share Capital (F.Y.2022-23)

(Amount in '000)

Balance as at April 1, 2022	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2022	Changes in equity share capital during the year	Balance as at March 31, 2023
31407	-	31407	-	31407

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

Other Equity (F.Y.2022-23)

(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, 2022	-	-	-	169278	5341	-	489	-	-	-	175108
Profit for the year	-	-	-	5159	-	-	-	-	-	-	5159
Total comprehensive income	-	-	-	-	-	-	(471)	-	-	-	(471)
Dividend	-	-	-	-	-	-	-	-	-	-	-
Transfer to reserves	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2023	0	0	0	174437	5341	0	18	0	0	0	179796

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

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: 18th May, 2023

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

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 18th May 2023.

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 2023.

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 2022-23

(Amount in '000)

Particulars	Gross Block			Depreciation				Net Block		
	Carrying Value As On April 01,2022	Additions	Deductions	Carrying Value As On March 31,2023	As On March 31, 2022	Current Year	Written Off	Transfer	As On March 31, 2023	Carrying Value As On March 31, 2022
(a)Land & Building										
Land	57328	1538	-	58866	-	-	-	-	-	57328
Building	0	-	-	0	-	-	-	-	0	0
Total	57328	1538	0	58866	-	-	-	-	58866	57328
(b)Tangible Assets										
Furniture & Fixtures	2315	35	-	2350	2135	7	-	-	208	180
Computer	3342	349	-	3691	2874	171	-	-	646	468
Generator	727	-	-	727	690	-	-	-	36	36
Air Conditioner	690	25	-	715	581	20	-	-	114	109
Office Equipment	695	18	-	713	576	22	-	-	115	119
Vehicles	8907	0	-	8907	6037	486	-	-	2384	2870
Total	16676	427	0	17103	12893	706	-	0	3503	3782
(I) Property, Plant and Equipment (a+b)	74004	1965	0	75969	12893	706	0	0	62369	61110
Note 3 -										
(II) Other Intangible Assets										
Computer Software	902	0	-	902	762	40	-	-	100	140
Web Properties	8909	-	-	8909	8464	-	-	-	445	445
Total	9811	0	-	9811	9226	40	-	-	545	585
(II) Intangible Assets under Development										
Capital work in progress	19502	1124	-	20626	-	-	-	-	20626	19502
	28393	15892	-	44285	-	-	-	-	44285	28393
GRAND TOTAL	131710	18981	0	150691	22119	746	-	0	127825	109590

Notes:

1. Addition to the cost of Land consists of Registration charges by Punjab govt and Development charges by DLF Home Developers Ltd of the name of company

Capital Work -In-Progress

The capital work-in-progress ageing schedule for the year ended March 31, 2023 and March 31, 2022 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	15892	14547	10577	3269
Total Capital work-in-progress 31st March 2023				44285
Projects in progress	14547	10577	3269	-
Total Capital work-in-progress 31st March 2022				28393

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, 2023 and March 31, 2022

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	-	-	-	0
Total Capital work-in-progress 31st March 2023				0
Projects in progress	-	-	-	0
Total Capital work-in-progress 31st March 2022				0

Intangible assets under development:

The Intangible assets under development ageing schedule for the year ended March 31, 2023 and March 31, 2022 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	1124	395	410	18697
Projects temporarily suspended				20626
Total Intangible assets under development 31st March 2023				20626
Projects in progress	395	410	344	18353
Projects temporarily suspended				19502
Total Intangible assets under development 31st March 2022				19502

No Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original project as of March 31, 2023 and March 31, 2022. No Intangible assets under development project has been suspended as of March 31, 2023 and March 31, 2022

Note 4
(a) Non-Current Investments

Particulars	As At March 31,2023			As At March 31,2022		
	Number of Unit	Face value (₹)	('000)	Number of Unit	Face value (₹)	('000)
Investment in Equity shares (fully paid up)						
(Quoted)						
Tata Consultancy Services Ltd	-	-	-	60	1	224
Infosys Limited	-	-	-	255	5	486
Mindtree Limited	-	-	-	180	10	775
Wipro Limited	-	-	-	470	2	278
Yes Bank Limited	6900	2	104	7000	2	86
Reliance Industries	-	-	-	160	10	422
Tech Mahindra Ltd	-	-	-	65	5	98
SBI cards & Payment Services Ltd	-	-	-	370	10	315
Karnataka Bank Limited	-	-	-	2400	10	133
Indusind Bank Limited	-	-	-	160	10	150
Info Edge India Ltd	30	10	149	30	10	135
ICICI Bank Limited	-	-	-	90	2	66
Birla Soft Limited	-	-	-	100	2	46
Investments at fair value through other comprehensive income (FVOCI) - A			253			3214
Aggregate amount of quoted investments at cost			326			2654
Investment in Equity shares - fully paid up (Unquoted)						
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
Aggregate amount of unquoted investments at cost - B			9236			9236
Total Non current investments (A+B)			9489			12450
Investments carried at cost			9236			9236
Investments carried at fair value through other comprehensive income (FVOCI)			253			3214

