



**MEGRI SOFT LIMITED**  
SCO 80 Sector 47-D Chandigarh 160047  
Ph. : +91-172- 2631550  
Cell : +91-9501168822, 9501168855  
Email: legal@megrisoft.com  
Website: www.megrisoft.com  
CIN: L72200CH1992PLC011996

To

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|---|--|
| BSE Limited,<br>Phiroze Jeejeebhoy Towers,<br>Dalal Street, Fort,<br>Mumbai-400 001<br>Email Id: corp.compliance@bseindia.com<br>Scrip Code: 539012 | Head- Listing & Compliance<br>Metropolitan Stock Exchange of India Ltd.<br>205(A), 2nd floor, Piramal Agastya Corporate Park,<br>Kamani junction, LBS Road,<br>Kurla(West),Mumbai – 400070<br>Email Id: listingcompliance@msei.in<br>Symbol: MEGRISOFT |
|---|--|

**Subject: 33rd Annual Report of the Company for the Financial Year 2023-24**

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 2023-24.

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) 2023-24 comprising the Notice of the AGM, the standalone and consolidated financial statements for the FY 2023-24, 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 2023-24, 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](http://www.megrisoft.com)

This is for your information and record.

Thanking You,

**Yours Faithfully,  
For Megri Soft Limited**

**(Khushboo Goyal)**  
**Company Secretary & Compliance Officer**  
**M.No: 38151**

**Date: August 29, 2024**  
**Place: Chandigarh**

# ***33rd Annual Report 2023-24***

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. Sahil Malhotra | Independent Director                      |
| Mr. Raman Seth     | Independent Director                      |

### STATUTORY AUDITOR

M/s Sanjay Arora & Associates  
Chartered Accountants  
SCO 117-118, Second Floor,  
Sector 17 B, Chandigarh - 160017

### COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Manju Bala

### CHIEF FINANCIAL OFFICER (CFO)

Mr. Rajnesh Sharma

### CONSULTING COMPANY SECRETARY & SECRETARIAL AUDITOR

Mr. Rahul Malhotra  
M/s R Malhotra & Associates  
SCO -11, 1st Floor, Near SBI, Patiala Road, Zirakpur,  
Punjab-140603

### 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.: +91-172-2631550  
E-mail: [legal@megrisoft.com](mailto:legal@megrisoft.com)  
Web Site: [www.megrisoft.com](http://www.megrisoft.com)  
CIN: L72200CH1992PLC011996

### 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

**MEGRI SOFT LIMITED**  
**CIN: L72200CH1992PLC011996**  
**Regd. Office. SCO 80, Sector 47-D, Chandigarh-160047**  
**Tel No.: 0172-2631550, Fax No.: 0172-2631561**  
**Website: www.megrisoft.com, E-mail: legal@megrisoft.com**

## NOTICE

NOTICE is hereby given that the **33rd (Thirty-Third) Annual General Meeting ('AGM')** of the members of Megri Soft Limited. (the 'Company') will be held on Monday, September 30, 2024, at 02:30 P.M. IST through Video Conferencing (VC)/Other Audio Visual Means ('OAVM') organized by the Company to transact the following businesses. The venue of the Meeting shall be deemed to be the Registered Office of the Company situated at SCO 80, Sector 47-D Chandigarh 160047, and the proceedings of the AGM shall be deemed to be made thereat, to transact the following businesses.

### **ORDINARY BUSINESS(ES):-**

1. To consider and adopt (a) the audited financial statement of the Company for the financial year ended March 31, 2024, and the reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2024, and the report of Auditors thereon and in this regard, to consider and if thought fit, to pass the following resolutions as **Ordinary Resolutions**:

- a. **"RESOLVED THAT** the audited financial statement of the Company for the financial year ended March 31, 2024, and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted."
- b. **"RESOLVED THAT** the audited consolidated financial statement of the Company for the financial year ended March 31, 2024 and the report of Auditors thereon, as circulated to the members, be and are hereby considered and adopted."

2. To appoint a Director in place of Ms Aprajita Kohli (DIN: 02489600), who retires by rotation, and, being eligible, offers herself for re-appointment by passing the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), Ms Aprajita Kohli (DIN: 02489600), Director of the Company, who retires by rotation at this Annual General Meeting and being eligible, offered herself for re-appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation."

3. To appoint M/s. Narinder Kumar and Company, Chartered Accountants, as Statutory Auditors of the Company and fix their remuneration by passing the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable rules, if any, (including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof for the time being in force), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendations of the Audit Committee and Board of Directors of the Company, M/s. Narinder Kumar and Company, Chartered Accountants (Firm Registration No. 030737N), be and are hereby appointed as Statutory Auditors of the Company to hold office for the 5 (five) consecutive years from the conclusion of this 33rd Annual General Meeting till the conclusion of the 38th Annual General Meeting of the Company, at such remuneration and out of pocket expenses, as may be decided by the Board of Directors of the Company (including its Committees).

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committees) be and is hereby authorized to decide and/or alter the terms and conditions of the aforesaid appointment, including the remuneration of the Statutory Auditors, for the relevant years during the aforesaid term of their appointment and to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

### **SPECIAL BUSINESS(ES):-**

4. **To Approve Material Related Party Transaction(S) with Basel Investments Limited**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Regulation 23(4) and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (‘SEBI Listing Regulations’) read with Section 188 of the Companies Act, 2013 (“the Act”) as may be applicable, and other applicable provisions of the Act, if any, read with related rules, if any, (including any other applicable provisions or statutory modifications or re-enactment thereof for the time being in force), the Memorandum and Articles of Association of the Company and the Company’s Policy on Related Party Transaction(s), and as per the approval of the Audit Committee and Board of Directors of the Company (hereinafter referred to as “Board”, which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute) and subject to requisite statutory/ regulatory and other appropriate approvals, if any, as may be required, consent of the Members be and is hereby accorded to enter into and/or continue the related party transaction(s) / contract(s)/ arrangement(s)/ agreement(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) with Basel Investments Limited , and a related party of the Company within the meaning of Regulation 2(1)(zb) of SEBI Listing Regulations, for Capital Commitment for subscription or purchase of Equity shares specified in the explanatory statement forming part of this notice, whether by way of entering into new contract or renewal(s) or extension(s) or modification(s) of earlier contract(s)/arrangement(s)/ transaction(s) or otherwise on such terms and conditions as the Board may deem fit, directly or through wholly owned subsidiary(ies), for an amount not exceeding in aggregate INR 30,000,000 (Indian Rupees Three Crores Only) in one or more tranches, from time to time.

**RESOLVED FURTHER THAT** the Board of Directors and/or Key Managerial Personnel (KMP) of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things including but not limited to authorising signatories, deciding on the timing, manner and extent of carrying out the aforesaid activities and to negotiate, finalise and execute agreement(s), arrangement(s), contract(s) and such other document(s), by whatever name called, to make any material modifications to the terms of such related party transactions and to do all such acts, matters and things as may be necessary and to settle any questions or difficulties that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the members and to delegate all or any of the powers or authorities herein conferred to any director(s) or other officer(s) of the Company, or to engage any advisor, consultant, agent or intermediary, as may be deemed necessary;

**RESOLVED FURTHER THAT** all actions taken by the Board, or any person so authorized by the Board, in connection with any matter referred to or contemplated in any of the foregoing resolutions, be and are hereby approved, ratified and confirmed in all respects.”

**5. To appoint Ms. Diksha (DIN:07072776) as an Independent Director of the Company.**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and 161 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred as “the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the Regulation 16, Regulation 17, Regulations 25 and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as “SEBI Listing Regulations”) (including any statutory modification(s) or re-enactment thereof for the time being in force), and on the basis of the recommendation of the Nomination & Remuneration Committee and the Board of Directors, the approval of the Members of the Company be and is hereby accorded for the appointment of Ms. Diksha (DIN: 07072776) who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013, read with Regulation 16(1)(b) of SEBI Listing Regulations, as amended from time to time, and who is eligible for appointment under the provisions of the Act and Rules made thereunder and SEBI Listing Regulations and confirming that he do not have any interest in any member and fiduciary relationship with any of the shareholders of the Company and do not have any interested positions in commercial contracts and financial affairs of the Company and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Act, as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, and to hold office for 5 (Five) consecutive years on the Board of the Company w.e.f. October 1, 2024, upto September 30, 2029 (both days inclusive).

**RESOLVED FURTHER THAT** the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised ‘Committee’ thereof) or Director(s) or the Company Secretary of the Company be and are hereby severally authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient, or desirable to give effect to above resolution.”

**6. To approve material related party transactions between Megrisoft Limited, a subsidiary of the Company incorporated outside India in United Kingdom with Aprajita Kohli, Director**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, read with Section 188 of the Companies Act, 2013 (“the Act”) as may be applicable, and other applicable provisions of the Act, if any, read with

related rules, if any, (including any other applicable provisions or statutory modifications or re-enactment thereof for the time being in force), the Memorandum and Articles of Association of the Company and the Company's Policy on Related Party Transactions, and subject to such approval(s), consent(s), permission(s) as may be necessary from time to time and basis the approval and recommendation of the Audit Committee, Nomination & Remuneration Committee, and the Board of Directors of the Company, the approval of the Members of the Company be and is hereby accorded to the Company to enter/continue to enter into Material Related Party Transaction(s)/ Contract(s)/Arrangement(s)/ Agreement(s) (whether by way of an individual transaction or transaction taken together or series of transactions or otherwise) approve the appointment of Ms. Aprajita Kohli, a director of the Company and its subsidiary, as the Chief Executive Officer of Megrisoft Limited in United Kingdom, a wholly-owned subsidiary of the Company, and the payment of maximum remuneration to her in such capacity up to a maximum of GBP 36,000 per annum, for a period of five years with effect from October 1, 2024 to September 30, 2029, a related party falling within the definition of 'Related Party' under Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations, during financial year 2024-25 on such material terms and conditions as detailed in the explanatory statement to this Resolution and as may be mutually agreed between related party and the Company, such that the maximum value of the Related Party Transactions with such party, in aggregate, does not exceed value as detailed in the explanatory statement provided that the said transaction(s)/Contract(s)/Arrangement(s)/Agreement(s) shall be carried out in the ordinary course of business and at arm's length basis.

**RESOLVED FURTHER** that the Board of Directors of the Company (hereinafter referred to as "Board" which term shall be deemed to include the Audit Committee of the Company and any duly constituted/ to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred to, without being required to seek further consent or approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board of the subsidiary **Megrisoft Limited United Kingdom** in connection with any matter referred to or contemplated in this resolution be and is hereby approved and confirmed in all respects.

**RESOLVED FURTHER** that all actions taken by the Board in connection with any matter referred to or contemplated in this resolution be and are hereby approved, ratified and confirmed in all respects."

#### 7. **Re-appointment of Mr. Rajnesh Sharma (DIN:02528435) as a Whole Time Director of the Company and fix remuneration**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** in accordance with the provisions of Section 152, 196, 197, 198, 203 and other applicable provisions if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013, and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Rajnesh Sharma (DIN:02528435), Whole Time Director of the Company whose period of office is liable to expire on September 30, 2024, and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby re-appointed as Whole Time Director (designated as "Chief Financial Officer") of the Company for a period of five years with effect from October 1, 2024 to September 30, 2029, not liable to retire by rotation.

**RESOLVED FURTHER THAT** pursuant to the approval and recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, consent of the Members of the Company be and is hereby accorded to approve the payment of remuneration to Mr. Rajnesh Sharma (DIN:02528435), with effect from October 1, 2024 as below:

Remuneration as Whole-time Director:

Fixed Salary: Maximum 600,000 (Rupees six lacs only) per annum

Other Perquisites and Benefits:

Medical: Reimbursement of self, spouse and dependent children up to a maximum of one month's basic pay as per the Company policy.

Leave with full pay and allowance: Leave with full pay and allowance as per Company's policy.

Reimbursement of travel, stay, and entertainment expenses are actually and properly incurred in the course of business as per the Company's policy.

Minimum remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the tenure of the Whole-time Director, the Company has no profits, or its profits are inadequate, the Company will pay remuneration by way of salary, including perquisites and allowances as specified under Section II of Part II of Schedule V to the Companies Act, 2013.

Sitting Fees: The Executive Chairman shall not be entitled to sitting fees for attending the meetings of the Board of Directors of the Company or any Committees thereof

**RESOLVED FURTHER THAT** the overall remuneration payable to Mr. Rajnesh Sharma (DIN:02528435), shall not exceed the limits prescribed under the applicable provisions of the Companies Act, 2013 and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to alter and vary the terms and conditions of the appointment and/or remuneration based on the recommendation of the Nomination and Remuneration Committee subject to the same not exceeding the limits specified under Section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force).

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolutions.”

Place: Chandigarh  
Date: August 28, 2024

**By order of the Board of Directors**

**Registered Office:**

S.C.O. 80, Sector 47- D  
Chandigarh(UT) 160047  
CIN:L72200CH1992PLC011996  
Website: [www.megrisoft.com](http://www.megrisoft.com)  
Email: [legal@megrisoft.com](mailto:legal@megrisoft.com)  
Tel.: 91-172-2631550

**Sd/-**

**Khushboo Goyal**

Membership No. ACS 38151

Company Secretary and Compliance Office

**Notes:**

1. Circular No. 20/2020 dated 05.05.2020, Circular No. 22/2020 dated 15.06.2020, Circular No. 33/2020 dated 28.09.2020, Circular No. 39/2020 dated 31.12.2020, Circular No. 02/2021 dated 13.01.2021, Circular No. 10/2021 dated 23.06.2021, Circular No. 19/2021 dated 08.12.2021, Circular No. 20/2021 dated 08.12.2021, Circular No. 21/2021 dated 14.12.2021, Circular No. 2/2022 dated 05.05.2022, Circular No. 10/2022 dated 28.12.2022 and Circular No. 09/2023 dated 25.09.2023 issued by the Ministry of Corporate Affairs (MCA)( hereinafter collectively referred as ‘the MCA Circulars’) and Circular No. SEBI/ HO/CFD/CMD1/CIR/P/2020/79 dated 12.05.2020, Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 09.12.2020, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15.01.2021, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13.05.2022, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 05.01.2023 and Circular No. SEBI/HO/CFD/CFD/POD/P/CIR/2023/167 dated 07.10.2023 issued by the Securities and Exchange Board of India (SEBI) ( hereinafter collectively referred to as ‘the Circulars’), companies are allowed to conduct the AGM through VC/OAVM without the physical presence of members at a common venue. Hence, in compliance with these Circulars, the AGM of the Company is being held through VC/OAVM.
2. Since the AGM is being conducted through VC/OAVM, the facility for the appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice. Members attending the AGM through VC/OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.
3. An Explanatory Statement pursuant to Section 102(1) of the Act is annexed hereto. Further, Information under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) and Secretarial Standard-2 in respect of the Directors seeking appointment/ re-appointment at the AGM is given in Annexure-A to the Notice.
4. 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
5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members. The Members seeking to inspect such documents can send an email to [legal@megrisoft.com](mailto:legal@megrisoft.com)

6. Members intending to require information about financial statements to be explained at the AGM are requested to write to the Company at least ten days in advance of the AGM at [investors@megrisoft.com](mailto:investors@megrisoft.com).
7. SEBI has mandated that securities of listed companies can be transferred only in dematerialized form w.e.f. April 1, 2019. Accordingly, the Company/RTA has stopped accepting any fresh lodgement of transfer of shares in physical form. Members holding shares in physical form are advised to avail the facility of dematerialization.
8. Members holding shares in dematerialized mode are requested to intimate all changes, if any, with respect to their bank details, mandate, nomination, power of attorney, change of address, e-mail 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 services to the members.
9. Effective April 1, 2024, SEBI has mandated that the shareholders who hold shares in physical mode and whose folios are not updated with any of the KYC details [viz., (i) PAN (ii) Choice of Nomination (iii) Contact Details (iv) Mobile Number (v) Bank Account Details and (vi) Signature], shall not be eligible to get dividend in electronic mode. Accordingly, payment of dividends, subject to approval at the AGM, shall be paid to physical holders only after the above details are updated in their folios. Pursuant to the above, the Company has sent individual letters to all the members holding shares in physical form for furnishing their PAN, KYC details, nomination, etc. Members are requested to submit these details to the Company's RTA by using any one of the following modes for submission:

a) through 'In Person Verification' (IPV): by producing the originals to the authorized person of the RTA at M/s Beetal Financial & Computer Services Pvt. Ltd., Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukh Dass Mandir, New Delhi – 110062, Phone No. : 011-29961281-83, Fax No. : 011 – 29961284, E-mail : [beetalrta@gmail.com](mailto:beetalrta@gmail.com), who will retain copy(ies) of the document(s).

b) in hard copy: by furnishing self-attested photocopy(ies) of the relevant document with date at aforesaid address.

c) through electronic mode with e-sign:

i) in case your e-mail is already registered with the company, you may send the scanned copies of your KYC documents with e-sign at the dedicated e-mail-id: [beetalrta@gmail.com](mailto:beetalrta@gmail.com)

Kindly mention the e-mail subject line as 'KYC Updation - (Company Name) - Folio No :

Relevant formats for submitting the above-mentioned details are available on the website of the Company as detailed below:

|   |            |
|---|------------|
| Form for availing investor services to register PAN, e-mail address, bank details and other KYC details or changes/update thereof for securities held in physical mode                    | Form ISR-1 |
| Update of signature of securities holder  | Form ISR-2 |
| For nomination as provided in the Rule 19(1) of the Companies (Share capital and debenture) Rules, 2014   | Form SH-13 |
| Declaration to opt out  | Form ISR-3 |
| Cancellation of nomination by the holder(s) (along with Form ISR-3)/Change of Nominee   | Form SH-14 |
| Form for requesting issue of duplicate share certificate and other service requests for shares held in physical form  | Form ISR-4 |
| The forms for updating the above details are available at:<br><a href="https://www.megrisoft.com/information-for-shareholders">https://www.megrisoft.com/information-for-shareholders</a> |            |

As per the erstwhile requirement, in case a holder of physical securities failed to furnish PAN, nomination, contact details, bank account details and specimen signature by October 01, 2023, Beetal Financial & Computer Services Pvt. Ltd. was obliged to freeze such folios. To mitigate unintended challenges on account of freezing of folios, SEBI vide its circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023, has done away with the provision regarding freezing of folios not having PAN, KYC and nomination details.

10. 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.



11. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or of staying abroad or demise of any member as soon as possible. Members are also advised not to leave their de-mat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned depository participants and holdings should be verified.
12. Non-resident Indian shareholders are requested to inform about the following to the Company or its RTA or the concerned depository participant, as the case may be, immediately of:
  - a. the change in the residential status on return to India for permanent settlement.
  - b. the particulars of the NRE Account with a Bank in India, if not furnished earlier
13. Process for dispatch of Annual Report and registration of e-mail address for obtaining copy of Annual Report:

In compliance with the aforementioned MCA and SEBI Circulars, Notice of the AGM along with the Annual Report 2023-24 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 2023-24 will also be available on the Company's website [www.megrisoft.com](http://www.megrisoft.com), websites of the Stock Exchanges i.e. BSE Limited and Metropolitan Stock Exchange of India Ltd. at [www.bseindia.com](http://www.bseindia.com) and [www.msei.in](http://www.msei.in) respectively, and on the website of Central Depository Services (India) Limited (CDSL) at the website address [www.evotingindia.com](http://www.evotingindia.com). The members of the Company are requested to send their request for registration of e-mail address by following the procedure given below for the purpose of receiving the AGM Notice along-with Annual Report 2023-24.

- **Registration of e-mail address for shareholders holding shares in physical form:**

The Members of the Company holding Equity Shares of the Company in physical form and who have not registered their e-mail addresses may get their e-mail addresses registered with Beetal Financial & Computer Services Private Limited.

- **For Permanent Registration of e-mail addresses for shareholders holding shares in demat form:**

It is clarified that for permanent registration of e-mail address, the Members are requested to register their e-mail address, in respect of demat holdings with the respective Depository Participant by following the procedure prescribed by the Depository Participant.

- **For Temporary Registration of e-mail addresses for shareholders holding shares in demat form:**

The Members of the Company holding Equity Shares of the Company in dematerialized form and who have not registered their e-mail addresses may temporarily get their e-mail addresses registered with Beetal Financial & Computer Services Private Limited. The Members are requested to provide details such as Name, DPID, Client ID/ PAN, mobile number and e-mail address.

Those shareholders who have already registered their e-mail addresses are requested to keep their e-mail addresses validated with their Depository Participants/the Company's RTA to enable servicing of communication and documents electronically.

In case of any queries, shareholders may write either to the Company at [investors@megrisoft.com](mailto:investors@megrisoft.com) or to the RTA at aforesaid e-mail id.

Registering e-mail address will help in better communication between the Company and you as an esteemed stakeholder and importantly will reduce use of paper, thereby contributing towards green environment.

However, a member is also entitled for getting the hard copy of the Notice along-with Annual Report upon making a request via e-mail to [investors@megrisoft.com](mailto:investors@megrisoft.com) or to the RTA at aforesaid e-mail id [beetalrta@gmail.com](mailto:beetalrta@gmail.com)

#### **14. Procedure for joining the AGM through VC/OAVM:**

CDSL will be providing facility for voting through Remote E-Voting, for participation in the 33rd AGM through VC/OAVM facility and E-Voting during the 33rd AGM.