(b) Current investments

Particulars	As At March 31,2023			As At March 31,2022		
	Number of Unit	Amount per unit Rs	('000)	Number of Unit	Amount per unit Rs	('000)
Investment in Mutual Funds (unquoted) (Liquid/ Liquid Plus) (At Cost)						
Franklin India Ultra Short Bond Fund	-	-	-	443.00	28	15
Mirae Asset Large cap fund growth plan	3324	48	255	3,324.00	48	257
Investments at fair value through other comprehensive income (FVOCI)			255			272
Investments carried at cost			159			172
Investments carried at fair value through other comprehensive income (FVOCI)			255			272

(c) Trade Receivables

Particulars	As At March 31,2023	As At March 31,2022
Trade receivable outstanding for a period exceeding six months	('000)	('000)
Unsecured		
Considered good - Against Sale of Investments	0	0
Considered doubtful	-	-
Trade receivable outstanding for a period less than six months		
Unsecured		
Considered good - Against Exports	2102	278
Considered doubtful	-	-
Total	2102	278

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 2102 (Thousands) (Previous Year 278 Thousands).

Trade receivables ageing schedule for the year ended as on March 31, 2023 and March 31, 2022:

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	-	2102	-	-	-	-	2102
Undisputed Trade receivables – credit impaired	-	-	-	-	-	-	0
Disputed Trade receivables – considered good	-	-	-	-	-	-	0
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	0
	-	2102	-	-	-	-	2102
Less: Allowance for credit loss	-	-	-	-	-	-	0
Total Trade Receivables 31st March 2023							2102
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
Total Trade Receivables 31st March 2022							278

Note 5

Deferred Tax Assets (Net)

Particulars	As At March 31, 2023	As At March 31, 2022
	(‘000)	(‘000)
Opening Balance	357	415
Less: Deferred Tax Liabilities on Depreciation	(45)	(58)
Total	312	357

Note 6

Other Non-Current Assets

Particulars	As At March 31, 2023	As At March 31, 2022
	(‘000)	(‘000)
(Unsecured, considered good, unless otherwise stated)		
Capital Advances (Against Land & Building)	35347	35341
Other Loans and Advances	9921	10392
Securities	465	465
Deffered revenue Expenditure	108	162
Total	45841	46360

Rs 54 thousand 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, 2023	As At March 31, 2022
	(‘000)	(‘000)
Balances with banks		
In Current Account & Deposit Accounts	4245	6075
Cash in hand	58	43
Total	4303	6118

Note 8

Bank balance other then (7) above

Particulars	As At March 31, 2023	As At March 31, 2022
	(‘000)	(‘000)
Balances with bank:-		
In Fixed Deposit	14694	27516
Total	14694	27516

Note 9

Other Current Assets

Particulars	As At March 31, 2023	As At March 31, 2022
	(‘000)	(‘000)
(Unsecured, considered good, unless otherwise stated)		
Advances with suppliers & others	8658	5826
Other Advances	195	172
Advance Tax	1010	750
TDS/TCS Recoverable	124	206
Other Current Assets	536	292
Total	10523	7246

Note 10 (a)
Share Capital

Particulars	As At March 31, 2023	As At March 31, 2022
	('000)	('000)
Authorised		
3300000 Equity Shares of Rs. 10/- each	33000	33000
	33000	33000
Issued & subscribed		
3140700 equity shares of Rs. 10/- each fully paid	31407	31407
	31407	31407
Issued, Subscribed & Paid up		
3140700 equity shares of Rs. 10/- each fully paid	31407	31407
Total	31407	31407

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

Particulars	As At March 31, 2023	As At March 31, 2022
	('000)	('000)
EQUITY SHARES		
At the beginning of the year	31407	31407
Add: Issued during the year	-	-
Outstanding at the end of the year	31407	31407

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, 2023 are as follows:

Particulars	As at March 31, 2023			As At March 31, 2022	
	No. of Shares	% Holding	% Change during the year	No. of Shares	% Holding
Mohnesh Kohli	777000	24.74%	-	777000	24.74%
Neena (Deceased)	391100	12.45%	-	391100	12.45%
Mohnesh Kohli HUF	715700	22.79%	-	709700	22.60%
Aprajita Kohli	193000	6.15%	-	193000	6.15%
Austin Kohli	254200	8.09%	-	254200	8.09%
Greenwich Fintech Private Limited	24200	0.77%	0.77%	0	0.00%
Total	2355200	74.99%	0.0077	2325000	74.03%

Note: Mrs. Neena member of the promoter group died on 12th February 2023 still the company has not received information for transmission of the shares to the legal heir(s).

Note 10(b)
Other Equity

Particulars	As At March 31, 2023	As At March 31, 2022
	('000)	('000)
General reserve	5341	5341
Retained earnings	174455	169767
Total	179796	175108

Note 11
Trade Payables

Particulars	As At March 31, 2023	As At March 31, 2022
	('000)	('000)
Trade Payables	-	-
Total	0	0

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, 2023.

Trade payables ageing schedule for the year ended as on March 31, 2023 and March 31, 2022:

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	-	-	-	-	-	-
Total trade payables 31st March 2023						0
Outstanding dues to MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total trade payables 31st March 2022						0

Note 12
Other Current Liabilities

Particulars	As At March 31, 2023	As At March 31, 2022
	('000)	('000)
Audit Fees Payable	55	55
Contribution to Provident & Other Funds	498	232
Other Payables	1585	1244
Total	2138	1531

Note 13
Provisions

Particulars	As At March 31, 2023	As At March 31, 2022
	('000)	('000)
Provision for Income Tax	1761	1726
Provision for Employee Benefits	242	415
Total	2003	2141

Note 14
Revenue From Operations

Particulars	As At March 31,2023	As At March 31,2022
	('000)	('000)
<u>Information Technology Services</u>		
Income From IT Exports Of Services	24128	25556
Total	24128	25556

Note 15
Other Income

Particulars	As At March 31,2023	As At March 31,2022
	('000)	('000)
Interest on Fixed Deposits with Bank	1209	1798
Income from Investment (Dividend and Profits on Investments etc.)	372	786
Other Income	13	53
Total	1594	2637

Note 16
Employee Benefit Expenses

Particulars	As At March 31,2023	As At March 31,2022
	('000)	('000)
Salary & Wages (Including Director Remuneration see note no. 31)	5194	5727
Contribution to Provident & Other Funds	276	380
Staff Welfare Expenses	177	175
Total	5647	6282

Note 17
Finance Cost

Particulars	As At March 31,2023	As At March 31,2022
	('000)	('000)
Borrowings Cost	0	0
Total	0	0

Note 18
Depreciation & Amortisation

Particulars	As At March 31,2023	As At March 31,2022
	('000)	('000)
Depreciation & Amortization Expenses	746	811
Total	746	811

Note 19
Other Operating Expenses

Particulars	As At March 31,2023	As At March 31,2022
	('000)	('000)
Advertisement & Marketing expenses	616	447
Bank Charges	101	148
Communication & Internet Expenses	249	181
Insurance Expenses	60	62
IT Operating Expenses	7207	9157
Legal & Professional Expenses	640	1675
Miscellaneous Expenses	294	447
Payment to auditors (refer Note 19.1 below)	60	60
Power Fuel & Water Charges	161	118
Printing & stationery	31	37
Rent Rates & Taxes	912	895
Repair & Maintenance Expenses	402	429
Travelling & conveyence expenses (Including Director Foreign travelling Expenses)	1645	363
Total	12378	14019

Note 19.1**Payment to Auditors**

Particulars	As At March 31,2023	As At March 31,2022
Payment to auditor	(‘000)	(‘000)
As Auditor Statutory Audit	60	60
For Other Services	-	-
Total	60	60

Note 20**Earning Per Share**

Particulars	As At March 31,2023	As At March 31,2022
Earnings per share	(‘000)	(‘000)
Basic		
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	5159	5457
Weighted average number of equity shares	3140700	3140700
Par value per share	10	10
Earnings per share from continuing operations - Basic	1.64	1.74
Diluted	1.64	1.74

20.1 Ratios

The ratios for the years ended March 31, 2023 and March 31, 2022 are as follows:

Particulars	Numerator	Denominator	31st March 2023	31st March 2022	Variance	Reason for Variance
Current Ratio	Current assets	Current liabilities	7.70	11.28	(31.74%)	Refer Note 1
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	16.43%	17.37%	(0.94%)	-
Trade receivables turnover ratio	Revenue	Average Trade Receivable	20.28	14.41	40.74%	Refer Note 2
Trade payables turnover ratio	Purchases of services and other expenses	Average Current Liabilities	6.75	8.30	(18.67%)	Refer Note 3
Net capital turnover ratio	Revenue	Working Capital	0.87	0.68	27.94%	Refer Note 4
Net profit ratio	Net Profit	Revenue	19.43%	21.59%	(2.16%)	-
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed	3.29%	3.43%	(0.14%)	-
Return on Investment(ROI)	Income generated from investments	Average investments	3.31%	6.38%	(3.07%)	-