The members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the respective Chairpersons of the Audit Committee, Nomination & Remuneration Committee and Stakeholders' Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

#### **Procedure to raise questions/seek clarifications with respect to Annual Report at the 33rd AGM:**

Members can submit their questions in advance from their registered e-mail address, mentioning their Name, DP ID and Client ID number/folio number and mobile number, in order to reach the Company's e-mail address i.e. [investors@megrisoft.com](mailto:investors@megrisoft.com) atleast 48 hours in advance before the start of the AGM i.e by September 28, 2024, 05:30 P.M. IST. Such questions by the Members shall be taken up during the AGM and replied by the Company suitably.

Members, who would like to ask questions during the AGM, need to register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID number/ folio number and mobile number. The request shall reach the

Company's email address i.e. investors@megrisoft.com at least 48 hours in advance before the start of the AGM i.e. by September 28, 2024, 05:30 P.M. IST. Those members who have registered themselves as a speaker shall be allowed to express their views or ask questions during the AGM.

The Company reserves the right to restrict the number of questions and number of speakers, depending on the availability of time for the AGM.

#### **15. Voting through electronic means:**

All the shareholders of the Company, including retail individual investors, institutional investors, etc. are encouraged to attend and vote in the AGM to be held through VC/OAVM.

- I. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force) and the Circulars, members are provided with the facility to cast their votes by electronic means through the Remote E-Voting platform provided by the CDSL. The Remote E-Voting period will commence on Friday, September 27, 2024, at 09:00 A.M. IST and will end on Sunday, September 29, 2024, at 05:00 P.M. IST. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Monday, September 23, 2024 may cast their vote through Remote E-Voting. The Remote E-Voting module will be disabled by CDSL for voting thereafter. The voting shall not be allowed beyond the said date and time. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. The manner of Remote E-Voting by members is provided in the 'Instructions for Remote E-Voting' section which forms part of this Notice.
  - II. You can also update your mobile number and e-mail address in the user profile details of the folio, which may be used for sending future communication(s).
  - III. The voting rights of shareholders shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date of Monday, September 23, 2024. Any person who is not a member as on the cut-off date should treat the Notice for information purpose only.
  - IV. Members who have cast their votes by Remote E-Voting prior to the AGM may also attend/participate in the AGM through VC/OAVM, but they shall not be entitled to cast their vote again in the AGM.
  - V. The Scrutinizer shall, immediately after the conclusion of the E-Voting at the 33rd AGM unblock the votes cast through Remote E-Voting and E-Voting at AGM and make a consolidated Scrutinizer's Report of the votes cast in favour or against, if any, not later than 2 working days in terms of the Listing Regulation or 3 days in terms of the Act, whichever is earlier, from the conclusion of the 33rd AGM, to the Chairman of the Company or any other director/person duly authorized by him in writing, who shall countersign the same & declare the results of the voting forthwith.
16. Any person who becomes a member of the Company after dispatch of the Notice of the AGM and holding shares as on the cut-off date i.e. September 23, 2024 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.
17. A copy of this notice has been placed on the website of the Company at [www.megrisoft.com](http://www.megrisoft.com) and the website of CDSL at [www.cdslindia.com](http://www.cdslindia.com). Members holding shares in electronic mode are therefore requested to ensure to keep their email addresses updated with the depository participants. Members holding shares in physical mode are also requested to update their email addresses by writing to the RTA of the Company quoting their folio number(s).
18. The Company has appointed Mr. Vikas Wassan (Membership No.530011), Proprietor of M/s Vikas Wasson & Associates Chartered Accountants (FRN 026171N) H.No. 1945/8 Street No. 8 Preet Colony Opp. Civil Hospital Road, Ropar, Punjab 140001, as the Scrutinizer to scrutinize remote e-voting process and e-voting at the Meeting in a fair and transparent manner.
19. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of electronic voting for all those members who are present at the AGM but have not casted their votes by availing the Remote E-Voting facility.
20. The results shall be declared after the AGM of the Company within above stipulated time. The results declared along with the consolidated Scrutinizer's Report shall be placed on the Company's website [www.megrisoft.com](http://www.megrisoft.com) and on the website of CDSL and communicated to the Stock Exchanges.
21. The Register of members & Share Transfer books will remain closed from Tuesday, September 24, 2024 to Monday, September 30, 2024 (both days inclusive).

22. 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.
23. In support of the Green Initiative, the Notice of AGM and the copies of audited standalone & consolidated financial statements, directors’ report, auditors’ report etc. will also be displayed on the website at [www.megrisoft.com](http://www.megrisoft.com) of the Company. Members holding shares in electronic mode are therefore requested to ensure to keep their email addresses updated with the depository participants. Those members who have not registered their e-mail addresses and mobile nos. and in consequence could not be served the Annual Report and Notice of e-AGM, may temporarily get themselves registered by writing to the Company or RTA quoting their folio number(s).

**STATEMENT / EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 AND ADDITIONAL INFORMATION AS REQUIRED UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND CIRCULARS ISSUED THEREUNDER**

The following explanatory statement sets out all material facts relating to the business mentioned under Item No. 4 to 7 of the accompanying Notice:

**Item No 3 -Appointment of Statutory Auditors**

The Members at the 33rd (Thirty-Third) Annual General Meeting of the Company held on September 30, 2020, had approved the appointment of M/s. Sanjay Arora & Associates Chartered Accountants (FRN-08445N), as Statutory Auditors of the Company, to hold office till the conclusion of the 33rd (Thirty-Third) Annual General Meeting of the Company. Accordingly, the tenure of M/s Sanjay Arora & Associates Chartered Accountants, Statutory Auditor of the Company, will come to an end with the conclusion of the 33rd (Thirty-Third) Annual General Meeting and then ceases to be Statutory Auditors of the Company.

After evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in the conduct of the audit, independence, eligibility, etc., the Board of Directors of the Company has, based on the recommendation of the Audit Committee, at its meeting held on August 28, 2024, proposed the appointment of M/s. Narinder Kumar and Company (Firm Registration No. 030737N) Chartered Accountants, as the Statutory Auditors of the Company, for a term of 5 (five) consecutive years from the conclusion of the 33rd (Thirty-Third) Annual General Meeting of the Company till the conclusion of the 38th (Thirty-eight) Annual General Meeting of the Company to be held in the year 2029 at a remuneration as may be mutually agreed between the Board and the Statutory. The aforesaid appointment is subject to the approval of the members of the Company at the 33rd (Thirty-Third) Annual General Meeting.

M/s. Narinder Kumar and Company Chartered Accountants (Firm Registration No. 030737N) ('the Audit Firm'), is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India ('ICAI'). It is primarily engaged in providing audit and assurance services to its clients and has a valid Peer Review Certificate. The Audit Firm has consented to its appointment as Statutory Auditors and has confirmed that if appointed, its appointment will be in accordance with Section 139 read with Section 141 of the Act.

The Board recommends the Ordinary Resolution set out at Item No.3 of the Notice for approval by the Members. None of the Directors and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution set out at Item No.3 of the Notice.

Details required as per Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Master Circular issued vide circular no.SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 and SEBI Circular No. SEBI/HO/CFD/CFD-PoD1/P/CIR/2023/123 dated 13th July, 2023:

|  |  |
|--|--|
| Particulars  | M/s. Narinder Kumar and Company Chartered Accountants (Firm Registration No. 030737N)  |
| Reason for change viz. appointment, reappointment, resignation, removal, death or otherwise. | <p>The tenure of M/s Sanjay Arora &amp; Associates Chartered Accountants, Statutory Auditor of the Company, will come to an end with the conclusion of the 33rd (Thirty-Third) Annual General Meeting and then ceases to be Statutory Auditors of the Company.</p> <p>M/s. Narinder Kumar and Company Chartered Accountants (Firm Registration No. 030737N), appointed as the Statutory Auditors of the Company for the term of five years</p> |
| Date of appointment & term of appointment.   | 28th August, 2024  |

|  |   |
|--|---|
|  | M/s. Narinder Kumar and Company, Chartered Accountants (Firm Registration No. 030737N), be and are hereby appointed as Statutory Auditors of the Company to hold office for the 5 (five) consecutive years from the conclusion of this 33rd Annual General Meeting till the conclusion of the 38th Annual General Meeting of the Company. |
| Brief Profile (in case of appointment)   | M/s. Narinder Kumar and Company is a firm of Chartered Accountants, CA Narinder Kumar Garg, with more than 44 years of experience. The firm provides services such as Accounting, Audit and Assurance, Tax, Company Law Matters, and Management Consultancy.  |
| Disclosure of relationships between directors (in case of appointment of a director) | Not related to any Directors/ Key Managerial Personnel of the Company.  |

#### Item No. 4 - Approve Material Related Party Transaction(S) with Basel Investments Limited

Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations") provides that all material related party transactions and subsequent material modifications as defined by the Audit Committee under sub-regulation (2) of Regulation 23 shall require prior approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not. A transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs. 1,000 crores or 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

Regulation 2(1)(zc) of SEBI Listing Regulations defines "related party transaction" to mean a transaction involving a transfer of resources, services or obligations between (i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand or (ii) a listed entity or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries, with effect from April 1, 2023, regardless of whether a price is charged and a "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract.

#### Background, details and benefits of the transaction:

Basel Investments Limited is a Non-bank financial services company registered with the Reserve Bank of India. It is registered in the RBI Category: NBFC-ND ('B' category) Loan Company. The company was incorporated in 1989, and since then, it has been carrying on the business of Loans and investments. The company has already invested a sum of Rs 38 lacs Since 1997 from time to time. Mohnesh Kohli, Promotor Director of Megri Soft Limited, joined as a non-executive on 15th March 2024. Mohnesh Kohli, the promotor, is now the common director of both companies.

The Basel Investments Limited proposes to expand its business in venture capital, investment in IT startups, funding startups, and loans. The company foresees a better investment plan for the future and proposes to invest in equity of the Basel Investments Limited from time to time in the coming years.

Further, The Management has provided the Audit Committee and Board of Directors of the Company with the relevant details of various investments to be made in future. The Audit Committee and the Board of Directors of the Company have granted approval for entering into equity investments an amount not exceeding in aggregate INR 30,000,000 (Indian Rupees Three Crores Only) in one or more tranches, from time to time subject to the approval of the Shareholders.

The value of such transaction(s) (individually or taken together with previous transactions) for each of the proposed items from time to time, may exceed Rs. 1,000 crores or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower, and hence, approval of the shareholders of the Company by way of an ordinary resolution is being sought.

The Committee and the Board has noted that the said transactions will be on an arms' length basis and in the ordinary course of business of the Company and Basel Investments Limited.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI Circular SEBI/HO/CFD/CMD1/ CIR/P/2021/662, dated November 22, 2021, the Particulars of transactions to be entered into by the Company with related parties are as under:

|   |   |
|---|---|
| Name of Related Party   | Basel Investments Limited   |
| Nature of Relationship including nature of interest, financial or otherwise)                          | Mohnesh Kohli, Promotor of Megri Soft Limited also director of Basel Investments Limited w.e.f from 15th March 2024 |
| Aggregate maximum value of the contract/ arrangement/ transaction (from time to time) (Rs. in Crores) | Proposed Investment 3 Crores  |
| Nature and material terms of contract/ arrangement/ transaction                                       | Investment in Equity Shares   |

Details of the proposed transactions with Basel Investments Limited being a related party of the Company, including the information pursuant to the SEBI master circular no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 (inter-alia consolidating the requirements of the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021), are as follows:

| S.N. | Description   | Details  |
|------|---|--|
| 1.   | Details of Summary of information provided by the Management to the Audit Committee   |  |
| a.   | Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);                | Basel Investments Limited is covered under Section 2(76) of the Companies Act, 2013 and Regulation 2(1) (zb) of the SEBI LODR Regulations, 2015. |
| b.   | Name of the director or key managerial personnel who is related, if any   | Mohnesh Kohli, Director and promotor of the company, is also a non-executive director of Basel Investments Limited                               |
| c.   | Nature, material terms, monetary value and particulars of contracts or arrangements   | Investment in the equity shares of the company from time to time   |
| d.   | Tenure of the transaction   | The period will commence from 1st October 2024, and to make investment from time to time. The period is not ascertain yet.                       |
| e.   | Value of transaction  | Investment in Securities of Basel Investments Limited to the maximum of 3 Crores from time to time.  |
| f.   | Percentage of annual consolidated turnover of Jupiter Wagons Limited considering FY 2023- 24 as the immediately preceding financial year                                      | Investment in securities of Basel Investments Limited : 87.13% of Consolidated Turnover of 2023-24   |
| 2.   | Justification for the transaction   | Strategic infusion of long-term equity capital can significantly enhance Basel Investments Limited financial profile and growth prospect         |
| 3.   | Details of transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:                         |  |
| a.   | details of the source of funds in connection with the proposed transaction  | Not Applicable   |
| b.   | where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments - nature of indebtedness; - cost of funds; and - tenure |  |
| c.   | applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security                         |  |
| d.   | the purpose for which the funds will be utilized by the ultimate beneficiary of   |  |

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|    | such funds pursuant to the RPT  |   |
| e. | A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered e-mail address of the shareholder |   |
| 4. | Any other information that may be relevant  | All important information forms part of the Statement setting out Material Facts pursuant to Section 102(1) of the Companies Act 2013 which have been mentioned in the foregoing paragraph. |

Therefore, the Board recommends the ordinary resolution, as set out in Item No. 4 in the accompanying notice, for your approval.

The Members may note that in terms of the provisions of the SEBI Listing Regulations, the related parties as defined thereunder (whether such related party(ies) is a party to the aforesaid transactions or not), shall not vote to approve Resolution under Item No.4.

Save and except the Mohnesh Kohli Director and his relatives, none of the other director(s) / Key Managerial Personnel(s) of the Company or their relatives are, in any way, concerned or interested, financially or otherwise ,except to the extent of their shareholding, if any.

#### **Item No 5: Appointment of Ms. Diksha (DIN:07072776) as Independent Director of the Company**

The Board of Directors of the Company, based on the recommendation of the Nomination & Remuneration Committee of the Company, appointed Ms Diksha (DIN:07072776), as an Additional Non-Executive Director on the Board of the Company effective October 1, 2024, to be designated as an Independent Director in accordance with Section 161(1) of the Companies Act, 2013 ('the Act') for a term of 5 (five) years w.e.f. October 1, 2024, up to September 30, 2029 (both days inclusive), not liable to retire by rotation, subject to approval of the members by way of a Special Resolution.

The Company has received notice in writing from a member under Section 160 of the Act proposing the candidature of Ms. Diksha for the office of Director of the Company.

Ms Diksha has submitted a declaration in prescribed Form DIR-8 to the effect that he is not disqualified from being appointed as Director in terms of Section 164 of the Act, consent to act as a Director in prescribed Form DIR-2 and disclosure of interest in prescribed Form MBP-1.

Ms. Diksha has also submitted a declaration to the Company to the effect that he meets the criteria of Independence as provided under Section 149(6) of the Act and provisions of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

Further, Ms. Diksha has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director of the Company.

Ms. Diksha is not debarred from holding the office of Director by virtue of any SEBI, MCA order or any other such authority.

The Board had opined that Ms. Diksha is a qualified company secretary, and her skills, background and experience are aligned with the role and capabilities identified by the Nomination & Remuneration Committee and that Ms Diksha is eligible for appointment as an Independent Director. The Board was satisfied that the appointment of Ms. Diksha is justified due to the following reasons:

- Legal and regulatory experts who understand corporate governance, compliance, and secretarial practices.
- Contribute to the development and implementation of robust corporate governance practices and ethical standards.
- Understanding of investor expectations and regulatory requirements can help build investor confidence.
- Expertise in board procedures and governance can streamline board meetings and improve efficiency.

In the opinion of the Board, Ms. Diksha is a person of integrity and fulfills the conditions specified under the Act read with Rules made thereunder and the SEBI Listing Regulations for his appointment as a Non-Executive, Independent Director of the Company and is independent of the Management.

A copy of the draft Letter of Appointment for Ms. Diksha as Independent Director is available for inspection through electronic mode, basis the request being sent on legal@megrisoft.com

Requisite information/disclosure including brief profile/experience etc. about the appointee as required under Regulation 36 of the SEBI Listing Regulations read with Secretarial Standard-2 ('SS-2') on 'General Meetings', issued by the Institute of Company Secretaries of India are available in the Annexure-A to the Notice. Brief profile of Ms. Diksha is given at Annexure B to this Notice.

Except Ms. Diksha being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution as set out in the Notice.

The Board of Directors of your Company recommends that the Resolution under Item No. 5 be passed in the interest of your Company.

**ITEM No 6: To approve material related party transactions between Megrisoft Limited, a subsidiary of the Company incorporated outside India in the United Kingdom, and Aprajita Kohli, Director.**

Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations") provides that all material related party transactions and subsequent material modifications as defined by the Audit Committee under sub-regulation (2) of Regulation 23 shall require prior approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not. A transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs. 1,000 crores or 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

Regulation 2(1)(zc) of SEBI Listing Regulations defines "related party transaction" to mean a transaction involving a transfer of resources, services or obligations between (i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand or (ii) a listed entity or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries, with effect from April 1, 2023, regardless of whether a price is charged and a "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract.

**Background, details and benefits of the proposed transactions**

**Megrisoft Limited, United Kingdom**

Megrisoft Limited United Kingdom, incorporated with the Registrar of Companies for England and Wales in the United Kingdom in October 2016, is a wholly-owned material subsidiary of Megri Soft Limited India. The subsidiary's registered office is in London. Megrisoft Limited, United Kingdom, is engaged in Information technology services.

**Ms Aprajita Kohli**

Ms Aprajita Kohli is the director of Megri Soft Limited India and its 100% owned subsidiary in the United Kingdom, Megrisoft Limited. Aprajita Kohli is the daughter of Mr Mohnesh Kohli, the company's promoter and director. Aprajita Kohli works in the London office.

The related party transactions are between Megrisoft Limited, United Kingdom and Ms Aprajita Kohli. The remuneration is to be paid by Megrisoft Limited, United Kingdom (a subsidiary) to Aprajita Kohli in the United Kingdom and GBP. Megri Soft Limited India is not directly associated with this transaction. Ms Aprajita Kohli is the director of the company and its subsidiary Megrisoft Limited, United Kingdom and is a relative of Mr Mohnesh Kohli Prompor and director of the company. Therefore, it is a material-related party transaction and needs the approval of shareholders.

Details of the proposed transactions with Ms Aprajita Kohli Director being a related party of the Company, including the information pursuant to the SEBI master circular no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 (inter-alia consolidating the requirements of the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021), are as follows:

| S.N. | Description  | Details   |
|------|--|---|
| 1.   | Details of Summary of information provided by the Management to the Audit Committee  |   |
| b.   | Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise); | Ms Aprajita Kohli, Director and Megrisoft Limited United Kingdom ( Subsidiary), is covered under Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the SEBI LODR Regulations, 2015. |

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|----|---|--|
| b. | Name of the director or key managerial personnel who is related, if any   | Mr Mohnesh Kohli Director and Promoter, and Ms Aprajita Kohli Director   |
| c. | Nature, material terms, monetary value and particulars of contracts or arrangements   | Remuneration contract between Ms Aprajita Kohli, Director and Megrisoft Limited United Kingdom (Subsidiary)  |
| d. | Tenure of the transaction   | The period will commence for a period of five years with effect from October 1, 2024 to September 30, 2029   |
| e. | Value of transaction  | 36000 GBP or 39.85 Lacs  |
| f. | Percentage of annual consolidated turnover of Jupiter Wagons Limited considering FY 2023- 24 as the immediately preceding financial year  | Contract Value is 11.57 % of Consolidated Turnover of 2023-24  |
| 2. | Justification for the transaction   | Keeping relevant experience, qualifications, and expertise, the Board is confident in her ability to lead the subsidiary and contribute to its growth and profitability.                     |
| 3. | Details of transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:   |  |
| a. | details of the source of funds in connection with the proposed transaction  | Not Applicable   |
| b. | where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments - nature of indebtedness; - cost of funds; and - tenure   |  |
| c. | applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security   |  |
| d. | the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT  |  |
| e. | A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered e-mail address of the shareholder |  |
| 4. | Any other information that may be relevant  | All important information forms part of the Statement setting out Material Facts pursuant to Section 102(1) of the Companies Act, 2013 which have been mentioned in the foregoing paragraph. |

The Committee and the Board has noted that the said transactions will be on an arms' length basis and in the ordinary course of business of the Company.

The Board of Directors of Megrisoft Limited United Kingdom approved the appointment and remuneration in a meeting held on August 28, 2024.

The Board of Directors of Megri soft Limited India also approve all actions taken by the Board of the subsidiary Megrisoft Limited United Kingdom in connection with any matter referred to or contemplated in this resolution be and is hereby approved and confirmed in all respects.

Save, and except Mr. Mohnesh Kohli and Ms Aprajita Kohli (who are Directors and shareholders of Megri Soft Limited and directors of its subsidiary ) and their relatives, none of the other Director(s) / Key Managerial Personnel(s) of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, except to the extent of their shareholding, if any.

The Board of Directors of your Company recommends that the Resolution under Item No. 6 be passed in the interest of your Company.