Notes:-

1. The current Ratio is reduced because the company invested a fund in the construction of the building out of its cash and bank balances.
2. The trade receivables turnover ratio increased due to an increase in debtors in 2023. The debtor increased from 278 thousand to 2102 thousand.
3. The Trade payables turnover ratio increased due to an increase in current liabilities as compared to the previous year.
4. The net capital turnover ratio increased due to an increase in revenue and a decrease in working capital.

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, 2023. Hence, no provision is required in the accounts for the year under review.

Note 23

Auditor's Remuneration

Auditors remuneration for the financial year 2022-23 is Rs 60 thousand Excluding GST (Previous Year Rs. 60 thousand)

Note 24

Foreign Exchange Earnings

The particulars regarding foreign exchange earnings of holding company during the year of Rs. 18979 thousand only (Previous Year Rs. 17428 thousand) and expenditure in foreign currency is Rs. 528 thousand only (Previous year 325 thousand).

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. 21271 thousand

Nature of Statute	Nature of Dues	Amount (in '000)	Period to which amount relates	Forum where dispute is pending
Income tax Act, 1961	Tax and interest	7348	A.Y 2013-14	CIT(Appeals)
Income tax Act, 1961	Tax and interest	6516	A.Y 2014-15	CIT(Appeals)
Income tax Act, 1961	Tax and interest	1868	A.Y 2016-17	CIT(Appeals)
Income tax Act, 1961	Tax and interest	5539	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 31,2023	As At March 31,2022
Employers' Contribution to Provident Fund	1	1
Employer's Contribution to Employees State Insurance	275	379

- 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 31,2023	As At March 31,2022
Advance given to subsidiary		
Megrisoft Limited (UK Subsidiary)		
Advance given to subsidiary Balance at the year end	2019	2019
Maximum amount outstanding at any time during the year	2019	2019
Investment in Equity Shares - 100%		
100 Equity Share of £1 each	10	10

Note 28

Foreign Travelling Expenses

Rs. 487 Thousand was incurred on foreign travelling during the financial year under review as compared to Rs. 204 Thousand during the preceding financial year. The entire amount was incurred on foreign travelling expenses of the director.

Notes 29

Up to the year ended March 31, 2023 the company incurred an expense of 44285 Thousand (Previous year : 28393 Thousand) 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.	Mr. Vijay Kumar (Company Secretary)	
9.	Mohnesh Kohli & Co.	Enterprise Over which controlling person have significant influence
10.	Mohnesh Kohli HUF	
11.	Megrisoft Limited (UK)	Subsidiary Company
12.	Greenwich Fintech Private Limited	A company over which promotor and its relative are director and promoters.
13.	Seomart Services Private Limited	Relative of Mohnesh Kohli is director and promotor of the company.

B) Details of transactions with related party during year ended March 31, 2023 in the ordinary course of business:

(Amount in '000)

Sr No	Nature of Relationship/ transaction	Person having Significant Influence & their relatives	Key Managerial Personnel & relatives	Independent & Other Non Executive Directors	Enterprise over which controlling person have significant influence	Subsidiary Company	Total
1.	KMP Remuneration Mr. Rajnesh Sharma Ms. Aprajita Kohl Ms. Sunimrat Kaur	- - -	437 2445 170	- - -	- - -	- - -	3052
2.	Director Sitting Fees: Mohnesh Kohli Mahesh Kumar Ishwar Partap Singh	- - -	- - -	20 20 20	- - -	- - -	60
3.	Reimbursement of Tour & Travelling Expense: Aprajita Kohli Mohnesh Kohli	- -	- -	468 1104	- -	- -	1572
4.	Rent paid: Mohnesh Kohli Ms. Neena Kohli	360 480	- -	- -	- -	- -	840
5.	Payment for Construction of Building at IT Park Mohali Punjab Mahesh Kohli	10847	-	-	-	-	10847

Out of above payments to related parties director remuneration outstanding on 31st March 2023 is 61 thousand (previous year 271 thousand)

Note 31

Salary and wages include director remuneration 2882 thousand (Previous Year 4042 thousand) and sitting fee 60 thousand (Previous Year 110 thousand).

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 32405 thousand.

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 13842 thousand 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. 50 thousand. Estimated Interest will be approximately Rs 16600 thousand and Final interest is yet to be determined by the court. Godrej Estate Developers Pvt Ltd filed appeal against the order and pending at National Consumer Disputes Redressal Commission New Delhi.

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: 18th May, 2023

Mohnesh Kohli
(Director)

DIN: 01784617

Rajnesh Sharma
(Director & CFO)

DIN: 02528435

NOTICE TO THE 32ND ANNUAL GENERAL MEETING

NOTICE is hereby given that the **32nd (Thirty Second) Annual General Meeting (AGM)** of the Members of Megri Soft Limited will be held on Friday, September 29, 2023 at 14:30 p.m. IST through video conference / other audio-visual means ("VC") to transact the following business:

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, 2023 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. Mohnesh Kohli as a director liable to retire by Rotation.

To appoint a Director in place of Mr. Mohnesh Kohli (DIN: 01784617), who retires by rotation in terms of Section 152 (6) of the Companies Act, 2013 and being eligible, offers himself 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 Mr. Mohnesh Kohli (DIN: 01784617) who retires by rotation and being eligible, offers himself for re-appointment."

SPECIAL BUSINESS

Item No. 3- Appointment of Mr. Sahil Malhotra (DIN:10167054) as an Independent Director.

To consider and, if through fit, to pass with or without modifications(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to section 149, 152 read with schedule IV and other applicable provisions, if any, of the Companies act 2013("Act") and the Companies (Appointment and Qualification of Directors) Rules 2014 as well as and other rules made thereunder and pursuant to applicable provisions of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 ("Listing Regulations"), as amended (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Sahil Malhotra (DIN: 10167054), who was appointed as an additional Director (in the capacity of Non- Executive Independent Director) in terms of section 161 of the act and the Articles of Association of the Company, by the Board of

Directors based on the recommendations of the Nomination and Remuneration Committee of the Company, and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice, in writing , from a member under section 160 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a term of five Consecutive years with effect from 4th July 2023 to 3rd July 2028.

“RESOLVED FURTHER THAT Mr. Rajnesh Sharma (DIN:02528435) Whole time Director and KMP (CFO) of the Company be and is hereby authorized to Sign and execute all such documents and papers (Including appointment Letter etc.) as may be required for the purpose and file necessary e-form with the Registrar of Companies and to do all such acts, deeds and things as may be considered expedient and necessary in this regard.”

“RESOLVED FURTHER THAT any one of the Directors for the time being be and are hereby severally authorised to Sign the certified true copy of the resolution to be given as and when required.”

Item No. 4- Appointment of Mr. Raman Seth (DIN:07986684) as an Independent Director.

To consider and, if through fit, to pass with or without modifications(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to section 149, 152 read with schedule IV and other applicable provisions, if any, of the Companies act 2013(“Act”) and the Companies (Appointment and Qualification of Directors) Rules 2014 as well as and other rules made thereunder and pursuant to applicable provisions of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 (“Listing Regulations”), as amended (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Raman Seth (DIN:07986684), who was appointed as Director (in the capacity of Non- Executive Independent Director) in terms of section 161 of the act and the Articles of Association of the Company, by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee of the Company, and in respect of whom the Company has received a notice, in writing , from a member under section 160 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a term of five Consecutive years with effect from 29 September 2023 to 28th September 2028.

“RESOLVED FURTHER THAT Mr. Rajnesh Sharma (DIN:02528435) Whole time Director and KMP (CFO) of the Company be and is hereby authorized to Sign and execute all such documents and papers (Including appointment Letter etc.) as may be required for the purpose and file necessary e-form with the Registrar of Companies and to do all such acts, deeds and things as may be considered expedient and necessary in this regard.”

“RESOLVED FURTHER THAT any one of the Directors for the time being be and are hereby severally authorised to Sign the certified true copy of the resolution to be given as and when required.”

Place: Chandigarh
Date: 30.08.2023

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
CIN:L72200CH1992PLC011996

Manju Bala
M.No. 67831
Company Secretary

Notes:

1. In accordance with General Circular No. 10/2022 dated December 28, 2022 read with 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, physical attendance of the members at the AGM is not required and the Members can attend and participate and vote in the ensuing AGM/EGM through VC/OAVM. The deemed venue for the AGM shall be the Registered office of the Company.
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 and May 05, 2020 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 MCA Circulars read with the Securities and Exchange Board of India ("SEBI") Circular No. SEBI/HO/CFD/PoD-2/CIR//2023/4 dated 05 January 2023 and other applicable circulars issued from time to time ("SEBI Circular") also dispense with the requirement of sending the physical copies of the AGM Notice and Annual Report to the Members. Accordingly, this Notice of the AGM along with the Annual Report 2022-23 are being sent only through electronic mode to those members whose e-mail addresses are registered with the Company/Depositories.
4. 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.