#### **Item No 7: Re-appointment of Mr. Rajnesh Sharma (DIN:02528435) as a Whole Time Director of the Company**

The tenure of Mr. Rajnesh Sharma (DIN:02528435) to act as Whole Time Director will expire on September, 30, 2024.



The Board of Directors of the Company at the meeting held on August 28, 2024, on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members of the Company, approved the re-appointment of **Mr. Rajnesh Sharma (DIN:02528435)** Whole Time Director (designated as “Whole Time Director and Chief Financial Officer” by the Board of Directors) of the Company for a period of five years, i.e., from October 1, 2024, to September 30, 2029, on such remuneration as set out in the resolution. **Mr. Rajnesh Sharma** has consented to be reappointed as Whole Time Director and shall not be liable to retire by rotation.

Mr. Rajnesh Sharma has spent 26 years with the Company and the Board of Directors is of the view that he has built credibility with investors, customers and employees and will be able to find the right balance between ownership and management.

Additional information in respect of Mr. Rajnesh Sharma, pursuant to Regulation 36 of the Listing Regulations and the Secretarial Standard on General Meetings (SS-2), is given at Annexure A to this Notice. Brief profile of Mr. Rajnesh Sharma is given at Annexure B to this Notice.

Except Mr. Rajnesh Sharma or their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 7

The Board of Directors of your Company recommends that the Resolution under Item No. 7 be passed in the interest of your Company.

Place: Chandigarh  
Date: August 28, 2024

**Registered Office:**  
S.C.O. 80, Sector 47- D  
Chandigarh(UT) 160047  
CIN:L72200CH1992PLC011996  
Website: [www.megrisoft.com](http://www.megrisoft.com)  
Email: [legal@megrisoft.com](mailto:legal@megrisoft.com)  
Tel.: 91-172-2631550

**By order of the Board of Directors**

**Sd/-**  
**Khushboo Goyal**  
Membership No. ACS 38151  
Company Secretary and Compliance Office

#### **Annexure A**

Details of the Directors seeking appointment/re-appointment in the Annual General Meeting [pursuant to Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 issued by the Institute of Company Secretaries of India]

|  |  |                     |                                       |
|--|--|---------------------|---------------------------------------|
| Name of the Director                                     | Ms. Aprajita Kohli   | Mr. Rajnesh Sharma  | Ms. Diksha                            |
| Director Identification Number (DIN)                     | 02489600   | 02528435            | 07072776                              |
| Category / Designation                                   | Non-Executive Director and Women Director                                  | Whole Time Director | Independent Director                  |
| Date of Birth (Age in years)                             | 25.10.1990   | 27.05.1969          | 01.01.1989                            |
| Age  | 34 Years   | 55 Years            | 35 Years                              |
| Date of First Appointment on Board                       | September 30, 2009   | August 18, 1998     | October 1, 2024                       |
| Relationship with Directors and Key Managerial Personnel | Relative (Daughter) of Mr. Mohnesh Kohli                                   | NIL                 | NIL                                   |
| Qualification(s)   | Graduation in Journalism & PR, Advanced IT Course and MBA in International | Technical Graduate  | B.Com and Qualified Company Secretary |

|  |  |  |   |
|--|--|--|---|
|  | Business Greenwich,<br>London  |  |   |
| Experience (including expertise in specific functional area) / Brief Resume                            | Information Technology, Digital marketing, Web development, Content marketing and Digital PR | Finance and Web Development Services   | Corporate Laws, Secretarial related Matters & Financial Management.                                     |
| Terms & Conditions of Appointment/ re-Appointment including remuneration                               | Proposed to be re-appointed as Directors, liable to retire by rotation                       | Proposed to be re-appointed as Whole Time Director of the Company for Five Consecutive years.. | Proposed to be appointed as Independent Non-Executive Director for Five Consecutive years.              |
| Remuneration last drawn as Director (including sitting fees)   | 2527000*   | 469593   | NIL   |
| Number of meetings of the Board attended during the financial year 2023-24                             | 5  | 10   | NIL   |
| Number of Shares held in the Company as on March 31, 2024 including shareholding as a beneficial owner | 193000   | NIL  | NIL   |
| Relationship with Director/Manager/ KMP  | Daughter of Mr. Mohnesh Kohli  | Not Applicable   | Not Applicable  |
| Board Membership in other companies as on March 31, 2024   | Megrisoft Limited United Kingdom Foreign Subsidiary  | NIL  | 1. Triple Crescents Merchant Private Limited<br>2. Katyayani Consultancy Services (OPC) Private Limited |
| Chairmanships/Memberships of the Committees in other listed companies as on March 31, 2024*            | NIL  | NIL  | NIL   |
| Listed entities from which the person has resigned in the past three years                             | NIL  | NIL  | NIL   |

\*Ms Aprajita Kohli drew a remuneration of 25.27 lacs from Megrisoft Limited United Kingdom, a 100% wholly owned subsidiary in London. Remuneration from Megri Soft Limited India **NIL**

## ANNEXURE-B

Brief profile of Directors seeking appointment/ re-appointment at the Annual General Meeting to be held on September 30, 2024

### Ms Aprajita Kohli

Ms Aprajita Kohli has been a non-executive director with Megri Soft Limited since 2009 and a Director (Head of Business Development) with Megrisoft Limited United Kingdom since February 2016. She has vast Experience in the field of Information Technology. She has done Mass Communication & Journalism at the University of Greenwich, United Kingdom. MBA in International Business from the University of Greenwich, United Kingdom. Advanced Diploma In Information Technology from the University of Greenwich, United Kingdom. She is located in London and looks after the day-to-day operations of Megrisoft Limited United Kingdom, a wholly-owned subsidiary. She is well versed in the International culture and thought process of the people of that country.

Ms Aprajita Kohli is a dynamic professional who offers marketing consultancy to agencies and women entrepreneurs embarking on their startup journeys. Her dedication to empowering women is further demonstrated through her mentoring role at the University of Greenwich, London, and her partnership with the UK Government's Pledge for Progress initiative. At Megrisoft Ms Aprajita Kohli has been a catalyst for change, inspiring and mentoring young women professionals, helping them realize their potential. Her commitment to fostering growth and development among women in the industry has made her a respected figure in both her professional and mentoring endeavors.

### Ms. Diksha

Ms. Diksha is a seasoned Company Secretary with over a decade of experience in the intricate domains of company law, LODR (Listing Obligations and Disclosure Requirements), and corporate governance. Her extensive expertise in compliance with legal and regulatory standards fosters a culture of transparency and accountability. With a deep understanding of corporate frameworks, Ms Diksha is committed to upholding the highest governance standards. She is invaluable to any organisation striving for excellence in legal and corporate affairs.

She is a Legal and regulatory expert who understands corporate governance, compliance, and secretarial practices. She contributes to the development and implementation of robust corporate governance practices and ethical standards. She understands investor expectations and regulatory requirements and can help build investor confidence. She is an Expert in board procedures and governance and can streamline board meetings and improve efficiency.

**Mr Rajnesh Sharma**

Mr. Rajnesh Sharma has been a pivotal Director of the company since 2009, bringing a wealth of experience in managing day-to-day operations. His expertise spans across Information Technology, including SEO, programming, web design and development, and Artificial Intelligence. In addition to his leadership role, Mr. Rajnesh Sharma has worked on numerous IT projects, with a significant focus on SaaS (Software as a Service) platforms. He has played a major role in the development and successful implementation of various projects and portals created by the company, contributing his deep technical knowledge and strategic insights.

His hands-on approach and innovative thinking have ensured that these initiatives not only meet but exceed industry standards. Mr. Rajnesh Sharma's ability to blend operational management with technological innovation has been instrumental in driving the company's growth, keeping it ahead in the competitive digital landscape, and ensuring its continued success in the ever-evolving tech industry.

**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 period will commence on Friday, September 27, 2024, at 09:00 A.M. IST and will end on Sunday, September 29, 2024, at 05:00 P.M. IST. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Monday, September 23, 2024 may cast their vote through Remote E-Voting.
- (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. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

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 Depository | 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 users to login to Easi / Easiest are requested to visit cdsi website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon & New System Myeasi Tab.<br><br>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 |

|   |   |
|---|---|
|   | <p>user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, 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 cdsi website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>  |
| Individual Shareholders holding securities in demat mode with NSDL Depository | <p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting 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 option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see 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 &amp; 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 and NSDL**

| Login type  | Helpdesk details   |
|---|--|
| Individual Shareholders holding securities in Demat mode with <b>CDSL</b> | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 21 09911 |
| Individual Shareholders holding securities in Demat mode with <b>NSDL</b> | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at : 022 - 4886 7000 and 022 - 2499 7000                  |

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

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

- A. The shareholders should log on to the e-voting website **[www.evotingindia.com](http://www.evotingindia.com)**.
- B. Click on "Shareholders" module

C. Now Enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

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

(vi) After entering these details appropriately, click on the "SUBMIT" tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

(ix) Click on the EVSN **240826005 <Megri Soft Limited>** on which you choose to vote.

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

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

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

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take out a print of the voting done by you by clicking on the "Click here to print" option on the Voting page.

(xv) If the Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification

(xvii) Additional Facility for Non - Individual Shareholders and Custodians -For Remote Voting only.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, 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 mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [legal@megrisoft.com](mailto:legal@megrisoft.com) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

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

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

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

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

1. The procedure for e-Voting on the day of the AGM is the same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the AGM.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 21 09911.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. 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](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 21 09911



## Board's Report

Dear Members,

The Board of Directors of your Company take pleasure in presenting the 33rd 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, 2024.

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

### ➤ Results of operations

| Particulars   | Standalone    |               | Consolidated  |               |
|---|---------------|---------------|---------------|---------------|
|   | FY 2023-24    | FY 2022-23    | FY 2023-24    | FY 2022-23    |
| 1. Revenue  | 276.12        | 189.79        | 338.30        | 241.28        |
| 2. Other Income   | 6.00          | 15.94         | 6.00          | 15.94         |
| <b>3. Total Income (1+2)</b>                            | <b>282.12</b> | <b>205.73</b> | <b>344.30</b> | <b>257.22</b> |
| Expenditure:  |               |               |               |               |
| a) Employees Benefits Expenses                          | 53.12         | 29.38         | 80.78         | 56.47         |
| b) Depreciation and Amortization expenses               | 8.91          | 7.04          | 9.79          | 7.46          |
| c) Finance Cost   | 0             | 0             | 0             | 0             |
| d) Other Expenses                                       | 137.37        | 103.42        | 162.32        | 123.78        |
| <b>4. Total Expenditure</b>                             | <b>199.40</b> | <b>139.84</b> | <b>252.89</b> | <b>187.71</b> |
| <b>5. Earnings Before Interest and Tax (EBIT) (3-4)</b> | <b>82.72</b>  | <b>65.89</b>  | <b>91.41</b>  | <b>69.51</b>  |
| <b>6. Exceptional Item</b>                              | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      |
| <b>7. Net Profit before tax (5-6)</b>                   | <b>82.72</b>  | <b>65.89</b>  | <b>91.41</b>  | <b>69.51</b>  |
| 8. Tax Expenses   | 21.47         | 17.14         | 23.14         | 17.92         |
| <b>9. Net Profit After Tax (7-8)</b>                    | <b>61.25</b>  | <b>48.75</b>  | <b>68.27</b>  | <b>51.59</b>  |
| <b>10. Other Comprehensive Income (Net of Tax)</b>      | <b>1.03</b>   | <b>(4.71)</b> | <b>1.03</b>   | <b>(4.71)</b> |
| <b>11. Total Comprehensive Income (9+10)</b>            | <b>62.28</b>  | <b>44.04</b>  | <b>69.30</b>  | <b>46.88</b>  |

### ➤ Financial Review

#### Standalone Financial Statements

The annual audited Standalone Financial Statements for the year have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) prescribed under Section 133 of the Companies Act, 2013 and other 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 ₹ 276.12 Lakh during the year under review as against ₹189.79 Lakh during the previous financial year. Operating EBIT for the year is ₹ 82.72 Lakh compared to ₹ 65.89 Lakh in FY 2022-23. Profit before tax (PBT) from ordinary activities (before exceptional items) is ₹ 82.72 Lakh in FY2023-24 as against ₹ 65.89 Lakh in FY 2022-23

#### 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 ₹338.30 Lakh during the year under review as against ₹ 241.28 Lakh during the previous financial year. The total consolidated income for the year is ₹ 344.30 Lakh compared to ₹ 257.22 Lakh in FY 2022-23.

### ➤ 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 ₹ 1832.55 Lakhs. The Board of Directors of your company has decided not to transfer any amount to the Reserves for the year under review.

### ➤ Share Capital

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





## ➤ Listing of Shares

The Company's shares are listed on Bombay Stock Exchange Ltd. (BSE) & Metropolitan Stock Exchange of India Limited (MSEI). The annual listing fees of BSE and MSEI have been paid.

## ➤ 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".

## ➤ Annual Return

The Annual Return of the Company as on March 31, 2024, in Form MGT - 7 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, is available on the website of the Company at [www.megrisoft.com/investors](http://www.megrisoft.com/investors)

## ➤ 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 reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Act, we have prepared the Consolidated financial statements of the Company, which form part of this Integrated Annual Report. Further, a statement containing the salient features of the financial statements of our subsidiary in the prescribed format AOC-1 is appended as Annexure 1 to the Board's report. The statement also details the performance and financial positions of the wholly owned subsidiary and their contribution to the company's overall performance.

The requirements with respect to the subsidiary companies in terms of Regulation 24 of the Listing Regulations have been complied with. In terms of Regulation 16(1)(c) of the Listing Regulations, the Company has adopted a 'Policy on Material Subsidiary'. The Policy on Material Subsidiary is available on the Company's weblink a <https://www.megrisoft.com/investors>

## ➤ 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. Form AOC-2 pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out in the "Annexure II" to this report.

## ➤ 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

In recent years, the Company has made substantial strides in expanding its portfolio of services, including SEO, web design and development, AI solutions, app development, digital marketing, and IT services, across the United Kingdom (UK), the USA, and European countries. To bolster its market presence and capitalize on growth opportunities, the Company has established a wholly-owned subsidiary in London, UK, strategically positioning itself to further expand its business operations in the UK and Europe. Building on this strong foundation, the Company is set to enhance and diversify its service offerings, with a focus on digital marketing, web and app development, and IT-enabled services (ITES). This strategic expansion aims to solidify the Company's reputation as a leading provider of comprehensive digital solutions in these key global markets, driving sustained growth and innovation in the years to come.

## ➤ IT Unit at I.T. City, SAS Nagar, Punjab

We are pleased to announce the completion of a 57,000 sq. ft. facility located on a company-owned plot measuring 0.505 acres at I-46, Sector-83 Alpha, I.T. City, SAS Nagar, Punjab, 160055. After securing approvals in accordance with various rules, regulations, and permissions from relevant authorities, we commenced commercial operations for IT/ITES services at this new SAS Nagar (Mohali), Punjab unit on October 1, 2023. While the building is already operational, we are in the final phase of finishing touches and enhancements to ensure the facility meets the highest standards of efficiency and technological excellence. With these last adjustments nearing completion, the unit will soon be fully equipped to support our expanding IT/ITES services, seamlessly integrating cutting-edge technologies to drive innovation and propel our growth.

This state-of-the-art facility will serve as a critical hub for our operations, enabling us to significantly enhance our business capabilities. The expanded space and advanced infrastructure will allow us to integrate and deploy new technologies, including AI-driven solutions, cloud computing, and advanced app development. This investment positions us to better meet the growing demands of our global clients, foster innovation, and drive the next phase of our growth, ensuring we remain at the forefront of the industry.

## ➤ Corporate Governance

As per regulation 15(2) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the compliance with the corporate governance provisions 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 shall not apply to the listed entity having a paid up equity share capital not exceeding rupees ten crores and net worth not exceeding rupees twenty five crores as on the last day of the previous financial year.

Brief Details of Company's Paid-Up Equity Share Capital and Net Worth as on the Financial Years March 31, 2024,

| Relevant Particulars of Balance Sheet | Standalone Balance Sheet        | Consolidate Balance Sheet       |
|---------------------------------------|---------------------------------|---------------------------------|
|                                       | As on 31.03.2024<br>(In Crores) | As on 31.03.2024<br>(In Crores) |
| <b>Paid Up Equity Share Capital</b>   | 3.14                            | 3.14                            |
| <b>Net Worth</b>                      | 21.47                           | 21.81                           |

Accordingly, it may be noted that our company's paid-up Share Capital is below Rs. 10 Crores, and its Net Worth does not exceed Rs. 25 Crore. Hence, Corporate Governance provisions are not applicable to the Company for the year ended **31st March, 2024**.

## ➤ 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 5, 2024, 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 2023-24, the Board met 10 (Ten) times i.e. on 03.04.2023, 03.05.2023, 18.05.2023, 04.07.2023, 11.08.2023, 30.08.2023, 29.09.2023, 23.10.2023, 09.11.2023 and 8.02.2024. The maximum time gap between any two meetings did not exceed prescribed period of one hundred twenty days. The particulars of directors present at various Board and Committee meetings are given in the said Report.

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

| S.No | Name of the Directors | Number of meetings attended |
|------|-----------------------|-----------------------------|
| 1.   | Mohnesh Kohli         | 10                          |
| 2.   | Aprajita Kohli        | 5                           |
| 3.   | Rajnesh Sharma        | 10                          |
| 4.   | Mahesh Kumar          | 6                           |
| 5.   | Ishwar Partap Singh   | 3                           |
| 6.   | Sahil Malhotra        | 6                           |
| 7.   | Raman Seth            | 4                           |

### General Meetings

During the Financial Year 2023-24, 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 | 29.09.2023      |

### 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, 2024, 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)   |
| <input type="checkbox"/> | Mr. Sahil Malhotra      |   | Member (Non-Executive & Independent Director)   |
| <input type="checkbox"/> | Mr. Raman Seth          |   | Member (Non-Executive & Independent Director)   |

- Mr. Sahil Malhotra (DIN: 10167054) had been appointed on July 4, 2023 as an Independent and Non executive Director of the Company.
- Mr. Raman Seth (DIN: 07986684) had been appointed on September 29, 2023 as an Independent and Non executive Director of the Company.
- Mr. Vijay Kumar has resigned as Company Secretary and Compliance Officer w.e.f. 04th July 2023
- Mr. Ishwar Partap Singh (DIN: 07505006), (Independent Director) due to personal reasons resigned and ceased to be Independent Directors of the Company on July 04, 2023
- Mr. Mahesh Kumar (DIN: 07584152) ceased to be Independent Directors of the Company upon completion of their second term as Independent Directors on September 29, 2023.

### Audit Committee Meetings

During the Financial Year 2023-24, under review 8(Eight) Audit Committee Meetings were held.

Number of Meetings attended by the Members of the Audit Committee

| S.No | Name of the Directors | Number of meetings attended |
|------|-----------------------|-----------------------------|
| 1.   | Mahesh Kumar          | 5                           |
| 2.   | Mohnesh Kohli         | 8                           |
| 3.   | Ishwar Pratap Singh   | 3                           |
| 4.   | Sahil Malhotra        | 5                           |
| 5.   | Raman Seth            | 3                           |

There have been no instances of non-acceptance of any recommendations of the Audit Committee by the Board during the financial year under review.

#### ❑ 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, 2024 :

|   |                         |   |        |  |
|---|-------------------------|---|--------|--|
| ❑ | Mr. Mohnesh Kohli       | - | Member | (Non-Executive Director)               |
| ❑ | Mr. Mahesh Kumar        | - | Member | (Non-Executive & Independent Director) |
| ❑ | Mr. Ishwar Partap Singh | - | Member | (Non-Executive & Independent Director) |
| ❑ | Mr. Sahil Malhotra      | - | Member | (Non-Executive & Independent Director) |
| ❑ | Mr. Raman Seth          | - | Member | (Non-Executive & Independent Director) |

- Mr. Sahil Malhotra (DIN: 10167054) had been appointed on July 4, 2023 as an Independent and Non executive Director of the Company.
- Mr. Raman Seth (DIN: 07986684) had been appointed on September 29, 2023 as an Independent and Non executive Director of the Company.
- Mr. Vijay Kumar has resigned as Company Secretary and Compliance Officer w.e.f. 04th July 2023
- Mr. Ishwar Partap Singh (DIN: 07505006), (Independent Director) due to personal reasons resigned and ceased to be Independent Directors of the Company on July 04, 2023
- Mr. Mahesh Kumar (DIN: 07584152) ceased to be Independent Directors of the Company upon completion of their second term as Independent Directors on September 29, 2023.

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

During the Financial Year 2023-24, 5 (five) meetings were held by the Nomination & Remuneration Committee members

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          | 3                           |
| 2.   | Mohnesh Kohli         | 5                           |
| 3.   | Ishwar Partap Singh   | 2                           |



|    |                |   |
|----|----------------|---|
| 4. | Sahil Malhotra | 3 |
| 5. | Raman Seth     | 2 |

#### ❑ 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, 2024 :

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

- Mr. Sahil Malhotra (DIN: 10167054) had been appointed on July 4, 2023 as an Independent and Non executive Director of the Company.
- Mr. Raman Seth (DIN: 07986684) had been appointed on September 29, 2023 as an Independent and Non executive Director of the Company.
- Mr. Vijay Kumar has resigned as Company Secretary and Compliance Officer w.e.f. 04th July 2023
- Mr. Ishwar Partap Singh (DIN: 07505006), (Independent Director) due to personal reasons resigned and ceased to be Independent Directors of the Company on July 04, 2023
- Mr. Mahesh Kumar (DIN: 07584152) ceased to be Independent Directors of the Company upon completion of their second term as Independent Directors on September 29, 2023.