5. An Explanatory Statement pursuant to Section 102 of the Companies ACT, 2013 ("the Act") relating to the Special Business to be transacted at this AGM and the relevant details pursuant to regulation 36(3) of the SEBI (LODR) Regulations 2015 ('Listing Regulations') and Secretarial standards on General Meeting in respect of Directors seeking appointment/re-appointment at the AGM are annexed hereto and forms part of this notice as Annexure – A.
6. 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.
7. 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.
8. 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. The Notice can also be accessed from the website of the Stock Exchanges i.e. BSE Ltd. at www.bseindia.com and Metropolitan Stock Exchange of India Ltd. at 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.
9. 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.
10. 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.
11. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN) mandates, Nominations, power of attorney, to their DPs in case shares are held in electronic form or to the company's RTA i.e Beetal Financial & Computer Services Private Limited. in case shares are held in physical form.
12. Members may avail the facility of nomination by nominating a person to whom their shares in the Company shall vest in the event of their death. The prescribed form can be obtained from the Company's RTA i.e Beetal Financial & Computer Services Private Limited. Members are requested to submit the said details to their DPs in case the shares are held in electronic form and to Beetal Financial & Computer Services Private Limited in case the shares are held in physical form.
13. Members who hold shares in physical form in multiple folios in identical names or joint names in the same order of names are requested to send the share certificates to the Company's RTA i.e Beetal Financial & Computer Services Private Limited for consolidation into single folio.

14. In terms of provisions of Regulation 40 of the Listing Regulations as amended from time to time, requests for effecting transfer of securities (including transmission/transposition) cannot be processed by the listed companies unless the securities are held in dematerialized form. Further in terms of SEBI Circular dated January 25, 2022, the listed Companies shall issue the securities are held in dematerialized form only while processing the service requests for (a) issue of duplicate securities Certificate; (b) Claim from Unclaimed Suspense Account; © Renewal/Exchange of Securities Certificate; (d) Endorsement; (e) Sub-division/Splitting of securities Certificate; (f) Consolidation of Securities Certificates /folios. The Company /RTA shall verify and process the service requests for the aforesaid purposes and thereafter issue a 'Letter of Confirmation' in lieu of physical securities certificate (s), to the securities holder/claimant. Such 'Letter of Confirmation' shall be valid for a period of 120 days from the date of its issuance, within which the securities holder/claimant shall make a request to the Depository Participant for dematerializing the said securities, failing which the RTA/Company shall credit the securities to the Suspense Escrow Demat Account of the Company. Necessary Form ISR-4 for the aforesaid service requests is available on the website of the Company at www.megrisoft.com. Accordingly members are requested to make service requests for aforesaid purposes by submitting a duly filled up and Signed Form ISR-4 directly to the Company 's RTA, M/s Beetal Financial & Computer Services Private Limited along with the documents /details specified therein for processing at Beetal House, 3rd Floor, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi-110062.

Dispatch of Annual Report:

11 In conformity with the applicable regulatory requirements, the Notice of this AGM and the Annual Report for Financial Year 2023 are being sent only through electronic mode to those members who have registered their email addresses with the Company or with the Depositories. Members may note that the Notice of AGM and Annual Report Financial Year 2023 will also be available on the Company 's website www.megrisoft.com, website of the stock exchanges i.e BSE Limited ('BSE') and Metropolitan Stock Exchange ('MSE') www.bseindia.com and www.mseindia.com.

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

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(i) The remote e-voting commences on 9.00 a.m on Tuesday September 26, 2023 and will end at 5.00 p.m on Thursday, September 28, 2023. 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 22, 2023, 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) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(III) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level

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.

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

(IV) 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.

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 https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com 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 & 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 https://web.cdslindia.com/myeasi/Registration/EasiRegistration</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 www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & 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 e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode	<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: https://eservices.nsdl.com 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</p>

with NSDL	<p>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 & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, the option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open a web browser by typing the following URL: https://www.evoting.nsdl.com/ 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 & voting during the meeting</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>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.</p>

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 https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com 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 & 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 https://web.cdslindia.com/myeasi/Registration/EasiRegistration</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 www.cdslindia.com home page or</p>

	<p>click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & 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 e-Voting Service Providers.</p>
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: https://eservices.nsdl.com 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 & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, the option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open a web browser by typing the following URL: https://www.evoting.nsdl.com/ 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 & voting during the meeting</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>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.</p>

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.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

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**.
- B. Click on the “Shareholders” tab.
- C. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. 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** 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:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> 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.
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>

After entering these details appropriately, click on the “SUBMIT” tab.

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.