During the Financial Year 2023-24, 6 (Six) meetings were held by the Members of the stakeholder's relationship committee

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          | 3                           |
| 2    | Mohnesh Kohli         | 6                           |
| 3.   | Ishwar Pratap Singh   | 1                           |
| 4.   | Sahil Malhotra        | 5                           |
| 5.   | Raman Seth            | 3                           |

Details of a number of complaints received during the year are given below, and the Status of Investor Complaints as of March 31, 2024, are as under :

|                                |   |
|--------------------------------|---|
| Complaints as on April 1, 2023 | 0 |
| Received during the year       | 1 |
| Resolved during the year       | 1 |
| Pending as on 31st March, 2024 | 0 |

#### ❑ 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 with 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 2023-24 was held on **February 05, 2024** 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 Company has received necessary declaration from each independent director that he / she meets the criteria of independence laid down in Section 149(6), Code for independent directors of the Act and Regulation 16(1)(b) of the Listing Regulations.

## ➤ 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.

## ➤ 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 behavior, fraud and mismanagement or violation of Company's code of conduct. The said policy has been uploaded on the website of the Company at <https://www.megrisoft.com/pdfs/wbp.pdf>.

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

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

## ➤ Risk Management Policy

The Company has an effective risk management procedure 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.

## ➤ 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

- Mr. Sahil Malhotra (DIN: 10167054) had been appointed on July 4, 2023 as an Independent and Non executive Director of the Company.
- Mr. Raman Seth (DIN: 07986684) had been appointed on September 29, 2023 as an Independent and Non executive Director of the Company.
- The members in their 32 Annual General Meeting th (AGM) held on 29 September 2023, approved the appointment of Mr. Mohnesh Kohli (DIN: 01784617), who retired by rotation at said annual general meeting and being eligible, offered himself for re-appointment
- Board of Directors of the Company, on the basis of the recommendation of the Nomination and Remuneration Committee of the Company, had appointed Mr. Vijay Kumar as the Company Secretary & Compliance Officer w.e.f May 3, 2023, and resigned due to personal reasons on 04.07.2023.
- Board of Directors of the Company, on the basis of the recommendation of the Nomination and Remuneration Committee of the Company, had appointed Ms. Manju Bala as the Company Secretary & Compliance Officer w.e.f July 4, 2023,

### □ Change in Designation

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

### □ Cessation

- Mr. Vijay Kumar has resigned as Company Secretary and Compliance Officer w.e.f. 04th July 2023
- Mr. Ishwar Partap Singh (DIN: 07505006), (Independent Director) due to personal reasons resigned and ceased to be Independent Directors of the Company on July 04, 2023
- Mr. Mahesh Kumar (DIN: 07584152) ceased to be Independent Directors of the Company upon completion of their second term as Independent Directors on September 29, 2023.

#### ❑ Retirement by Rotation

- The members in their 32 Annual General Meeting th (AGM) held on 29 September 2023, approved the appointment of Mr. Mohnesh Kohli (DIN: 01784617), who retired by rotation at said annual general meeting and being eligible, offered himself for re-appointment

#### ❑ 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.    | Ms. Manju Bala     | Company Secretary & Compliance Officer |

\*Mr. Vijay Kumar has been appointed Company Secretary and Compliance Officer of the Company w.e.f. May 3, 2023, who has resigned from the said designation w.e.f. 04th July 2023. Further, Ms. Manju Bala, Company Secretary and Compliance Officer, with effect from July 04, 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 5, 2024, 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] is the Statutory Auditors of the Company, whose term is upto the conclusion of 33rd (Thirty Third) Annual General Meeting of the Company.

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

During the year M/S A.M Associates CS resigned on February 8, 2024 from the secretarial auditor due to their pre occupation Pursuant to the provisions of Section 204 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed R Malhotra & Associates Company Secretaries on February 8, 2024 Company Secretaries as the Secretarial Auditors of the Company to undertake Secretarial Audit of the Company for financial year ended March 31, 2024. The Secretarial Audit Report are annexed herewith as Annexure IV The Secretarial Audit Report is self-explanatory and does not contain any qualification, reservation or adverse remark or disclaimer



## ❑ Internal Auditors

The board of directors appointed M/s. N S Mann & Associates Chartered Accountants as the internal auditor of the company for the financial year ended March 31, 2024, and he performed the duties of internal auditors of the Company and the Audit Committee reviews their report.

## ❑ 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, 2024, 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, 2024, 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 187.45 Lakhs only (Previous Year 189.79 Lakhs) and expenditure in foreign currency is? 5.89 Lakhs only Previous year 5.28 Lakhs)

## ➤ 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 2023-24, 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**

There is no employee in the Company drawing monthly remuneration of Rs.8,50,000/- per month or Rs. 1,02,00,000/- per annum. The company has 34 employees. Hence the Company is not required to disclose any information as per Rule, 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

**Managerial Remuneration And Other Disclosures**

Disclosure pursuant to Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014: Ratio of the remuneration of each Director to the median remuneration of the employee's (MRE) and other details pursuant to Section 197 (12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed and forms part of this report as **Annexure V**

➤ **Directors Responsibility Statement**

As required under Section 134(3)(c) of the Act, your Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them, confirm that:

- A. In the preparation of annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures, wherever applicable, within statutory prescribed timeline;
- 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, 2024, 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 2023-2024.

➤ **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/behaviors of any form, and the Board has laid down the directives to counter such acts. The Code has been posted on the Company's website The Code lays down the standard procedure of business conduct which is expected to be followed by the directors and all Senior Manager Personnel in their business dealings and, in particular, on matters relating to integrity in the workplace, in business practices and in dealing with stakeholders.

➤ **Other disclosures**

1. Disclosures pertaining to compliance with Secretarial Standards: During the year under review, the Company has complied with the applicable Secretarial Standards
2. Details of deposits in terms of Rule 8(5) of the Companies (Accounts) Rules, 2014: During the year under review, the Company has not accepted any deposits falling within the purview of Section 73 of the Companies Act, 2013.
3. Details of equity shares with differential voting rights in terms of Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014: During the year under review, the Company has not issued any equity shares with differential voting rights as to dividend, voting or otherwise
4. Details of sweat equity shares in terms of Rule 8(13) of the Companies (Share Capital and Debentures) Rules, 2014: During the year under review, the Company has not issued any sweat equity shares.
5. The Company has not reduced or bought back its share capital, has not changed the share capital structure from any restructuring.
6. The company's securities were not suspended for trading during the year.

7. Details of shares held in trust for the benefit of employees where the voting rights are not exercised directly by the employees in terms of Section 67 of the Companies Act, 2013: Not applicable.
8. The disclosure pertaining to explanation for any variations or deviation in connection with certain terms of a public issue, right issue, preferential issue etc is not applicable to the company.
9. The company has adopted a policy with regard to the determination of Material Subsidiaries in accordance with the Regulation 16 of the Listing Regulations. The requirements with respect to the subsidiary companies in terms of Regulation 24 of the Listing Regulations have been complied with.
10. Details pertaining to application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016): During the year under review, there are no proceedings admitted or pending against the Company under the Insolvency and Bankruptcy Code, 2016 before National Company Law Tribunal or other courts.
11. None of the Auditors of the Company have reported any fraud as specified under the second proviso of Section 143(12) of the Companies Act 2013.
12. Detailed reasons for revision of financial statements and report of the Board in terms of Section 131(1) of the Companies Act, 2013: The Company has not revised its financial statements or the Directors' Report during the year under review in terms of Section 131 of the Companies Act, 2013
13. The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

## ➤ Appreciation

We extend our deepest gratitude to our clients, vendors, investors, bankers, and employee volunteers for their unwavering support throughout the year. We proudly acknowledge and appreciate the invaluable contributions made by our employees at every level. It is their relentless dedication, unity, and collaboration that have been the driving forces behind our consistent growth and success. We also express our sincere thanks to the governments of the countries where we operate, whose support has been instrumental in our progress. Our continued achievements are a testament to the strength and commitment of all those who stand with us, and we remain profoundly grateful for their trust and partnership.

We extend our sincere gratitude to the governments of the various countries where we operate, whose support has been vital to our success. In particular, we thank the Government of India, with special acknowledgment to 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, as well as the state governments, the Greater Mohali Area Development Authority (GMADA), the Software Technology Parks (STPs) in Mohali, Special Economic Zones (SEZs), and other government agencies. Their unwavering support has been instrumental in our achievements, and we look forward to their continued collaboration as we move forward.

**For and on behalf of the Board**

**Place: Chandigarh**  
**Date: 24.05.2024**

**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 (referred to as “the Company”) is a pioneering force in delivering a broad spectrum of web products and digital solutions, catering to the ever-evolving demands of the digital landscape. Our portfolio encompasses cutting-edge services for iPhone and Android platforms, cloud applications, AI models, and AI applications, along with CMS development, domain investments, and paid search advertising. As a leader in the digital space, we specialize in web design, hosting, development, programming, web software, and the creation of robust mobile and web applications. Furthermore, our expertise extends to SEO, PPC, social media management, and comprehensive internet marketing outsourcing services.

In an era where the World Wide Web is increasingly becoming a cornerstone of business operations, the demand for web-based services and digital marketing solutions is experiencing exponential growth. The rapid adoption of innovative technologies, combined with the widespread proliferation of communication devices such as smartphones and tablets in India, has further accelerated the expansion of the web services industry. However, the crux of success in this dynamic environment lies in the ability to attract and retain a broad customer base, particularly in the realms of web development and digital marketing.

Throughout the year under review, Megri Soft Limited has actively engaged in the dot-com and information technology sector, focusing on domain registration, web hosting, web designing, web development, web scripting, and web-based software development. Our commitment to excellence in web promotion, search engine optimization (SEO), and link building has empowered businesses to achieve higher visibility and performance online. Additionally, we have continued to develop and enhance our portfolio of Indian and international web portals/vortals on diverse subjects, alongside providing tailored IT/ITES services to our esteemed clients.

### ➤ **Industry Structure and Development**

The rapid evolution of the Internet industry has given rise to a burgeoning dot-com sector, which has been a significant driver of its accelerated growth. This expansion has been strongly supported by the robust software industry, which continues to play a pivotal role in nurturing and empowering emerging dot-com companies. By leveraging cutting-edge technology and innovation, these dot-com enterprises are gaining a competitive edge in the marketplace.

A key factor in the success of these companies is their ability to integrate comprehensive e-business and e-commerce solutions into their service offerings. These capabilities are currently among the most sought-after in both international and domestic markets, reflecting the increasing demand for digital transformation across various industries. As businesses around the world continue to embrace online platforms, the expertise of dot-com companies in delivering these solutions has become indispensable.

In addition to industry-driven growth, government support has played a crucial role in shaping the future of the Internet sector. The Government of India's strategic decision to increase Internet bandwidth is expected to significantly boost Internet penetration across the country. This move will not only facilitate the expansion of the dot-com business but also enhance the overall efficiency of the Internet export industry. By fostering a more connected and digitally enabled economy, this initiative is poised to accelerate growth and innovation in the dot-com sector; further solidifying its position as a key contributor to India's digital future.

### ➤ **Opportunities and Threats**

#### **Opportunities:**

Megri Soft Limited is poised to capitalize on significant opportunities in the expanding IT export market. With its technological edge and expertise, the Company is well-positioned to outpace competitors in both domestic and international markets. As web applications and mobile development continue to trend upward, the Company is proactively scaling its capabilities to meet the growing demand for these services.

A key strength lies in the Company's vast pool of highly skilled, English-speaking professionals. This workforce is distinguished by its high qualifications, strong capabilities, and unwavering commitment to quality and work ethics. This talent base will be instrumental in driving the Company's growth and expansion in the coming years.

The Company's strategic geographical location offers a distinct advantage, enabling it to provide round-the-clock services. By leveraging time zone differences, Megri Soft Limited can significantly reduce turnaround times, delivering exceptional value to clients. This 24x7 service model not only enhances client satisfaction but also boosts the Company's overall business performance. Our guiding principle is to deliver services with proficiency and efficiency, ensuring excellence in every project.

#### **Threats:**

As the dot-com industry continues to grow, the competitive landscape is becoming increasingly crowded, with more firms entering the market. This intensifying competition, particularly in terms of cost and pricing, presents a challenge. However, Megri Soft Limited has a proven track record of competing successfully against both domestic and international firms. The Company remains confident in its ability to navigate future competition and emerge as a leader.

The fast-paced nature of the software industry, coupled with stringent project deadlines, places considerable pressure on both personnel and salaries. Despite these challenges, the Company has maintained a strong record of employee retention, which is crucial for sustaining the high quality of its workforce in the future.

However, being in the IT sector, the Company is exposed to several inherent risks, including **Data Security, Attrition, Content Liability, Intellectual Property Rights (IPR) Protection, Technological Obsolescence, and Competitive Risk**. Addressing these risks requires vigilant management and continuous investment in security measures, employee engagement, legal safeguards, and innovation to ensure sustained growth and resilience in a dynamic industry.

### ➤ **Outlook**

Megri Soft Limited is poised for significant growth as it embarks on an ambitious expansion strategy across key international markets, including Europe, the United Kingdom (UK), the United States (USA), Canada, Australia, and New Zealand. Over the past few years, the Company has successfully increased its presence in these regions, particularly in the domains of **Search Engine Optimization (SEO)** and **IT-related services**. To solidify its foothold and capitalize on emerging opportunities, the Company has strategically incorporated a wholly-owned subsidiary in London, UK, marking the beginning of a broader global expansion plan.

The European market presents a diverse landscape of opportunities, driven by a strong demand for advanced digital services and a robust technological infrastructure. Our London subsidiary will serve as a central hub for our European operations, allowing us to offer tailored **AI-driven SEO solutions, digital**



**marketing strategies**, and **IT services** that meet the specific needs of businesses across the continent. By establishing a local presence, we aim to enhance our client engagement, improve service responsiveness, and build long-term partnerships in Europe.

In the UK, where we have already made significant inroads, we plan to further strengthen our market position by expanding our service offerings and deepening our client relationships. The UK's mature digital economy provides a fertile ground for innovation, and we are committed to delivering cutting-edge solutions that help businesses thrive in an increasingly competitive online environment.

Our expansion into the USA and Canadian markets is driven by the vast potential these regions offer for growth in the digital sector. North America remains a global leader in technological adoption and digital transformation, making it a key focus area for Megri Soft Limited. We plan to leverage our expertise in SEO, digital marketing, and IT services to meet the evolving needs of businesses in these regions. By tapping into the rich talent pools and advanced technological ecosystems in the USA and Canada, we are confident in our ability to deliver high-impact solutions that drive measurable results for our clients.

In addition to our North American and European expansion, we are also setting our sights on the rapidly growing markets of Australia and New Zealand. These countries offer a dynamic business environment with a strong appetite for digital innovation. We are committed to establishing a significant presence in these markets by offering customized digital solutions that cater to the unique demands of businesses across various sectors.

Looking ahead, Megri Soft Limited is focused on sustaining its growth momentum by continuously innovating and adapting to the needs of the global market. Our strategic expansion into Europe, the UK, North America, Australia, and New Zealand reflects our commitment to becoming a leading global provider of digital services. We are excited about the opportunities that lie ahead and are dedicated to delivering excellence and creating value for our clients across these regions.

#### ➤ **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.

Our financial performance during the year underscores the Company's solid footing within the industry and its capability to sustain and fuel its growth ambitions. The Company has successfully generated sufficient internal funds through its operations to support its current and future growth strategies, reflecting robust financial health and prudent management practices.

As a recognised leader in SEO, Web design and development, cloud applications, AI models, and AI applications, along with CMS development, domain investments,, paid search advertising and digital marketing domain, Megri Soft Limited continues to demonstrate its market leadership by consistently increasing revenues, which has directly contributed to the Company's enhanced profitability over recent years. Our strategic focus on expanding our core services and optimising operational efficiencies has yielded positive financial outcomes, reinforcing our competitive position in the industry. The Company's ability to generate substantial profits from its core business activities is a testament to its resilient business model and effective execution of its growth strategies.

Looking forward, the Company remains committed to further strengthening its financial performance by continuing to innovate, expand its service offerings, and penetrate new markets. This commitment, combined with our prudent financial management and strategic investments, positions Megri Soft Limited for sustained growth and long-term value creation for our stakeholders.

#### ➤ **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**

This Management Discussion and Analysis contains statements that describe the Company's objectives, projections, estimates, and expectations, which may be considered 'forward-looking statements' under applicable laws and regulations. These statements are inherently subject to uncertainties, and actual results may vary significantly from those anticipated or implied. Factors that could materially impact the Company's operations include, but are not limited to, a downturn in the Indian online sector, fluctuations in advertising expenditures, the emergence of new disruptive technologies or business models, significant shifts in India's political and economic landscape, currency exchange rate volatility, changes in tax legislation, ongoing or potential litigation, labor relations, and variations in 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 (₹. 105.30 as on March 31, 2024) |
| 4.      | Share capital   | ₹ (100 pounds)  |
| 5.      | Reserves & surplus  | ₹ 34.71 Lakhs   |
| 6.      | Total assets  | ₹ 62.06 Lakhs   |
| 7.      | Total Liabilities   | ₹ 62.06 Lakhs   |
| 8.      | Investments   | N.A.  |
| 9.      | Turnover  | ₹ 62.18 Lakhs   |
| 10.     | Profit before taxation  | ₹ 8.69 Lakhs  |
| 11.     | Provision for taxation  | ₹ 1.67 Lakhs  |
| 12.     | Profit after taxation   | ₹ 7.02 Lakhs  |
| 13.     | Proposed Dividend   | N.A.  |
| 14.     | % of shareholding   | 100%  |

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

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

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

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

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

**Note:**

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

**For and on behalf of the Board**

**Place: Chandigarh**  
**Date: 24.05.2024**

**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, 2024, 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: 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 : ₹ 1053,000/-

**For and on behalf of the Board**

**Place: Chandigarh**  
**Date: 24.05.2024**

**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 app 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, 2024**

**[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, 2024 ('Audit Period') 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:

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, 2024, to the extent applicable and 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 ( Not applicable to the extent of Overseas Direct Investment and External Commercial Borrowings as there was no reportable event during the Financial Year under review.)
- 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. SEBI (Prohibition of Insider Trading) Regulations, 1992 and SEBI (Prohibition of Insider Trading) Regulations, 2015;
  - III. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Company during the Audit Period);
  - IV. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. (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, 2018 (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 to the extent of its applicability.
- 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.

We further report that during the audit period, the Company has no specific events/actions having a major bearing on the Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines, standards etc.

For R Malhotra & Associates.  
Company Secretaries  
Peer Review Cert. No: 2221/2022

**Rahul Malhotra**  
**Proprietor**  
**ACS: A37641 | COP No.: 16634**  
**ICSI UDIN: A037641F000438690**  
**Place: Zirakpur**  
**Dated: May 24, 2024**

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  
CIN: L72200CH1992PLC011996)

Our report of the event is to be read along with this letter.

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.

For R Malhotra & Associates.  
Company Secretaries  
Peer Review Cert. No: 2221/2022

**Rahul Malhotra**  
**Proprietor**  
**ACS: A37641 | COP No.: 16634**  
**ICSI UDIN: A037641F000438690**  
**Place: Zirakpur**  
**Dated: May 24, 2024**

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 2023-24 ( In Lakhs) | % Increase in remuneration In Financial Year 2023-24 | Ratio of remuneration of each Director to median remuneration of employees |
|---------|---|---|--|--|
| 1.      | Rajnesh Sharma, Whole Time Director & CFO | 4.70  | 7.34%  | 4.82   |
| 2.      | Manju Bala Company Secretary              | 2.56  | N.A.   | N.A  |

1. The percentage decrease in the median remuneration of the employees of the Company during the financial year is 48.39.%
2. The number of permanent employees on the rolls of the company as on 31 March 2024, were 34.
3. The average increase in salaries of employees other than managerial personnel in FY 2023-24 was around 81.99% in comparison with a percentile increase in salaries of managerial personnel of around 46.18%.
4. 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, 2024, 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. Rajnesh Sharma | 02528435 | 18/08/1998                     |
| 4.    | Mr. Sahil Malhotra | 10167054 | 04/07/2023                     |
| 5.    | Mr. Raman Seth     | 07986684 | 29/09/2023                     |

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 KV Bindra & Associates**

**CS Karan Vir Bindra**  
**Proprietor**  
**M. No. F10074**  
**C.P No. 12962**  
**UDIN: F010074F000183148**  
**Peer Review No. 2522/2022**

**Date: 19-04-2024**  
**Place: Mohali**

**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, 2024, 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: 24.05.2024  
Place: Chandigarh**



## ANNEXURE VIII

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

This is to confirm that the Company has adopted a Code of Conduct for its Board Members and Senior Management, and the same is available on our corporate website [www.megrisoft.com](http://www.megrisoft.com). I confirm that the Company has, in respect of the financial year ended March 31, 2024, 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: 24.05.2024**  
**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, 2024, 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, 2024, 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, 2024. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



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

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

#### **Principal Audit Procedures**

We performed the following substantive procedures: Obtained details of completed tax assessments and demands upto the year ended March 31, 2024 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, 2024 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, 2024 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, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, 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, 2024 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. Based on our examination , which included test checks, the Company has used accounting software for maintaining its books of accounts for the financial year ended March 31,2024 which has a features of recording Audit Trail (edit log) facility and the same has operated throughout the year for all relevant transactions records in the software . Further, during the course of our audit we did not come across any instance of the audit trail features being tampered with.