For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

Click on the EVSN **230826026 <Megri Soft Limited>** on which you choose to vote.

On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

You can also take out a print of the voting done by you by clicking on the “Click here to print” option on the Voting page.

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 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 . 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 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.
- 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 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 , 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, under help section or write an email to 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 Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to 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

3. Shareholders are also requested to visit the website of the Company 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 23, 2023 to Friday, September 29, 2023 (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 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. 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 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
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

SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 has provided common and simplified norms for processing Investor 's Service request by RTA 's and

norms for furnishing PAN, KYC and Nomination details. As per the said circular, it is mandatory for the shareholders holding securities in physical form to inter alia furnish PAN, KYC (Including postal address with PIN, email ID & Mobile number) and Nomination details. Physical folios wherein the PAN, KYC and Nomination details are not available shall be frozen by the RTA on or after October 1, 2023. Holders of such frozen folios shall be eligible to lodge their grievance or avail service request from the RTA only after furnishing the complete documents/details. Any payments including dividend in respect of such frozen folios shall only be made electronically with effect from April 1, 2024, upon registering the required details.

➤ **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 **32nd** Annual General Meeting, scheduled to be held on **Friday, September 29, 2023 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 22, 2023 have the option to obtain user-ID & password by sending a request at **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** and the website of CDSL at **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** and on the website of CDSL at **www.cdslindia.com** and communicated to the Stock Exchanges.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3- Appointment of Mr. Sahil Malhotra (10167054) as an Independent Director.

Pursuant to the provisions of the Companies Act, 2013 ('the Act') and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended read with Articles of Association of the Company, the Board of Directors of the Company had, at their meeting held on 4th July, 2023, approved the appointment of Mr Sahil Malhotra (DIN:10167054) as an Additional Director (in the

category of Non-Executive Independent Director) for a term of five consecutive years with effect from 4th July, 2023, based on the recommendation of the Nomination and Remuneration Committee,

As per the provisions of Section 161 of the Act, Mr Sahil Malhotra shall hold office up to the date of this Annual General Meeting ('AGM'). Furthermore, pursuant to Regulation 17 (1C) of the Listing Regulations, Mr Sahil Malhotra shall hold office up to the date of this AGM or for a period of three months from the date of his appointment, whichever is earlier. Mr Sahil Malhotra is eligible to be appointed as an Independent Director for a term up to five consecutive years. The Company has received notice under Section 160 of the Act from a member, signifying his intention to propose the candidature of Mr Sahil Malhotra for appointment as an Independent Director of the Company.

The Company has received Mr Sahil Malhotra's consent to act as a Director and a declaration that he is not disqualified from being appointed as a Director in terms of Sections 152 and 164 of the Act, and is also not debarred from holding the office of director by virtue of any SEBI order or any other such authority. The Company has also received a declaration from Mr. Sahil Malhotra confirming that he meets the criteria of independence prescribed under the applicable provisions of the Act and the Listing Regulations and that he is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence. Mr. Sahil Malhotra has confirmed that his name is registered in the data bank of Independent Directors as being maintained by Indian Institute of Corporate Affairs in terms of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended

In the opinion of the Board, Mr. Sahil Malhotra is a person of integrity and possesses appropriate skills, expertise, experience and knowledge, and fulfills the conditions specified in the Act read with Rules made thereunder and the Listing Regulations for his appointment as an Independent Director of the Company and he is independent of the management of the Company. Based on that, the Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Sahil Malhotra as an Independent Director of the Company

As per the provisions of the Act, the appointment of an independent director requires approval of the shareholders. However, as per Regulation 25(2A) of the Listing Regulations, the appointment of an independent director shall be subject to approval of the shareholders by way of special resolution. Accordingly, the Board commends the passing of Special Resolution set out at Item No.3 of the Notice.

None of the Directors or any KMPs of the Company or their respective relatives except Mr Sahil Malhotra, the appointee and his relatives to the extent of their shareholding interest, if any, in the Company are either directly or indirectly concerned or interested, financially or otherwise, in this Special Resolution.

Item No. 4- Appointment of Mr. Raman Seth (DIN:07986684) as an Independent Director.

Pursuant to the provisions of the Companies Act, 2013 ('the Act') and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended read with Articles of Association of the Company, the Board of Directors of the Company had, at their General meeting held on 29th September, 2023, approved the appointment of Mr Raman Seth (DIN:07986684) as an Director (in the category of Non-Executive Independent Director) for a term of five consecutive years with effect from 29th September, 2023, based on the recommendation of the Nomination and Remuneration Committee,

As per the provisions of Section 161 of the Act, Mr Raman Seth shall hold office up to the date of this Annual General Meeting ('AGM'). Furthermore, pursuant to Regulation 17 (1C) of the Listing Regulations, Mr Raman Seth is eligible to be appointed as an Independent Director for a term up to five consecutive years. The

Company has received notice under Section 160 of the Act from a member, signifying his intention to propose the candidature of Mr Raman Seth for appointment as an Independent Director of the Company.

The Company has received Mr Raman Seth 's consent to act as a Director and a declaration that he is not disqualified from being appointed as a Director in terms of Sections 152 and 164 of the Act, and is also not debarred from holding the office of director by virtue of any SEBI order or any other such authority. The Company has also received a declaration from Mr. Raman Seth confirming that he meets the criteria of independence prescribed under the applicable provisions of the Act and the Listing Regulations and that he is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence. Mr. Raman Seth has confirmed that his name is registered in the data bank of Independent Directors as being maintained by Indian Institute of Corporate Affairs in terms of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended.

In the opinion of the Board, Mr. Raman Seth is a person of integrity and possesses appropriate skills, expertise, experience and knowledge, and fulfills the conditions specified in the Act read with Rules made thereunder and the Listing Regulations for his appointment as an Independent Director of the Company and he is independent of the management of the Company. Based on that, the Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Raman Seth as an Independent Director of the Company

As per the provisions of the Act, the appointment of an independent director requires approval of the shareholders. However, as per Regulation 25(2A) of the Listing Regulations, the appointment of an independent director shall be subject to approval of the shareholders by way of special resolution. Accordingly, the Board commends the passing of Special Resolution set out at Item No.4 of the Notice.

None of the Directors or any KMPs of the Company or their respective relatives except Mr Raman Seth, the appointee and his relatives to the extent of their shareholding interest, if any, in the Company are either directly or indirectly concerned or interested, financially or otherwise, in this Special Resolution.

Place: Chandigarh

Date: 30.08.2023

**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

CIN:L72200CH1992PLC011996

**Manju Bala
M.No. 67831
Company Secretary**

Annexure A

Details of the Directors seeking appointment/re-appointment in the Annual General Meeting [pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015]

Name of the Director	Mr. Mohnesh Kohli	Mr. Sahil Malhotra	Mr. Raman Seth
Director Identification Number	01784617	10167054	07986684
Designation	Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director
Date of Birth	16/08/1962	22/01/1988	08/09/1959
Date of First Appointment	09/09/1994	04/07/2023	29/09/2023
Expertise in Specific Functional Area	Accounting & Financial Consultancy	Corporate Governance and Secretarial Work	Accounting & Financial Consultancy
Qualification	B.com, FCA & CWA	B.com, ACS	Graduate & FCA
Term & Condition	Proposed to be re-appointed as Non-executive Directors ("NED"), liable to retire by rotation	Proposed to be appointed as Independent Non-Executive Director for Five Consecutive years.	Proposed to be appointed as Independent Non-Executive Director for Five Consecutive years.
Profile	He is a Commerce Graduate from Punjab University, Chandigarh, a Chartered Accountant from The Institute of Chartered Accountants of India, and a Graduate from the Institute of Cost and Works Accountants of India. Has 37 Years of Experience in Finance, Accounts and Management and more	He is a Commerce Graduate , a Company Secretary from the Institute of Company Secretary of India.	He is a Commerce Graduate a Chartered Accountant from The Institute of Chartered Accountants of India,
Detail of Remuneration amount drawn	NIL	NIL	NIL

Directorships along with entities from which the person has resigned in the past three years	Current Directorships: 1. Megri Soft Limited 2. Greenwich Fintech Private Limited Entities from which resigned in past three years: NIL	Current Directorship: 1. Megri Soft Limited Entities from which resigned in past three years: NIL	NIL Entities from which resigned in past three years: NIL
No. of shares held in the Company as on March 31, 2023	777000	NIL	NIL
Number of Promoter family members on the Board of the Company	1	0	0
Relationship with other Directors / KMP	Father of Ms. Aprajita Kohli	N/A	N/A
Number of Board Meetings attended during the financial year 2022-23 (out of the total meetings held during their tenure as director)	7 out of 7	NIL	NIL
Name of the other entity in which the Director holds Memberships & Chairpersonship of Committee	None	None	None
Chairman/ Member of the Committee of the Board of Directors as on March 31,	Megri Soft Limited 1. Audit Committee-Member 2. Nomination & Remuneration Committee-Member	None	None

2023 of Megri Soft Limited	3. Stakeholders' Relationship Committee- Chairman		
Reputational Risk, if any, associated with the said Director or any transactions associated in a manner prejudicial to minority shareholders	NIL	NIL	NIL