**For Sanjay Arora & Associates**

Chartered Accountants

ICAI Firm Registration Number: 008445N

**CA Neelkant Gargya**

Partner

Membership Number: 093624

Place of Signature: Chandigarh

Date: 24.05.2024

UDIN: 24093624BKCSEK5058

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

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

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

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

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

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

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

c) According to the information and explanations given by the management, the title deeds all the immovable properties of land which are freehold, are held in the name of the company. In respect of land that has been taken on lease cum free hold please refer to Notes no 32 of Notes to Accounts. The Company has allotted Plot No G/34 with DLF Panchkula limited measuring 400.06 Sq Mts. the title deed of which is yet not registered in name of the company

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

e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made there under.

**II.**

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

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

- III. According to the information and explanations are given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided a guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. The Company has not granted any loans, secured or unsecured, to firms, limited liability partnerships or any other parties during the year. Accordingly, the provisions of clause 3 (iii) (a) to (f) of the Order are not applicable to the Company and hence not commented upon.
- IV. In our opinion and according to the information and explanations given to us, provisions of section 186 of the Companies Act 2013 in respect of investments made have been complied with by the company. There are no loans, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- V. The Company has not accepted any deposits from the public during the year and hence the provisions of clause 3 (v) of the Order are not applicable to the company.
- VI. The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under Clause 3(vi) of the order is not applicable to the Company.
- VII. According to the information and explanations given to us and based on the records of the company examined by us:
- The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, value added tax, goods and service tax, cess and other statutory dues applicable to it.
  - There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other materials Statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.
  - However, according to information and explanations given to us, the following dues of income tax have not been deposited/disputed by the Company:

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

- VIII. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- IX.
- a. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lender.
  - b. In our opinion and according to the information and explanation given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority
  - c. The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
  - d. In our opinion and according to the information and explanation given to us, there are no funds raised on short term basis which have been utilised for long term basis.
  - e. In our opinion and according to the information and explanation given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
  - f. In our opinion and according to the information and explanation given to us, The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, associates or joint ventures.
- X.
- a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
  - b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- XI.
- a) On the basis of books and records of the company examined by us and according to the information and explanations given to us, we report no fraud by the Company and no material fraud on the Company has been noticed or reported during the year in the course of audit
  - b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report
  - c) As represented to us by the Management, the company has not received any whistle blower complaints received by the Company during the year (and upto the date of this report), and hence reporting under clause 3(xi)(b) of the Order is not applicable.
- XII. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable
- XIII. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- XIV.
- a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
  - b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.



- XV. According to the information and explanations given to us and on the basis of books and records examined by us, the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company. Accordingly, reporting under clause 3(xv) of the order is not applicable.
- XVI.
- a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
  - b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable
- XVII. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year
- XVIII. There has been no resignation of the statutory auditors of the Company during the year.
- XIX. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- XX. In our opinion and according to the information and explanations are given to us, Corporate Social Responsibility (CSR) is not applicable to the company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

**For Sanjay Arora & Associates**

Chartered Accountants

ICAI Firm Registration Number: 008445N

**CA Neelkant Gargya**

Partner

Membership Number: 093624

Place of Signature: Chandigarh

Date: 24.05.2024

UDIN:- 24093624BKCSEK5058

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

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

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

We have audited the internal financial controls over financial reporting of Megri Soft Limited ("the Company") as of March 31, 2024, 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, 2024, 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

**CA Neelkant Gargya**

Partner

Membership Number: 093624

Place of Signature: Chandigarh

Date: 24.05.2024

UDIN:- 24093624BKCSEK5058

(Amount in '000)

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

**Manju Bala**  
Company Secretary &  
Compliance Officer  
M.No: ACS 67831

Place: Chandigarh  
Date: 24th May, 2024

**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, 2024**

(Amount in '000) except EPS

| S. No.     | Particulars   | Note      | As At<br>March 31,2024 | As At<br>March 31,2023 |
|------------|---|-----------|------------------------|------------------------|
| <b>I</b>   | Revenue From Operations   | <b>14</b> | 27612                  | 18979                  |
|            | Other Income  | <b>15</b> | 600                    | 1594                   |
|            | <b>Total Revenue</b>  |           | <b>28212</b>           | <b>20573</b>           |
|            | <b>EXPENSES</b>   |           |                        |                        |
|            | a) Employees Benefit Expenses   | <b>16</b> | 5312                   | 2938                   |
|            | b) Finance Cost   | <b>17</b> | 0                      | 0                      |
|            | c) Depreciation & Amortization Expenses                               | <b>18</b> | 891                    | 704                    |
|            | d) Other Operating Expenses   | <b>19</b> | 13737                  | 10342                  |
| <b>II</b>  | <b>Total Expenses</b>   |           | <b>19940</b>           | <b>13984</b>           |
| <b>III</b> | <b>Profit Before Tax (I-II)</b>                                       |           | <b>8272</b>            | <b>6589</b>            |
|            | <b>Tax Expenses</b>   |           |                        |                        |
|            | a) Current Tax  |           | 2148                   | 1669                   |
|            | b) Deferred Tax (Assets)/Liabilities                                  |           | (1)                    | 45                     |
| <b>IV</b>  | <b>Total Tax Expenses</b>   |           | <b>2147</b>            | <b>1714</b>            |
| <b>V</b>   | <b>Profit for the period (after Tax) (III-IV)</b>                     |           | <b>6125</b>            | <b>4875</b>            |
|            | <b>Other Comprehensive Income</b>                                     |           |                        |                        |
|            | a) Items that will not be reclassified subsequently to profit or loss |           |                        |                        |
|            | Equity Investment through other comprehensive income                  |           | 139                    | (637)                  |
|            | Income tax relating to above  |           | (36)                   | 166                    |
| <b>VI</b>  | <b>Total other comprehensive income</b>                               |           | <b>103</b>             | <b>(471)</b>           |
| <b>VII</b> | <b>Total Comprehensive income (V+VI)</b>                              |           | <b>6228</b>            | <b>4404</b>            |
|            | Paid-up Equity Share Capital (face value of Rs. 10 per equity share)  |           | 31407                  | 31407                  |
|            | <b>Earning per Equity share of Rs. 10/- each:</b>                     |           |                        |                        |
|            | 1) Basic  | <b>20</b> | 1.95                   | 1.55                   |
|            | 2) Diluted  |           | 1.95                   | 1.55                   |

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: 24th May, 2024**

**Manju Bala**  
**Company Secretary &**  
**Compliance Officer**  
**M.No: ACS 67831**

**MEGRI SOFT LIMITED**  
**CIN : L72200CH1992PLC011996**  
**Regd. Office : SCO 80, Sector 47D, Chandigarh -160047**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024**

(Amount in '000)

| Particulars  | Year ended<br>March 31, 2024 |                | Year ended<br>March 31, 2023 |               |
|--|------------------------------|----------------|------------------------------|---------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                   |                              |                |                              |               |
| <b>Net Profit Before Tax</b>                                 |                              | <b>8272</b>    |                              | <b>6589</b>   |
| Adjustments for:   |                              |                |                              |               |
| Interest Expenses  | 0                            |                | 0                            |               |
| Depreciation and Amortization                                | 891                          |                | 704                          |               |
| Profit on Sale of Assets                                     | 0                            |                | 0                            |               |
| Profit on Sale of Investments                                | 66                           |                | (340)                        |               |
| Discount Received  | -                            |                | -                            |               |
| Interest Income on FDR's                                     | (632)                        |                | (1209)                       |               |
| Dividend Income  | 0                            | 325            | (32)                         | (877)         |
| <b>Operating Profit before Working Capital Changes</b>       |                              | <b>8597</b>    |                              | <b>5712</b>   |
| <b>Adjustments for:</b>                                      |                              |                |                              |               |
| Short Term Borrowings  | -                            |                | -                            |               |
| Trade Payables   | -                            |                | -                            |               |
| Other Current Liabilities                                    | (351)                        |                | 440                          |               |
| Provisions   | 861                          |                | 183                          |               |
| Trade Receivables  | (1821)                       |                | (1512)                       |               |
| Short Term Loans & Advances                                  | -                            |                | -                            |               |
| Other Current Assets   | (1312)                       |                | (3156)                       |               |
| Other Non Current Assets                                     | 14089                        | 11466          | 439                          | (3606)        |
| <b>Cash Generated From Operations</b>                        |                              | <b>20063</b>   |                              | <b>2106</b>   |
| Income Tax   |                              | (2148)         |                              | (1669)        |
| <b>Net Cash Flow From Operating Activities</b>               |                              | <b>17915</b>   |                              | <b>437</b>    |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                   |                              |                |                              |               |
| Loan Term Loans & Advances                                   |                              |                |                              |               |
| Expenditure on property, plant and equipment and intangibles | (23902)                      |                | (18739)                      |               |
| Sale/Transfer of Fixed Assets                                | 0                            |                | 0                            |               |
| Bank deposits  | 7078                         |                | 12822                        |               |
| Investment   | 289                          |                | 2507                         |               |
| Interest Income on FDR's                                     | 632                          |                | 1209                         |               |
| Dividend Income  | 0                            |                | 32                           |               |
| Profit On Sale of Assets                                     | 0                            |                | 0                            |               |
| Income From Sale of Investment                               | (66)                         |                | 340                          |               |
| <b>Net Cash Used In Investing Activities</b>                 |                              | <b>(15969)</b> |                              | <b>(1829)</b> |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                   |                              |                |                              |               |
| Interest on overdraft facility                               | 0                            |                | 0                            |               |
| <b>Net Cash Used In Financing Activities</b>                 |                              | <b>0</b>       |                              | <b>0</b>      |
| Net increase in cash & Cash Equivalents                      |                              | 1946           |                              | (1392)        |
| Cash and Cash equivalents (Opening Balance)                  |                              | 606            |                              | 1998          |
| Cash and Cash equivalents (Closing Balance)                  |                              | 2552           |                              | 606           |
| <b>Net Decrease/(Increase) in Cash and Cash Equivalents</b>  |                              | <b>(1946)</b>  |                              | <b>1392</b>   |

Notes:

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

As per our report of even date

**For Sanjay Arora & Associates**

**Chartered Accountants**

**Firm Registration No. 008445N**

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

(Neelkant Gargya)

**Partner**

**Membership No. 093624**

**Mohnesh Kohli** **Rajnesh Sharma**

**Director** **(Whole Time**

**DIN: 01784617** **Director & CFO)**

**DIN: 02528435**

**Place: Chandigarh**

**Date: 24th May, 2024**

**Manju Bala**

**Company Secretary & Compliance**

**Officer**

**M.No: ACS 67831**

MEGRE SOFT LIMITED  
CIN : L72200CH1992PLC011996  
Regd. Office : SCO 80, Sector 47D, Chandigarh -160047  
**STATEMENT OF CHANGE IN EQUITY ( F.Y.2023-24)**

| A. Equity Share Capital ( F.Y.2023-24) |  |                                      |   |                              | (Amount in '000) |
|--|--|--------------------------------------|---|------------------------------|------------------|
| Balance as at April 1, 2023            | Changes in equity share capital due to prior period errors | Restated balance as at April 1, 2023 | Changes in equity share capital during the year | Balance as at March 31, 2024 |                  |
| 31407                                  | -  | 31407                                | -   | 31407                        |                  |

| 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                        |                  |

| Other Equity ( F.Y.2023-24)  |                        |                            |                    |                   |                 |                   |   |                                       |  |                                      | (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, 2023  | -                      | -                          | -                  | 171714            | 5295            | -                 | 18  | -                                     | -  | -                                    | 177027   |
| Profit for the year          | -                      | -                          | -                  | 6125              | -               | -                 | -   | -                                     | -  | -                                    | 6125   |
| Total Comprehensive Income   | -                      | -                          | -                  | -                 | -               | -                 | 103   | -                                     | -  | -                                    | 103  |
| Dividend                     | -                      | -                          | -                  | -                 | -               | -                 | -   | -                                     | -  | -                                    | -  |
| Transfer to reserves         | -                      | -                          | -                  | -                 | -               | -                 | -   | -                                     | -  | -                                    | -  |
| Balance as at March 31, 2024 | 0                      | 0                          | 0                  | 177839            | 5295            | 0                 | 121   | 0                                     | 0  | 0                                    | 183255   |

| 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            | -                 | 439   | -                                     | -  | -                                    | 172673   |
| Profit for the year          | -                      | -                          | -                  | 4875              | -               | -                 | -   | -                                     | -  | -                                    | 4875   |
| Total Comprehensive Income   | -                      | -                          | -                  | -                 | -               | -                 | -271  | -                                     | -  | -                                    | -271   |
| Dividend                     | -                      | -                          | -                  | -                 | -               | -                 | -   | -                                     | -  | -                                    | -  |
| Transfer to reserves         | -                      | -                          | -                  | -                 | -               | -                 | -   | -                                     | -  | -                                    | -  |
| Balance as at March 31, 2023 | 0                      | 0                          | 0                  | 171714            | 5295            | 0                 | 18  | 0                                     | 0  | 0                                    | 177027   |

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. 908145N

For and on behalf of Board of Directors

(Neelkant Gargya)  
Partner  
Membership No. 093624

Mohesh Kohli  
(Director)  
DIN: 01784617

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

Place: Chandigarh  
Date: 24th May, 2024

Manje Bala  
Company Secretary & Compliance  
Officer  
M.No. MCS 67831

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

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 24th May 2024

## 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 the 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 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 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's 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. The 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 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 makes 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 financial cost
- 2.8.4.** The company has adopted the following accounting policy for making provisions 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 2023-24**

| Particulars                                     | Gross Block                        |              |              |                                    | Depreciation         |              |             |          | Net Block            |                                     |
|---|------------------------------------|--------------|--------------|------------------------------------|----------------------|--------------|-------------|----------|----------------------|-------------------------------------|
|   | Carrying Value As On April 01,2023 | Additions    | Deductions   | Carrying Value As On March 31,2024 | As On March 31, 2023 | Current Year | Written Off | Transfer | As On March 31, 2024 | Carrying Value As On March 31, 2024 |
| <b>(a) Land &amp; Building</b>                  |                                    |              |              |                                    |                      |              |             |          |                      |                                     |
| Land Building                                   | 588660                             | 1824138174   | -0           | 7710738174                         | -                    | -50          | -           | -        | -                    | 588660                              |
| <b>Total</b>                                    | <b>588660</b>                      | <b>56415</b> | <b>0</b>     | <b>115281</b>                      | <b>-</b>             | <b>50</b>    | <b>-</b>    | <b>-</b> | <b>50</b>            | <b>588660</b>                       |
| <b>(b) Tangible Assets</b>                      |                                    |              |              |                                    |                      |              |             |          |                      |                                     |
| Furniture & Fixtures                            | 2350                               | 1085         |              | 3435                               | 2142                 | 83           | -           | -        | 2225                 | 208                                 |
| Computer  | 3129                               | 523          |              | 3652                               | 2810                 | 175          | -           | -        | 2985                 | 319                                 |
| Air Conditioner                                 | 715                                | 0            | -            | 715                                | 601                  | 21           | -           | -        | 622                  | 114                                 |
| Office Equipment                                | 1440                               | 2940         |              | 4380                               | 1289                 | 41           | -           | -        | 1330                 | 150                                 |
| Vehicles  | 8908                               | 0            | -            | 8908                               | 6523                 | 521          | -           | -        | 7044                 | 2385                                |
| <b>Total</b>                                    | <b>16542</b>                       | <b>4548</b>  | <b>0</b>     | <b>21090</b>                       | <b>13365</b>         | <b>841</b>   | <b>-</b>    | <b>0</b> | <b>14206</b>         | <b>3176</b>                         |
| <b>(I) Property, Plant and Equipment (a+b)</b>  | <b>75408</b>                       | <b>60963</b> | <b>0</b>     | <b>136371</b>                      | <b>13365</b>         | <b>891</b>   | <b>0</b>    | <b>0</b> | <b>14256</b>         | <b>62042</b>                        |
| <b>Note 3 -</b>                                 |                                    |              |              |                                    |                      |              |             |          |                      |                                     |
| <b>(II) Other Intangible Assets</b>             |                                    |              |              |                                    |                      |              |             |          |                      |                                     |
| Computer Software                               | 902                                | 0            | -            | 902                                | 802                  | -            | -           | -        | 802                  | 100                                 |
| Web Properties                                  | 8909                               | -            | -            | 8909                               | 8464                 | -            | -           | -        | 8464                 | 445                                 |
| <b>Total</b>                                    | <b>9811</b>                        | <b>0</b>     | <b>-</b>     | <b>9811</b>                        | <b>9266</b>          | <b>0</b>     | <b>-</b>    | <b>-</b> | <b>9266</b>          | <b>545</b>                          |
| <b>(II) Intangible Assets under Development</b> |                                    |              |              |                                    |                      |              |             |          |                      |                                     |
| Capital work in progress                        | 19479                              | 528          | -            | 20007                              | -                    | -            | -           | -        | -                    | 19479                               |
| <b>GRAND TOTAL</b>                              | <b>148983</b>                      | <b>72273</b> | <b>48371</b> | <b>172885</b>                      | <b>22631</b>         | <b>891</b>   | <b>-</b>    | <b>0</b> | <b>23522</b>         | <b>126351</b>                       |

(Amount in '000)

**Capital Work-In-Progress**

The capital work-in-progress ageing schedule for the year ended March 31, 2024 and March 31, 2023 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                                  | (37589)                        | 15892     | 14547     | 13846             |
| <b>Total Capital work-in-progress 31st March 2024</b> |                                |           |           | <b>6696</b>       |
| Projects in progress                                  | 15892                          | 14547     | 10577     | 3269              |
| <b>Total Capital work-in-progress 31st March 2023</b> |                                |           |           | <b>44285</b>      |

For capital-work-in-progress, whose completion is overdue or has exceeded its cost compared to its original plan the project wise details of when the project is expected to be completed is given below as of March 31, 2024 and March 31, 2023

**Intangible assets under development:**

The Intangible assets under development ageing schedule for the year ended March 31, 2024 and March 31, 2023 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   | 528                            | 1095      | 316       | 18068             |
| Projects temporarily suspended                                   |                                |           |           | 20007             |
| <b>Total Intangible assets under development 31st March 2024</b> |                                |           |           | <b>20007</b>      |
| Projects in progress   | 1095                           | 316       | 410       | 17658             |
| Projects temporarily suspended                                   |                                |           |           | 19479             |
| <b>Total Intangible assets under development 31st March 2023</b> |                                |           |           | <b>19479</b>      |

No Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original project as of March 31, 2024 and March 31, 2023. No Intangible assets under development project has been suspended as of March 31, 2024 and March 31, 2023

**Note 4**

**(a) Non-Current Investments**

| Particulars   | As At March 31,2024 |                |        | As At March 31,2023 |                |        |
|---|---------------------|----------------|--------|---------------------|----------------|--------|
|   | Number of Unit      | Face value (₹) | ('000) | Number of Unit      | Face value (₹) | ('000) |
| <b>Investment in Equity shares (fully paid up)</b>                                  |                     |                |        |                     |                |        |
| <b>(Quoted)</b>   |                     |                |        |                     |                |        |
| Yes Bank Limited  | 0                   | 0              | 0      | 6900                | 2              | 104    |
| Infra Edge India Ltd  | 0                   | 0              | 0      | 40                  | 10             | 149    |
| <b>Investments at fair value through other comprehensive income (FVOCI) - A</b>     |                     |                | 0      |                     |                | 253    |
| <b>Aggregate amount of quoted investments at cost</b>                               |                     |                |        |                     |                | 326    |
| <b>Investment in Equity shares - fully paid up (Unquoted)</b>                       |                     |                |        |                     |                |        |
| Dynamic Petro Products Limited  | 262000              | 10             | 2620   | 262000              | 10             | 2620   |
| Basel Investments Limited   | 380000              | 10             | 3800   | 380000              | 10             | 3800   |
| Himalayan Financial Services Ltd.   | 281600              | 10             | 2816   | 281600              | 10             | 2816   |
| <b>Aggregate amount of unquoted investments at cost - B</b>                         |                     |                | 9236   |                     |                | 9236   |
| <b>Investment in Subsidiary Companies -fully paid up (Unquoted)</b>                 |                     |                |        |                     |                |        |
| Megrisoft Limited (UK)  | 0                   |                | 10     |                     |                | 10     |
| <b>Aggregate amount of unquoted investments at cost - C</b>                         |                     |                | 10     |                     |                | 10     |
| <b>Total Non current investments (A+B+C)</b>  |                     |                | 9246   |                     |                | 9499   |
| <b>Investments carried at cost</b>  |                     |                | 9246   |                     |                | 9246   |
| <b>Investments carried at fair value through other comprehensive income (FVOCI)</b> |                     |                | 0      |                     |                | 253    |

\* Mr. Mohanesh Kohli Director of the Company being appointed as Director of Basel Investments Limited on 15 March 2024 in which company invested 30 lakhs in previous years

**(b) Current investments**

| Particulars   | As At March 31,2024 |                    |        | As At March 31,2023 |                    |        |
|---|---------------------|--------------------|--------|---------------------|--------------------|--------|
|   | Number of Unit      | Amount per unit Rs | ('000) | Number of Unit      | Amount per unit Rs | ('000) |
| <b>Investment in Mutual Funds (unquoted) (Liquid/ Liquid Plus) (At Cost)</b>        |                     |                    |        |                     |                    |        |
| Mirae Asset Large cap fund growth plan  | 3,324.00            | 48                 | 321    | 3,324.00            | 48                 | 255    |
| <b>Investments at fair value through other comprehensive income (FVOCI)</b>         |                     |                    | 321    |                     |                    | 255    |
| <b>Investments carried at cost</b>  |                     |                    | 159    |                     |                    | 159    |
| <b>Investments carried at fair value through other comprehensive income (FVOCI)</b> |                     |                    | 321    |                     |                    | 255    |

**(c) Trade Receivables**

| Particulars   | As At March 31,2024 | As At March 31,2023 |
|---|---------------------|---------------------|
|   | ('000)              | ('000)              |
| <b>Trade receivable outstanding for a period exceeding six months</b> |                     |                     |
| Unsecured   |                     |                     |
| Considered good - Against Sale of Investments                         | -                   | -                   |
| Considered doubtful   | -                   | -                   |
| <b>Trade receivable outstanding for a period less than six months</b> |                     |                     |
| Unsecured   |                     |                     |
| Considered good - Against Exports                                     | 3490                | 1669                |
| Considered doubtful   | -                   | -                   |
| <b>Total</b>  | <b>3490</b>         | <b>1669</b>         |

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.  
The trade receivable for current year 3490 (Thousands) ( Previous Year 1669 Thousands).

Trade receivables ageing schedule for the year ended as on March 31, 2024 and March 31, 2023:

| 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 | -  | 3490               | -                  | -         | -         | -                 | 3490        |
| Undisputed Trade receivables – credit impaired | -  | -                  | -                  | -         | -         | -                 | -           |
| Disputed Trade receivables – considered good   | -  | -                  | -                  | -         | -         | -                 | -           |
| Disputed Trade receivables – credit impaired   | -  | -                  | -                  | -         | -         | -                 | -           |
|  | 0  | 3490               | 0                  | 0         | 0         | 0                 | 3490        |
| Less: Allowance for credit loss                | -  | -                  | -                  | -         | -         | -                 | 0           |
| <b>Total Trade Receivables 31st March 2024</b> |  |                    |                    |           |           |                   | <b>3490</b> |
| Undisputed Trade receivables – considered good | -  | 1669               | -                  | -         | -         | -                 | 1669        |
| Undisputed Trade receivables – credit impaired | -  | -                  | -                  | -         | -         | -                 | 0           |
| Disputed Trade receivables – considered good   | -  | -                  | -                  | -         | -         | -                 | 0           |
| Disputed Trade receivables – credit impaired   | -  | -                  | -                  | -         | -         | -                 | 0           |
|  | 0  | 1669               | 0                  | 0         | 0         | 0                 | 1669        |
| Less: Allowance for credit loss                | -  | -                  | -                  | -         | -         | -                 | 0           |
| <b>Total Trade Receivables 31st March 2023</b> |  |                    |                    |           |           |                   | <b>1669</b> |

**Note 5**

**Deferred Tax Assets (Net)**

| Particulars                                    | As At March 31, 2024 | As At March 31, 2023 |
|--|----------------------|----------------------|
|  | ('000)               | ('000)               |
| Opening Balance                                | 313                  | 358                  |
| Less: Deferred Tax Liabilities on Depreciation | 1                    | (45)                 |
| <b>Total</b>                                   | <b>314</b>           | <b>313</b>           |

**Note 6**

**Other Non-Current Assets**

| Particulars  | As At March 31, 2024 | As At March 31, 2023 |
|--|----------------------|----------------------|
|  | ('000)               | ('000)               |
| <b>(Unsecured, considered good, unless otherwise stated)</b> | <b>(000)</b>         | <b>(000)</b>         |
| Capital Advances (Against Land & Building)                   | 22020                | 35347                |
| Other Loans and Advances                                     | 11537                | 12182                |
| Securities   | 402                  | 465                  |
| Deferred revenue Expenditure                                 | 54                   | 108                  |
| <b>Total</b>   | <b>34013</b>         | <b>48102</b>         |

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, 2024 | As At March 31, 2023 |
|---------------------------------------|----------------------|----------------------|
|                                       | ('000)               | ('000)               |
| <b>Balances with banks</b>            | <b>(000)</b>         | <b>(000)</b>         |
| In Current Account & Deposit Accounts | 2470                 | 576                  |
| Cash in hand                          | 82                   | 30                   |
| <b>Total</b>                          | <b>2552</b>          | <b>606</b>           |

**Note 8**

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

| Particulars                 | As At March 31, 2024 | As At March 31, 2023 |
|-----------------------------|----------------------|----------------------|
|                             | ('000)               | ('000)               |
| <b>Balances with banks:</b> |                      |                      |
| In Fixed Deposit            | 7616                 | 14694                |
| <b>Total</b>                | <b>7616</b>          | <b>14694</b>         |

**Note 9**

**Other Current Assets**

| Particulars  | As At March 31, 2024 | As At March 31, 2023 |
|--|----------------------|----------------------|
|  | ('000)               | ('000)               |
| <b>(Unsecured, considered good, unless otherwise stated)</b> | <b>(000)</b>         | <b>(000)</b>         |
| Advances with suppliers & others                             | 9389                 | 8658                 |
| Other Advances   | 180                  | 195                  |
| Advance Tax  | 755                  | 1010                 |
| TDS/TCS Recoverable  | 754                  | 124                  |
| Other Current Assets   | 518                  | 297                  |
| <b>Total</b>   | <b>11596</b>         | <b>10284</b>         |

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

| Particulars                                       | As At March 31,<br>2024 | As At March 31,<br>2023 |
|---|-------------------------|-------------------------|
|   | ('000)                  | ('000)                  |
| <b>Authorised</b>                                 |                         |                         |
| 3300000 Equity Shares of Rs. 10/- each            | 33000                   | 33000                   |
|   | 33000                   | 33000                   |
| <b>Issued &amp; subscribed</b>                    |                         |                         |
| 3140700 equity shares of Rs. 10/- each fully paid | 31407                   | 31407                   |
|   | 31407                   | 31407                   |
| <b>Issued, Subscribed &amp; Paid up</b>           |                         |                         |
| 3140700 equity shares of Rs. 10/- each fully paid | 31407                   | 31407                   |
| <b>Total</b>                                      | <b>31407</b>            | <b>31407</b>            |

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

| Particulars                               | As At March 31,<br>2024 | As At March 31,<br>2023 |
|---|-------------------------|-------------------------|
|   | ('000)                  | ('000)                  |
| <b>EQUITY SHARES</b>                      |                         |                         |
| At the beginning of the year              | 31407                   | 31407                   |
| Add: Issued during the year               | -                       | -                       |
| <b>Outstanding at the end of the year</b> | <b>31407</b>            | <b>31407</b>            |

**b. Terms/Rights attached to equity shares**

The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company in proportion to their shareholding.

c. During last 5 years immediately preceding the balance sheet date, no Equity Share has been issued pursuant to any contract without payment being received in cash. Further the company has neither allotted any share by way of bonus shares, nor it had

bought back any Equity during aforesaid period of 5 years. Unpaid Calls - NIL. (Previous Year NIL.) No shares have been forfeited by the company during the year.

**d. The details of the shares held by promoters as at March 31, 2024 are as follows:**

| Particulars                       | As at March 31, 2024 |               |                          | As At March 31, 2023 |               |
|-----------------------------------|----------------------|---------------|--------------------------|----------------------|---------------|
|                                   | No. of Shares        | % Holding     | % Change during the year | No. of Shares        | % Holding     |
| Molnesh Koli                      | 1166100              | 37.19%        | 12.46%                   | 777000               | 24.74%        |
| Neena (Deceased)                  | -                    | -             | -                        | 391100               | 12.45%        |
| Molnesh Koli Wife                 | 715700               | 22.79%        | -                        | 713700               | 22.79%        |
| Apurita Koli                      | 193000               | 6.15%         | -                        | 193000               | 6.15%         |
| Austin Koli                       | 254200               | 8.09%         | -                        | 254200               | 8.09%         |
| Greenwich Vintech Private Limited | 24200                | 0.77%         | -                        | 24200                | 0.77%         |
| <b>Total</b>                      | <b>2356200</b>       | <b>74.99%</b> | <b>12.45%</b>            | <b>2356200</b>       | <b>74.99%</b> |

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

| Particulars       | As At March 31,<br>2024 | As At March 31,<br>2023 |
|-------------------|-------------------------|-------------------------|
|                   | ('000)                  | ('000)                  |
| General reserve   | 5295                    | 5295                    |
| Retained earnings | 177900                  | 171732                  |
| <b>Total</b>      | <b>183195</b>           | <b>177027</b>           |

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

| Particulars    | As At March 31,<br>2024 | As At March 31,<br>2023 |
|----------------|-------------------------|-------------------------|
|                | ('000)                  | ('000)                  |
| Trade Payables | -                       | -                       |
| <b>Total</b>   | <b>0</b>                | <b>0</b>                |

Based on information available with the Company, there are no dues to micro, small and medium enterprises, as defined in Micro, Small and Medium Enterprises Development Act, 2006 as on March 31, 2024.

**Trade payables ageing schedule for the year ended as on March 31, 2024 and March 31, 2023:**

| Particulars                                 | Not Due | Less than 1<br>year<br>months | 1-2 years<br>year | 2-3 years | More than 3<br>year | Total    |
|---|---------|-------------------------------|-------------------|-----------|---------------------|----------|
| Outstanding dues to MSME                    | -       | -                             | -                 | -         | -                   | -        |
| Others                                      | -       | -                             | -                 | -         | -                   | -        |
| Disputed dues - MSME                        | -       | -                             | -                 | -         | -                   | -        |
| Disputed dues - Others                      | -       | -                             | -                 | -         | -                   | -        |
| <b>Total trade payables 31st March 2024</b> |         |                               |                   |           |                     | <b>0</b> |
| Outstanding dues to MSME                    | -       | -                             | -                 | -         | -                   | -        |
| Others                                      | -       | -                             | -                 | -         | -                   | -        |
| Disputed dues - MSME                        | -       | -                             | -                 | -         | -                   | -        |
| Disputed dues - Others                      | -       | -                             | -                 | -         | -                   | -        |
| <b>Total trade payables 31st March 2023</b> |         |                               |                   |           |                     | <b>0</b> |

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

| Particulars                             | As At March 31,<br>2024 | As At March 31,<br>2023 |
|---|-------------------------|-------------------------|
|   | ('000)                  | ('000)                  |
| Audit Fees Payable                      | 65                      | 55                      |
| Contribution to Provident & Other Funds | 0                       | 1                       |
| Other Payables                          | 1024                    | 1392                    |
| <b>Total</b>                            | <b>1097</b>             | <b>1448</b>             |

**Note 13**  
**Provisions**

| Particulars                     | As At<br>March 31,<br>2024 | As At<br>March<br>31, 2023 |
|---------------------------------|----------------------------|----------------------------|
|                                 | ('000)                     | ('000)                     |
| Provision for Income Tax        | 2190                       | 1675                       |
| Provision for Employee Benefits | 562                        | 216                        |
| <b>Total</b>                    | <b>2752</b>                | <b>1891</b>                |

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

| Particulars                            | As At<br>March<br>31, 2024 | As At<br>March<br>31, 2023 |
|--|----------------------------|----------------------------|
|  | ('000)                     | ('000)                     |
| <b>Information Technology Services</b> |                            |                            |
| Income From IT Exports Of Services     | 18743                      | 18979                      |
| Income From Domestic IT Services       | 8869                       | -                          |
| <b>Total</b>                           | <b>27612</b>               | <b>18979</b>               |

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

| Particulars   | As At<br>March<br>31, 2024 | As At<br>March<br>31, 2023 |
|---|----------------------------|----------------------------|
|   | ('000)                     | ('000)                     |
| Interest on Fixed Deposits with Bank                              | 632                        | 1209                       |
| Income from Investment (Dividend and Profits on Investments etc.) | (66)                       | 372                        |
| Other Income  | 34                         | 13                         |
| <b>Total</b>  | <b>600</b>                 | <b>1594</b>                |

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

| Particulars  | As At<br>March<br>31, 2024 | As At<br>March<br>31, 2023 |
|--|----------------------------|----------------------------|
|  | ('000)                     | ('000)                     |
| Salary & Wages (Including Director Remuneration see note no. 31) | 4918                       | 2744                       |
| Contribution to Provident & Other Funds                          | 38                         | 12                         |
| Staff Welfare Expenses   | 356                        | 177                        |
| <b>Total</b>   | <b>5312</b>                | <b>2938</b>                |

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

| Particulars     | As At<br>March<br>31, 2024 | As At<br>March<br>31, 2023 |
|-----------------|----------------------------|----------------------------|
|                 | ('000)                     | ('000)                     |
| Borrowings Cost | 0                          | 0                          |
| <b>Total</b>    | <b>0</b>                   | <b>0</b>                   |

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

| Particulars                          | As At<br>March<br>31, 2024 | As At<br>March<br>31, 2023 |
|--------------------------------------|----------------------------|----------------------------|
|                                      | ('000)                     | ('000)                     |
| Depreciation & Amortization Expenses | 891                        | 704                        |
| <b>Total</b>                         | <b>891</b>                 | <b>704</b>                 |

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

| Particulars   | As At<br>March<br>31, 2024 | As At<br>March<br>31, 2023 |
|---|----------------------------|----------------------------|
|   | ('000)                     | ('000)                     |
| Advertisement & Marketing expenses  | 545                        | 616                        |
| Bank Charges  | 141                        | 101                        |
| Communication & Internet Expenses   | 295                        | 249                        |
| Insurance Expenses  | 15                         | 60                         |
| IT Operating Expenses   | 9439                       | 5370                       |
| Legal & Professional Expenses   | 949                        | 607                        |
| Miscellaneous Expenses  | 453                        | 269                        |
| Payment to auditors (refer Note 19.1 below)                                       | 60                         | 60                         |
| Power Fuel & Water Charges  | 267                        | 161                        |
| Printing & stationery   | 32                         | 31                         |
| Rent Rates & Taxes  | 360                        | 340                        |
| Repair & Maintenance Expenses   | 323                        | 402                        |
| Travelling & conveyance expenses (Including Director Foreign travelling Expenses) | 838                        | 1576                       |
| <b>Total</b>  | <b>13737</b>               | <b>10342</b>               |

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

| Particulars                | As At March<br>31,2024 | As At March<br>31,2023 |
|----------------------------|------------------------|------------------------|
| <b>Payment to auditor</b>  | <b>(‘000)</b>          | <b>(‘000)</b>          |
| As Auditor Statutory Audit | 60                     | 60                     |
| For Other Services         | -                      | -                      |
| <b>Total</b>               | <b>60</b>              | <b>60</b>              |

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

| Particulars   | As At March<br>31,2024 | As At March<br>31,2023 |
|---|------------------------|------------------------|
| <b>Earnings per share</b>   | <b>(‘000)</b>          | <b>(‘000)</b>          |
| Basic   |                        |                        |
| Net profit / (loss) for the year from continuing operations attributable to the equity shareholders | 6125                   | 4875                   |
| Weighted average number of equity shares  | 3140700                | 3140700                |
| Par value per share   | 10                     | 10                     |
| Earnings per share from continuing operations - Basic   | 1.95                   | 1.55                   |
| Diluted   | 1.95                   | 1.55                   |

**20.1 Ratios**

The ratios for the years ended March 31, 2024 and March 31, 2023 are as follows:

| Particulars                       | Numerator                                 | Denominator                 | 31st March<br>2024 | 31st March<br>2023 | Variance | Reason for<br>Variance |
|-----------------------------------|---|-----------------------------|--------------------|--------------------|----------|------------------------|
| Current Ratio                     | Current assets                            | Current liabilities         | 6.64               | 8.24               | (19.36%) | 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        | 19.50%             | 15.52%             | 3.98%    | -                      |
| Trade receivables turnover ratio  | Revenue                                   | Average Trade Receivable    | 10.70              | 20.79              | (48.53%) | Refer Note 2           |
| Trade payables turnover ratio     | Purchases of services and other expenses  | Average Current Liabilities | 10.80              | 8.42               | 28.27%   | Refer Note 3           |
| Net capital turnover ratio        | Revenue                                   | Working Capital             | 1.27               | 0.79               | 60.88%   | Refer Note 4           |
| Net profit ratio                  | Net Profit                                | Revenue                     | 22.55%             | 23.20%             | -0.65%   | -                      |
| Return on capital employed (ROCE) | Earning before interest and taxes         | Capital Employed            | 3.85%              | 3.16%              | 0.69%    | -                      |
| Return on Investment(ROI)         | Income generated from investments         | Average Investments         | -0.68%             | -3.31%             | -3.99%   | -                      |

**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 decreased due to an increase in turnover in 2024.
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 2024. Hence, no provision is required in the accounts for the year under review.

**Note 23****Auditor's Remuneration**

Auditors' remuneration for the financial year 2023-24 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 are Rs. 18743 Thousand only (Previous year Rs. 18979 Thousand) and expenditure in foreign currency is Rs. 589 Thousand only (Previous year 528 Thousand).

**Note 25****Contingent Liabilities and Litigations**

In view of accounting policies, Contingent Liability is not provided for Disputed Income Tax Demand against which the 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 the amount relates | Forum where the 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, 2024, | As At March 31, 2023 |
|--|-----------------------|----------------------|
| Employers' Contribution to Provident Fund            | 8                     | 1                    |
| Employer's Contribution to Employees State Insurance | 30                    | 11                   |

- 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, 2024, | As At March 31, 2023 |
|--|-----------------------|----------------------|
| <b>Advance given to the subsidiary</b>                 |                       |                      |
| <b>Megrisoft Limited ( UK Subsidiary)</b>              |                       |                      |
| Balance at the year end                                | 2019                  | 2019                 |
| Maximum amount outstanding at any time during the year | 2019                  | 2019                 |

**Note 28****Foreign Travelling Expenses**

Rs. 400 Thousand was incurred on foreign travelling during the financial year under review as compared to Rs. 487 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, 2024, the company has completed the construction of an IT plot at I-46, Sector-83 Alpha, I.T. City, SAS Nagar, Punjab, 160055. The work in progress amount of 48371 thousand capitalized during the year to building, office equipment, Furniture & fixtures, and computers. The present work in progress is 6696 thousand (Previous year: 44285 Thousand) yet to be completed. 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.     | Ms. Aprajita Kohli                                   | A relative of a person having a significant influence                           |
| 3.     | Mr. Austin Kohli                                     |   |
| 4.     | Mr. Mahesh Kohli                                     |   |
| 5.     | Mr. Rajnesh Sharma (Whole Time Director)             | Key Managerial Personnel  |
| 6.     | Mr. Vijay Kumar (Company Secretary)                  |   |
| 7.     | Ms. Manju Bala (Company Secretary)                   |   |
| 8.     | Mohnesh Kohli & Co.                                  | Enterprise Over which controlling person has significant influence              |
| 9.     | Mohnesh Kohli HUF                                    |   |
| 10.    | Megrisoft Limited (UK)                               | Subsidiary Company  |
| 11.    | Greenwich Fintech Private Limited                    | A company over which the promotor and its relative are directors and promoters. |
| 12.    | Ad Accounting & Bookkeeping Services Private Limited | Relative of Mohnesh Kohli is director of the company.                           |
| 13.    | Basel Investments Limited                            | Mr. Mohnesh Kohli is the Non-executive director of the company.                 |

**B) Details of transactions with the related party during the year ended March 31, 2024, 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       |
|-----------|---|---|--------------------------------------|---|---|-----------------------|-------------|
| <b>1.</b> | <b>KMP Remuneration</b><br>Mr. Rajnesh Sharma<br>Ms. Vijay Kumar<br>Ms. Manju Bala                                    | -<br>-<br>-   | 470<br>16<br>256                     | -<br>-<br>-                                 | -<br>-<br>-   | -<br>-<br>-           | <b>742</b>  |
| <b>2.</b> | <b>Director Sitting Fees:</b><br>Mohnesh Kohli<br>Mahesh Kumar<br>Ishwar Partap Singh<br>Sahil Malhotra<br>Raman Seth | -<br>-<br>-<br>-<br>-                                 | -<br>-<br>-<br>-<br>-                | 20<br>19<br>10<br>15<br>10                  | -<br>-<br>-<br>-<br>-   | -<br>-<br>-<br>-<br>- | <b>74</b>   |
| <b>3.</b> | <b>Reimbursement of Tour &amp; Travelling Expense:</b><br>Aprajita Kohli<br>Mohnesh Kohli                             | -<br>-  | -<br>-                               | 58<br>619                                   | -<br>-  | -<br>-                | <b>677</b>  |
| <b>4.</b> | <b>Rent paid:</b><br>Mohnesh Kohli  | 360   | -                                    | -   | -   | -                     | <b>360</b>  |
| <b>5</b>  | <b>Payment for Construction of Building at IT Park Mohali Punjab</b><br>Mahesh Kohli                                  | 1053  | -                                    | -   | -   | -                     | <b>1053</b> |

Out of the above payments to related parties, director remuneration outstanding on 31st March 2024 is 40 thousand ( previous year 32 thousand)

**Note 31**

Salary and wages include director remuneration 470 thousand ( Previous Year 437 thousand) and sitting fee 74 thousand ( Previous Year 60 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 Company has already paid the full amount of 32405 thousand. The company has already made an application for the freehold of the plot with GMADA. The Company owns a plot no. G1/34 measuring 400.06 sq meter at DLF Velly Panchkula Haryana. The title deed of the plot in favour of the company is yet to be registered.

**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 an appeal against the order, pending at the 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 the 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 the event date attached.**

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

**For Sanjay Arora & Associates**

Chartered Accountants

ICAI Firm Registration Number: 008445N

**Mohnesh Kohli**

**(Director)**

**DIN: 01784617**

**Rajnesh Sharma**

**(Director & CFO)**

**DIN: 02528435**

**Neelkant Gargya**

Partner

Membership Number: 093624

Place of Signature: Chandigarh

Date: 24th May 2024

**Manju Bala**

**Company Secretary &**

**Compliance Officer**

**M.No: ACS 67831**

## **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 2024, 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, 2024, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

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

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

## Response to key audit matters & conclusion

### Principal Audit Procedures

We performed the following substantive procedures:

Obtained details of completed tax assessments and demands upto the year ended March 31, 2024 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, 2023 to evaluate whether any change was required to management's position on these uncertainties. Relying on relevant external evidence available including legal opinion relevant judicial precedents and industry practices getting management confirmation wherever necessary. We agree with management's evaluation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

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



agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

- d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 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, 2024 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, 2024 has been paid / provided by the Holding Company incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us as also the other financial information of the subsidiary:
  - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated financial statements – Refer Note 25 & 33 to the consolidated financial statements;
  - ii. The Group did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise;
  - iii. During the year, the company was not liable to transfer any amount to the Investor Education Protection Fund.

iv.

- a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party

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

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

**For Sanjay Arora & Associates**

Chartered Accountants

ICAI Firm Registration Number: 008445N

**CA Neelkant Gargya**

Partner

Membership Number: 093624

Place of Signature: Chandigarh

Date: 24.05.2024

UDIN:- 24093624BKCSEL6301

**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, 2024, 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, 2024, 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

**CA Neelkant Gargya**

Partner

Membership Number: 093624

Place of Signature: Chandigarh

Date: 24.05.2024

UDIN:- 24093624BKCSEL6301

**MEGRI SOFT LIMITED**  
**CIN : L72200CH1992PLC011996**  
**Regd. Office : SCO 80, Sector 47D, Chandigarh -160047**  
**AUDITED CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2024**

(Amount in '000)

| S. No.   | Particulars                          | Note  | As At<br>March 31,2024 | As At<br>March 31,2023 |
|----------|--------------------------------------|-------|------------------------|------------------------|
| <b>A</b> | <b>ASSETS</b>                        |       |                        |                        |
| <b>1</b> | <b>NON-CURRENT ASSETS</b>            |       |                        |                        |
|          | Property, Plant and Equipment        | 3     | 122480                 | 62369                  |
|          | Other Intangible Assets              | 3     | 545                    | 545                    |
|          | Intangible Assets Under Development  | 3     | 21154                  | 20626                  |
|          | Capital Work In Progress             | 3     | 6696                   | 44285                  |
|          | Financial Assets                     |       |                        |                        |
|          | (a) Non-Current Investments          | 4(a)  | 9236                   | 9489                   |
|          | Deferred Tax Assets (Net)            | 5     | 313                    | 312                    |
|          | Other Non-Current Assets             | 6     | 31632                  | 45841                  |
|          | <b>Total Non-Current Assets</b>      |       | <b>192056</b>          | <b>183467</b>          |
| <b>2</b> | <b>CURRENT ASSETS</b>                |       |                        |                        |
|          | Financial Assets                     |       |                        |                        |
|          | (a) Current Investments              | 4(b)  | 321                    | 255                    |
|          | b) Trade Receivables                 | 4(c)  | 3599                   | 2102                   |
|          | c) Cash and Cash Equivalents         | 7     | 6797                   | 4303                   |
|          | d) Bank Balance Other Than (c) Above | 8     | 7616                   | 14694                  |
|          | e) Other Current Assets              | 9     | 11936                  | 10523                  |
|          | <b>Total Current Assets</b>          |       | <b>30269</b>           | <b>31877</b>           |
|          | <b>Total Assets</b>                  |       | <b>222325</b>          | <b>215344</b>          |
| <b>B</b> | <b>EQUITY &amp; LIABILITIES</b>      |       |                        |                        |
| <b>1</b> | <b>SHAREHOLDERS' FUNDS</b>           |       |                        |                        |
|          | (a) Equity Share Capital             | 10(a) | 31407                  | 31407                  |
|          | (b) Other Equity                     | 10(b) | 186726                 | 179796                 |
|          | <b>Total Equity</b>                  |       | <b>218133</b>          | <b>211203</b>          |
| <b>2</b> | <b>NON CURRENT LIABILITIES</b>       |       |                        |                        |
|          | Financial Liabilities                |       |                        |                        |
|          | (a) Long-Term Borrowings             |       | -                      | -                      |
|          | (b) Deferred Tax Liabilities (Net)   |       | -                      | -                      |
|          | <b>Total Non-Current Liabilities</b> |       | <b>-</b>               | <b>-</b>               |
| <b>3</b> | <b>CURRENT LIABILITIES</b>           |       |                        |                        |
|          | Financial Liabilities                |       |                        |                        |
|          | (a) Trade Payables                   | 11    | -                      | -                      |
|          | (b) Other Current Liabilities        | 12    | 1256                   | 2138                   |
|          | (c) Provisions                       | 13    | 2936                   | 2003                   |
|          | <b>Total Current Liabilities</b>     |       | <b>4192</b>            | <b>4141</b>            |
|          | <b>Total Equity and Liabilities</b>  |       | <b>222325</b>          | <b>215344</b>          |

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

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

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

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

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

**Place: Chandigarh**  
**Date: 24th May, 2024**

**Manju Bala**  
**Company Secretary &**  
**Compliance Officer**  
**M.No: ACS 67831**

**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, 2024**

(Amount in '000) except EPS

| S. No.     | Particulars  | Note      | As At<br>March 31,2024 | As At<br>March 31,2023 |
|------------|--|-----------|------------------------|------------------------|
| <b>I</b>   | Revenue From Operations  | <b>14</b> | 33830                  | 24128                  |
|            | Other Income   | <b>15</b> | 600                    | 1594                   |
|            | <b>Total Revenue</b>   |           | <b>34430</b>           | <b>25722</b>           |
|            | <b>EXPENSES</b>  |           |                        |                        |
|            | a) Employees Benefit Expenses  | <b>16</b> | 8078                   | 5647                   |
|            | b) Finance Cost  | <b>17</b> | 0                      | 0                      |
|            | c) Depreciation & Amortization Expenses                                      | <b>18</b> | 979                    | 746                    |
|            | d) Other Operating Expenses  | <b>19</b> | 16232                  | 12378                  |
| <b>II</b>  | <b>Total Expenses</b>  |           | <b>25289</b>           | <b>18771</b>           |
| <b>III</b> | <b>Profit Before Tax (I-II)</b>  |           | <b>9141</b>            | <b>6951</b>            |
|            | <b>Tax Expenses</b>  |           |                        |                        |
|            | a) Current Tax   |           | 2315                   | 1747                   |
|            | b) Deferred Tax (Assets)/Liabilities   |           | (1)                    | 45                     |
| <b>IV</b>  | <b>Total Tax Expenses</b>  |           | <b>2314</b>            | <b>1792</b>            |
| <b>V</b>   | <b>Profit for the period (after Tax) (III-IV)</b>                            |           | <b>6827</b>            | <b>5159</b>            |
|            | <b>Other Comprehensive Income</b>  |           |                        |                        |
|            | <b>a) Items that will not be reclassified subsequently to profit or loss</b> |           |                        |                        |
|            | Equity Investment through other comprehensive income                         |           | 139                    | (637)                  |
|            | Income tax relating to above   |           | (36)                   | 166                    |
| <b>VI</b>  | <b>Total other comprehensive income</b>                                      |           | <b>103</b>             | <b>(471)</b>           |
| <b>VII</b> | <b>Total Comprehensive income (V+VI)</b>                                     |           | <b>6930</b>            | <b>4688</b>            |
|            | Paid-up Equity Share Capital (face value of Rs. 10 per equity share)         |           | 31407                  | 31407                  |
|            | <b>Earning per Equity share of Rs. 10/- each:</b>                            |           |                        |                        |
|            | 1) Basic   | <b>20</b> | 2.17                   | 1.64                   |
|            | 2) Diluted   |           | 2.17                   | 1.64                   |

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: 24th May, 2024**

**Manju Bala**  
**Company Secretary & Compliance**  
**Officer**  
**M.No: ACS 67831**

**MEGRI SOFT LIMITED**  
**CIN : L72200CH1992PLC011996**  
**Regd. Office : SCO 80, Sector 47D, Chandigarh -160047**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024**

(Amount in '000)

| Particulars  | Year ended<br>March 31, 2024 |                | Year ended<br>March 31, 2023 |               |
|--|------------------------------|----------------|------------------------------|---------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                   |                              |                |                              |               |
| <b>Net Profit Before Tax</b>                                 |                              | <b>9141</b>    |                              | <b>6951</b>   |
| Adjustments for:   |                              |                |                              |               |
| Interest Expenses  | 0                            |                | 0                            |               |
| Depreciation and Amortization                                | 979                          |                | 746                          |               |
| Profit on Sale of Assets                                     | 0                            |                | 0                            |               |
| Profit on Sale of Investments                                | 66                           |                | (340)                        |               |
| Discount Received  | -                            |                | -                            |               |
| Interest Income on FDR's                                     | (632)                        |                | (1209)                       |               |
| Dividend Income  | 0                            | 413            | (32)                         | (835)         |
| <b>Operating Profit before Working Capital Changes</b>       |                              | <b>9554</b>    |                              | <b>6116</b>   |
| <b>Adjustments for:</b>                                      |                              |                |                              |               |
| Short Term Borrowings  | -                            |                | -                            |               |
| Trade Payables   | -                            |                | -                            |               |
| Other Current Liabilities                                    | (882)                        |                | 607                          |               |
| Provisions   | 933                          |                | (138)                        |               |
| Trade Receivables  | (1497)                       |                | (1824)                       |               |
| Short Term Loans & Advances                                  | -                            |                | -                            |               |
| Other Current Assets   | (1413)                       |                | (3277)                       |               |
| Other Non Current Assets                                     | 14209                        | 11350          | 519                          | (4113)        |
| <b>Cash generated from operations</b>                        |                              | <b>20904</b>   |                              | <b>2003</b>   |
| Income Tax   |                              | (2315)         |                              | (1747)        |
| <b>Net Cash flow from Operating activities</b>               |                              | <b>18589</b>   |                              | <b>256</b>    |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                   |                              |                |                              |               |
| Loan Term Loans & Advances                                   | 0                            |                | 0                            |               |
| Expenditure on property, plant and equipment and intangibles | (24028)                      |                | (18981)                      |               |
| Sale/Transfer of Fixed Assets                                | 0                            |                | 0                            |               |
| Bank deposits  | 7078                         |                | 12822                        |               |
| Investment   | 289                          |                | 2507                         |               |
| Interest Income on FDR's                                     | 632                          |                | 1209                         |               |
| Dividend Income  | 0                            |                | 32                           |               |
| Profit on Sale of Assets                                     | 0                            |                | 0                            |               |
| Income From Sale of Investment                               | (66)                         |                | 340                          |               |
| <b>Net Cash used in Investing activities</b>                 |                              | <b>(16095)</b> |                              | <b>(2071)</b> |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                   |                              |                |                              |               |
| Interest on overdraft facility                               | 0                            |                | 0                            |               |
| <b>Net Cash used in financing activities</b>                 |                              | <b>0</b>       |                              | <b>0</b>      |
| <b>Net Increase in cash &amp; Cash Equivalents</b>           |                              | <b>2494</b>    |                              | <b>(1815)</b> |
| Cash and Cash equivalents (Opening Balance)                  |                              | 4303           |                              | 6118          |
| Cash and Cash equivalents (Closing Balance)                  |                              | 6797           |                              | 4303          |
| <b>Net Decrease/(Increase) in Cash and Cash Equivalents</b>  |                              | <b>(2494)</b>  |                              | <b>1815</b>   |

Notes:

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

As per our report of even date

**For Sanjay Arora & Associates**

**Chartered Accountants**

**Firm Registration No. 008445N**

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

(Neelkant Gargya)

**Partner**

**Membership No. 093624**

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

**Manju Bala**  
**Company Secretary & Compliance**  
**Officer**  
**M.No: ACS 67831**

**Place: Chandigarh**  
**Date: 24th May, 2024**



MEGRI SOFT LIMITED  
CIN : L72200CH1992PLC311996  
Regd. Office : SCD 80, Sector 47D, Chandigarh - 160047  
STATEMENT OF CHANGE IN EQUITY ( F.Y.2023-24)

| A. Equity Share Capital ( F.Y.2023-24) |  |                                      |   | (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, 2024 |
| 31407                                  | -  | 31407                                | -   | 31407                        |

| 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                        |

| Other Equity ( F.Y.2023-24)  |                        |                            |                    |                   |                 |                   |   |                                       |  |                                      | (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  | -                      | -                          | -                  | 174437            | 5341            | -                 | 18  | -                                     | -  | -                                    | 179796   |
| Profit for the year          | -                      | -                          | -                  | 6827              | -               | -                 | -   | -                                     | -  | -                                    | 6827   |
| Total Comprehensive Income   | -                      | -                          | -                  | -                 | -               | -                 | 100   | -                                     | -  | -                                    | 103  |
| Dividend                     | -                      | -                          | -                  | -                 | -               | -                 | -   | -                                     | -  | -                                    | -  |
| Transfer to reserves         | -                      | -                          | -                  | -                 | -               | -                 | -   | -                                     | -  | -                                    | -  |
| Balance as at March 31, 2024 | 0                      | 0                          | 0                  | 181264            | 5341            | 0                 | 121   | 0                                     | 0  | 0                                    | 186726   |

| 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  | -                      | -                          | -                  | 169279            | 5341            | -                 | 439   | -                                     | -  | -                                    | 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   |

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

As per our report of even date:  
For Sanjay Arora & Associates  
Chartered Accountants  
Firm Registration No. 008443N

For and on behalf of Board of Directors

(Neelkant Gargya)  
Partner  
Membership No. 093624

Maharsh Kohli  
(Director)  
DIN: 01704617

Rajesh Sharma  
(Whole Time Director & CFO)  
DIN: 02028435

Place: Chandigarh  
Date: 24th May, 2024

Mamta Bala  
Company Secretary & Compliance Officer  
M.No: ACS 67831

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

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 24th May 2024.

## 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 2024.

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 2023-24**

| Particulars                              | Gross Block                        |           |            | Depreciation                       |                      |              |             | Net Block |                      | (Amount in '000) |                                     |
|--|------------------------------------|-----------|------------|------------------------------------|----------------------|--------------|-------------|-----------|----------------------|------------------|-------------------------------------|
|  | Carrying Value As On April 01,2023 | Additions | Deductions | Carrying Value As On March 31,2024 | As On March 31, 2023 | Current Year | Written Off | Transfer  | As On March 31, 2024 |                  | Carrying Value As On March 31, 2023 |
| (a)Land & Building                       |                                    |           |            |                                    |                      |              |             |           |                      |                  |                                     |
| Land                                     | 58866                              | 18241     | -          | 77107                              | -                    | -            | -           | -         | -                    | 58866            | 77107                               |
| Building                                 | 0                                  | 38174     | -          | 38174                              | -                    | 50           | -           | -         | 50                   | 0                | 38124                               |
| Total                                    | 58866                              | 56415     | 0          | 115281                             | -                    | 50           | -           | -         | 50                   | 58866            | 115231                              |
| (b)Tangible Assets                       |                                    |           |            |                                    |                      |              |             |           |                      |                  |                                     |
| Furniture & Fixtures                     | 2350                               | 1085      |            | 3435                               | 2142                 | 83           | -           | -         | 2225                 | 208              | 1210                                |
| Computer                                 | 3691                               | 649       |            | 4340                               | 3045                 | 263          | -           | -         | 3308                 | 646              | 1032                                |
| Air Conditioner                          | 715                                | 0         | -          | 715                                | 601                  | 21           | -           | -         | 622                  | 114              | 93                                  |
| Office Equipment                         | 1440                               | 2940      |            | 4380                               | 1288                 | 41           | -           | -         | 1329                 | 151              | 3051                                |
| Vehicles                                 | 8907                               | 0         | -          | 8907                               | 6523                 | 521          | -           | -         | 7044                 | 2384             | 1863                                |
| Total                                    | 17103                              | 4674      | 0          | 21777                              | 13599                | 929          | -           | 0         | 14528                | 3503             | 7249                                |
| (I) Property, Plant and Equipment (a+b)  | 75969                              | 61089     | 0          | 137058                             | 13599                | 979          | 0           | 0         | 14578                | 62369            | 122480                              |
| Note 3 -                                 |                                    |           |            |                                    |                      |              |             |           |                      |                  |                                     |
| (II) Other Intangible Assets             |                                    |           |            |                                    |                      |              |             |           |                      |                  |                                     |
| Computer Software                        | 902                                | 0         | -          | 902                                | 802                  | 0            | -           | -         | 802                  | 100              | 100                                 |
| Web Properties                           | 8909                               | -         | -          | 8909                               | 8464                 | -            | -           | -         | 8464                 | 445              | 445                                 |
| Total                                    | 9811                               | 0         | -          | 9811                               | 9266                 | 0            | -           | -         | 9266                 | 545              | 545                                 |
| (II) Intangible Assets under Development |                                    |           |            |                                    |                      |              |             |           |                      |                  |                                     |
| Capital work in progress                 | 20626                              | 528       | -          | 21154                              | -                    | -            | -           | -         | 0                    | 20626            | 21154                               |
| GRAND TOTAL                              | 150691                             | 72399     | 48371      | 174719                             | 22865                | 979          | -           | 0         | 23844                | 150875           | 150875                              |
|  |                                    |           |            |                                    |                      |              |             |           |                      | 127825           | 127825                              |

(Amount in '000)

**Capital Work-In-Progress**

The capital work-in-progress ageing schedule for the year ended March 31, 2024 and March 31, 2023 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                                  | (37589)                        | 15892     | 14547     | 13846             |
| <b>Total Capital work-in-progress 31st March 2024</b> |                                |           |           | <b>6696</b>       |
| Projects in progress                                  | 15892                          | 14547     | 10577     | 3269              |
| <b>Total Capital work-in-progress 31st March 2023</b> |                                |           |           | <b>44285</b>      |

For capital-work-in-progress, whose completion is overdue or has exceeded its cost compared to its original plan the project wise details of when the project is expected to be completed is given below as of March 31, 2024 and March 31, 2023

**Intangible assets under development:**

The Intangible assets under development ageing schedule for the year ended March 31, 2024 and March 31, 2023 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   | 528                            | 1124      | 395       | 19107             |
| Projects temporarily suspended                                   |                                |           |           |                   |
| <b>Total Intangible assets under development 31st March 2024</b> |                                |           |           | <b>21154</b>      |
| Projects in progress   | 1124                           | 395       | 410       | 18697             |
| Projects temporarily suspended                                   |                                |           |           |                   |
| <b>Total Intangible assets under development 31st March 2023</b> |                                |           |           | <b>20626</b>      |

No Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original project as of March 31, 2024 and March 31, 2023. No Intangible assets under development project has been suspended as of March 31, 2024 and March 31, 2023

**Note 4**

**(a) Non-Current Investments**

| Particulars   | As At March 31,2024 |                |        | As At March 31,2023 |                |        |
|---|---------------------|----------------|--------|---------------------|----------------|--------|
|   | Number of Unit      | Face value (₹) | ('000) | Number of Unit      | Face value (₹) | ('000) |
| <b>Investment in Equity shares (fully paid up)</b>                                  |                     |                |        |                     |                |        |
| <b>(Quoted)</b>   |                     |                |        |                     |                |        |
| Yes Bank Limited  | 0                   | 0              | 0      | 6900                | 2              | 104    |
| Info Edge India Ltd   | 0                   | 0              | 0      | 30                  | 10             | 149    |
| <b>Investments at fair value through other comprehensive income (FVOCI) - A</b>     |                     |                | 0      |                     |                | 253    |
| <b>Aggregate amount of quoted investments at cost</b>                               |                     |                |        |                     |                | 326    |
| <b>Investment in Equity shares - fully paid up (Unquoted)</b>                       |                     |                |        |                     |                |        |
| Dynamic Petro Products Limited  | 262000              | 10             | 2620   | 262000              | 10             | 2620   |
| Basel Investments Limited   | 380000              | 10             | 3800   | 380000              | 10             | 3800   |
| Himalyan Financial Services Ltd.  | 281600              | 10             | 2816   | 281600              | 10             | 2816   |
| <b>Aggregate amount of unquoted investments at cost - B</b>                         |                     |                | 9236   |                     |                | 9236   |
| <b>Total Non current investments (A+B)</b>  |                     |                | 9236   |                     |                | 9489   |
| <b>Investments carried at cost</b>  |                     |                | 9236   |                     |                | 9236   |
| <b>Investments carried at fair value through other comprehensive income (FVOCI)</b> |                     |                | 0      |                     |                | 253    |

\* Mr. Mohanesh Kohli Director of the Company being appointed as Director of Basel Investments Limited on 15 March 2024 in which company invested 38 lakhs in previous years

**(b) Current investments**

| Particulars   | As At March 31,2024 |                    |        | As At March 31,2023 |                    |        |
|---|---------------------|--------------------|--------|---------------------|--------------------|--------|
|   | Number of Unit      | Amount per unit Rs | ('000) | Number of Unit      | Amount per unit Rs | ('000) |
| <b>Investment in Mutual Funds (unquoted) (Liquid/ Liquid Plus) (At Cost)</b>        |                     |                    |        |                     |                    |        |
| Mirae Asset Large cap fund growth plan  | 3,324.00            | 48                 | 321    | 3,324.00            | 48                 | 255    |
| <b>Investments at fair value through other comprehensive income (FVOCI)</b>         |                     |                    | 321    |                     |                    | 255    |
| <b>Investments carried at cost</b>  |                     |                    | 159    |                     |                    | 159    |
| <b>Investments carried at fair value through other comprehensive income (FVOCI)</b> |                     |                    | 321    |                     |                    | 255    |

**(c) Trade Receivables**

| Particulars   | As At March 31,2024 | As At March 31,2023 |
|---|---------------------|---------------------|
|   | ('000)              | ('000)              |
| <b>Trade receivable outstanding for a period exceeding six months</b> |                     |                     |
| Unsecured   |                     |                     |
| Considered good - Against Sale of Investments                         | 0                   | 0                   |
| Considered doubtful   | -                   | -                   |
| <b>Trade receivable outstanding for a period less than six months</b> |                     |                     |
| Unsecured   |                     |                     |
| Considered good - Against Exports                                     | 3599                | 2102                |
| Considered doubtful   | -                   | -                   |
| <b>Total</b>  | <b>3599</b>         | <b>2102</b>         |

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

The trade receivable for current year 3599 (Thousands) ( Previous Year 2102 Thousands).

Trade receivables ageing schedule for the year ended as on March 31, 2024 and March 31, 2023:

| 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 | -  | 3599               | -                  | -         | -         | -                 | 3599        |
| Undisputed Trade receivables – credit impaired | -  | -                  | -                  | -         | -         | -                 | 0           |
| Disputed Trade receivables – considered good   | -  | -                  | -                  | -         | -         | -                 | 0           |
| Disputed Trade receivables – credit impaired   | -  | -                  | -                  | -         | -         | -                 | 0           |
|  | -  | 3599               | -                  | -         | -         | -                 | 3599        |
| Less: Allowance for credit loss                | -  | -                  | -                  | -         | -         | -                 | 0           |
| <b>Total Trade Receivables 31st March 2024</b> |  |                    |                    |           |           |                   | <b>3599</b> |
| 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           |
| <b>Total Trade Receivables 31st March 2023</b> |  |                    |                    |           |           |                   | <b>2102</b> |

**Note 5**

**Deferred Tax Assets (Net)**

| Particulars                                    | As At March 31, 2024 ('000) | As At March 31, 2023 ('000) |
|--|-----------------------------|-----------------------------|
| Opening Balance                                | 312                         | 357                         |
| Less: Deferred Tax Liabilities on Depreciation | 1                           | (45)                        |
| <b>Total</b>                                   | <b>313</b>                  | <b>312</b>                  |

**Note 6**

**Other Non-Current Assets**

| Particulars  | As At March 31, 2024 ('000) | As At March 31, 2023 ('000) |
|--|-----------------------------|-----------------------------|
| <b>(Unsecured, considered good, unless otherwise stated)</b> |                             |                             |
| Capital Advances (Against Land & Building)                   | 22020                       | 35347                       |
| Other Loans and Advances                                     | 9156                        | 9921                        |
| Securities   | 402                         | 465                         |
| Deferred revenue Expenditure                                 | 54                          | 108                         |
| <b>Total</b>   | <b>31632</b>                | <b>45841</b>                |

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, 2024 ('000) | As At March 31, 2023 ('000) |
|---------------------------------------|-----------------------------|-----------------------------|
| <b>Balances with banks</b>            |                             |                             |
| In Current Account & Deposit Accounts | 6682                        | 4245                        |
| Cash in hand                          | 115                         | 58                          |
| <b>Total</b>                          | <b>6797</b>                 | <b>4303</b>                 |

**Note 8**

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

| Particulars                 | As At March 31, 2024 ('000) | As At March 31, 2023 ('000) |
|-----------------------------|-----------------------------|-----------------------------|
| <b>Balances with bank:-</b> |                             |                             |
| In Fixed Deposit            | 7616                        | 14694                       |
| <b>Total</b>                | <b>7616</b>                 | <b>14694</b>                |

**Note 9**

**Other Current Assets**

| Particulars  | As At March 31, 2024 ('000) | As At March 31, 2023 ('000) |
|--|-----------------------------|-----------------------------|
| <b>(Unsecured, considered good, unless otherwise stated)</b> |                             |                             |
| Advances with suppliers & others                             | 9389                        | 8658                        |
| Other Advances   | 180                         | 195                         |
| Advance Tax  | 755                         | 1010                        |
| TDS/TCS Recoverable  | 754                         | 124                         |
| Other Current Assets   | 858                         | 536                         |
| <b>Total</b>   | <b>11936</b>                | <b>10523</b>                |

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

| Particulars                                       | As At March 31, 2024 | As At March 31, 2023 |
|---|----------------------|----------------------|
|   | (₹000)               | (₹000)               |
| <b>Authorised</b>                                 |                      |                      |
| 230000 Equity Shares of Rs. 10/- each             | 23000                | 23000                |
|   | 23000                | 23000                |
| <b>Issued &amp; subscribed</b>                    |                      |                      |
| 2140700 equity shares of Rs. 10/- each fully paid | 21407                | 21407                |
|   | 21407                | 21407                |
| <b>Issued, Subscribed &amp; Paid up</b>           |                      |                      |
| 2140700 equity shares of Rs. 10/- each fully paid | 21407                | 21407                |
| <b>Total</b>                                      | <b>21407</b>         | <b>21407</b>         |

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

| Particulars                               | As At March 31, 2024 | As At March 31, 2023 |
|---|----------------------|----------------------|
|   | (₹000)               | (₹000)               |
| <b>EQUITY SHARES</b>                      |                      |                      |
| At the beginning of the year              | 21407                | 21407                |
| Add: Issued during the year               | -                    | -                    |
| <b>Outstanding at the end of the year</b> | <b>21407</b>         | <b>21407</b>         |

**b. Terms/Rights attached to equity shares**

The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company in proportion to their shareholding.

a. 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 aforementioned 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, 2024 are as follows:**

| Particulars                      | As At March 31, 2024 |               |                          | As At March 31, 2023 |               |
|----------------------------------|----------------------|---------------|--------------------------|----------------------|---------------|
|                                  | No. of Shares        | % Holding     | % Change during the year | No. of Shares        | % Holding     |
| Mohesh Kahl                      | 1100100              | 37.19%        | 12.40%                   | 777000               | 24.74%        |
| Meena (Inconsist)                | -                    | -             | -                        | 291100               | 12.45%        |
| Mohesh Kahl HUF                  | 713700               | 22.79%        | -                        | 713700               | 22.79%        |
| Apurva Kahl                      | 193000               | 6.10%         | -                        | 193000               | 6.10%         |
| Aastin Kahl                      | 254200               | 8.09%         | -                        | 254200               | 8.09%         |
| Greenarch Hitech Private Limited | 24200                | 0.72%         | -                        | 24200                | 0.72%         |
| <b>Total</b>                     | <b>2355200</b>       | <b>74.99%</b> | <b>12.40%</b>            | <b>2355200</b>       | <b>74.99%</b> |

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

| Particulars       | As At March 31, 2024 | As At March 31, 2023 |
|-------------------|----------------------|----------------------|
|                   | (₹000)               | (₹000)               |
| General reserves  | 5341                 | 5341                 |
| Retained earnings | 186726               | 174435               |
| <b>Total</b>      | <b>186726</b>        | <b>179776</b>        |

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

| Particulars    | As At March 31, 2024 | As At March 31, 2023 |
|----------------|----------------------|----------------------|
|                | (₹000)               | (₹000)               |
| Trade Payables | -                    | -                    |
| <b>Total</b>   | <b>0</b>             | <b>0</b>             |

Based on information available with the Company, there are no dues to micro, small and medium enterprises, as defined in Micro, Small and Medium Enterprises Development Act, 2006 as on March 31, 2024.

**Trade payables ageing schedule for the year ended as on March 31, 2024 and March 31, 2023:**

| Particulars                                 | Not Due | Less than 1 year months | 1-2 years year | 2-3 years | More than 3 year | Total    |
|---|---------|-------------------------|----------------|-----------|------------------|----------|
| Outstanding dues to MSME                    | -       | -                       | -              | -         | -                | -        |
| Others                                      | -       | -                       | -              | -         | -                | -        |
| Disputed dues - MSME                        | -       | -                       | -              | -         | -                | -        |
| Disputed dues - Others                      | -       | -                       | -              | -         | -                | -        |
| <b>Total trade payables 31st March 2024</b> |         |                         |                |           |                  | <b>0</b> |
| Outstanding dues to MSME                    | -       | -                       | -              | -         | -                | -        |
| Others                                      | -       | -                       | -              | -         | -                | -        |
| Disputed dues - MSME                        | -       | -                       | -              | -         | -                | -        |
| Disputed dues - Others                      | -       | -                       | -              | -         | -                | -        |
| <b>Total trade payables 31st March 2023</b> |         |                         |                |           |                  | <b>0</b> |

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

| Particulars                             | As At March 31, 2024 | As At March 31, 2023 |
|---|----------------------|----------------------|
|   | (₹000)               | (₹000)               |
| Audit Fees Payable                      | 45                   | 55                   |
| Contribution to Provident & Other Funds | 90                   | 498                  |
| Other Payables                          | 1053                 | 1385                 |
| <b>Total</b>                            | <b>1256</b>          | <b>2138</b>          |

**Note 13****Provisions**

| Particulars                     | As At<br>March 31,<br>2024 | As At<br>March 31,<br>2023 |
|---------------------------------|----------------------------|----------------------------|
|                                 | ('000)                     | ('000)                     |
| Provision for Income Tax        | 2375                       | 1761                       |
| Provision for Employee Benefits | 561                        | 242                        |
| <b>Total</b>                    | <b>2936</b>                | <b>2003</b>                |

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

| Particulars                            | As At<br>March<br>31,2024 | As At<br>March<br>31,2023 |
|--|---------------------------|---------------------------|
|  | ('000)                    | ('000)                    |
| <b>Information Technology Services</b> |                           |                           |
| Income From IT Exports Of Services     | 24961                     | 24128                     |
| Income From Domestic IT Services       | 8869                      | -                         |
| <b>Total</b>                           | <b>33830</b>              | <b>24128</b>              |

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

| Particulars   | As At<br>March<br>31,2024 | As At<br>March<br>31,2023 |
|---|---------------------------|---------------------------|
|   | ('000)                    | ('000)                    |
| Interest on Fixed Deposits with Bank                              | 632                       | 1209                      |
| Income from Investment (Dividend and Profits on Investments etc.) | (66)                      | 372                       |
| Other Income  | 34                        | 13                        |
| <b>Total</b>  | <b>600</b>                | <b>1594</b>               |

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

| Particulars  | As At<br>March<br>31,2024 | As At<br>March<br>31,2023 |
|--|---------------------------|---------------------------|
|  | ('000)                    | ('000)                    |
| Salary & Wages (Including Director Remuneration see note no. 31) | 7445                      | 5194                      |
| Contribution to Provident & Other Funds                          | 255                       | 276                       |
| Staff Welfare Expenses   | 378                       | 177                       |
| <b>Total</b>   | <b>8078</b>               | <b>5647</b>               |

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

| Particulars     | As At<br>March<br>31,2024 | As At<br>March<br>31,2023 |
|-----------------|---------------------------|---------------------------|
|                 | ('000)                    | ('000)                    |
| Borrowings Cost | 0                         | 0                         |
| <b>Total</b>    | <b>0</b>                  | <b>0</b>                  |

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

| Particulars                          | As At<br>March<br>31,2024 | As At<br>March<br>31,2023 |
|--------------------------------------|---------------------------|---------------------------|
|                                      | ('000)                    | ('000)                    |
| Depreciation & Amortization Expenses | 979                       | 746                       |
| <b>Total</b>                         | <b>979</b>                | <b>746</b>                |

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

| Particulars   | As At<br>March<br>31,2024 | As At<br>March<br>31,2023 |
|---|---------------------------|---------------------------|
|   | ('000)                    | ('000)                    |
| Advertisement & Marketing expenses  | 552                       | 616                       |
| Bank Charges  | 141                       | 101                       |
| Communication & Internet Expenses   | 297                       | 249                       |
| Insurance Expenses  | 35                        | 60                        |
| IT Operating Expenses   | 11309                     | 7207                      |
| Legal & Professional Expenses   | 977                       | 640                       |
| Miscellaneous Expenses  | 704                       | 294                       |
| Payment to auditors (refer Note 19.1 below)                                       | 60                        | 60                        |
| Power Fuel & Water Charges  | 267                       | 161                       |
| Printing & stationery   | 32                        | 31                        |
| Rent Rates & Taxes  | 434                       | 912                       |
| Repair & Maintenance Expenses   | 327                       | 402                       |
| Travelling & conveyance expenses (Including Director Foreign travelling Expenses) | 1097                      | 1645                      |
| <b>Total</b>  | <b>16232</b>              | <b>12378</b>              |



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

| Particulars                | As At March<br>31,2024 | As At March<br>31,2023 |
|----------------------------|------------------------|------------------------|
| <b>Payment to auditor</b>  | <b>(`000)</b>          | <b>(`000)</b>          |
| As Auditor Statutory Audit | 60                     | 60                     |
| For Other Services         | -                      | -                      |
| <b>Total</b>               | <b>60</b>              | <b>60</b>              |

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

| Particulars   | As At March<br>31,2024 | As At March<br>31,2023 |
|---|------------------------|------------------------|
| <b>Earnings per share</b>   | <b>(`000)</b>          | <b>(`000)</b>          |
| Basic   |                        |                        |
| Net profit / (loss) for the year from continuing operations attributable to the equity shareholders | 6827                   | 5159                   |
| Weighted average number of equity shares  | 3140700                | 3140700                |
| Par value per share   | 10                     | 10                     |
| Earnings per share from continuing operations - Basic   | 2.17                   | 1.64                   |
| Diluted   | 2.17                   | 1.64                   |

**20.1 Ratios**

The ratios for the years ended March 31, 2024 and March 31, 2023 are as follows:

| Particulars                       | Numerator                                 | Denominator                 | 31st March<br>2024 | 31st March<br>2023 | Variance | Reason for<br>Variance |
|-----------------------------------|---|-----------------------------|--------------------|--------------------|----------|------------------------|
| Current Ratio                     | Current assets                            | Current liabilities         | 7.22               | 7.70               | (6.22%)  | 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        | 21.74%             | 16.43%             | 5.31%    | Refer Note 2           |
| Trade receivables turnover ratio  | Revenue                                   | Average Trade Receivable    | 11.07              | 20.28              | (41.47%) | Refer Note 3           |
| Trade payables turnover ratio     | Purchases of services and other expenses  | Average Current Liabilities | 9.57               | 6.75               | 41.78%   | Refer Note 4           |
| Net capital turnover ratio        | Revenue                                   | Working Capital             | 1.30               | 0.87               | 49.14%   | Refer Note 5           |
| Net profit ratio                  | Net Profit                                | Revenue                     | 20.49%             | 19.43%             | 1.06%    | -                      |
| Return on capital employed (ROCE) | Earning before interest and taxes         | Capital Employed            | 4.19%              | 3.29%              | 0.90%    | -                      |
| Return on Investment(ROI)         | Income generated from investments         | Average investments         | -0.68%             | 3.31%              | (3.99%)  | -                      |

**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 Return on Equity ratio increase due to increase in profit.
3. The trade receivables turnover ratio decreased due to an increase in turnover in 2024.
4. The Trade payables turnover ratio increased due to an increase in current liabilities as compared to the previous year.
5. 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, 2024. Hence, no provision is required in the accounts for the year under review.

**Note 23****Auditor's Remuneration**

Auditors remuneration for the financial year 2023-24 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. 18743 thousand only (Previous Year Rs. 18979 thousand) and expenditure in foreign currency is Rs. 589 thousand only (Previous year 528 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 31,2024 | As At March 31,2023 |
| Employers' Contribution to Provident Fund            | 8                   | 1                   |
| Employer's Contribution to Employees State Insurance | 247                 | 275                 |

- 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 31,2024 | As At March 31,2023 |
| <b>Advance given to subsidiary</b>                            |                     |                     |
| <b>Megrisoft Limited ( UK Subsidiary)</b>                     |                     |                     |
| <b>Advance given to subsidiary</b><br>Balance at the year end | 2019                | 2019                |
| Maximum amount outstanding at any time during the year        | 2019                | 2019                |
| <b>Investment in Equity Shares - 100%</b>                     |                     |                     |
| 100 Equity Share of ₹1 each                                   | 10                  | 10                  |

**Note 28****Foreign Travelling Expenses**

Rs. 400 Thousand was incurred on foreign travelling during the financial year under review as compared to Rs. 487 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, 2024, the company has completed the construction of an IT plot at I-46, Sector-83 Alpha, I.T. City, SAS Nagar, Punjab, 160055. The work in progress amount of 48371 thousand capitalized during the year to building, office equipment, Furniture & fixtures, and computers. The present work in progress is 6696 thousand (Previous year: 44285 Thousand) yet to be completed. 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.     | Ms. Aprajita Kohli                                   | Relative of person having significant influence                            |
| 3.     | Mr. Austin Kohli                                     |  |
| 4.     | Mr. Mahesh Kohli                                     |  |
| 5.     | Mr. Rajnesh Sharma (Whole Time Director)             | Key Managerial Personnel   |
| 6.     | Mr. Vijay Kumar (Company Secretary)                  |  |
| 7.     | Ms. Manju Bala (Company Secretary)                   |  |
| 8.     | Mohnesh Kohli & Co.                                  | Enterprise Over which controlling person have significant influence        |
| 9.     | Mohnesh Kohli HUF                                    |  |
| 10.    | Megrisoft Limited (UK)                               | Subsidiary Company   |
| 11.    | Greenwich Fintech Private Limited                    | A company over which promotor and its relative are director and promoters. |
| 12.    | Ad Accounting & Bookkeeping Services Private Limited | Relative of Mohnesh Kohli is director of the company.                      |
| 13.    | Basel Investments Limited                            | Mr. Mohnesh Kohli is the Non-executive director of the company.            |

**B) Details of transactions with related party during year ended March 31, 2024 in the ordinary course of business:**

**(Amount in '000)**

| <b>Sr No</b> | <b>Nature of Relationship/ transaction</b>   | <b>Person having Significant Influence &amp; their relatives</b> | <b>Key Managerial Personnel &amp; relatives</b> | <b>Independent &amp; Other Non Executive Directors</b> | <b>Enterprise over which controlling person have significant influence</b> | <b>Subsidiary Company</b> | <b>Total</b> |
|--------------|--|--|---|--|--|---------------------------|--------------|
| <b>1.</b>    | <b>KMP Remuneration</b><br>Mr. Rajnesh Sharma<br>Ms. Aprajita Kohli<br>Ms. Vijay Kumar<br>Ms. Manju Bala             | -<br>-<br>-<br>-   | 470<br>2527<br>16<br>256                        | -<br>-<br>-<br>-                                       | -<br>-<br>-<br>-   | -<br>-<br>-<br>-          | <b>3269</b>  |
| <b>2.</b>    | <b>Director Sitting Fees:</b><br>Mohesh Kohli<br>Mahesh Kumar<br>Ishwar Partap Singh<br>Sahil Malhotra<br>Raman Seth | -<br>-<br>-<br>-<br>-  | -<br>-<br>-<br>-<br>-                           | 20<br>19<br>10<br>15<br>10                             | -<br>-<br>-<br>-<br>-  | -<br>-<br>-<br>-<br>-     | <b>74</b>    |
| <b>3.</b>    | <b>Reimbursement of Tour &amp; Travelling Expense:</b><br>Aprajita Kohli<br>Mohesh Kohli                             | -<br>-   | -<br>-  | 317<br>619   | -<br>-   | -<br>-                    | <b>936</b>   |
| <b>4.</b>    | <b>Rent paid:</b><br>Mohesh Kohli  | 360  | -   | -  | -  | -                         | <b>360</b>   |
| <b>5.</b>    | <b>Payment for Construction of Building at IT Park Mohali Punjab</b><br>Mahesh Kohli                                 | 1053   | -   | -  | -  | -                         | <b>1053</b>  |

Out of above payments to related parties director remuneration outstanding on 31st March 2024 is 40 thousand ( previous year 61 thousand)

**Note 31**

Salary and wages include director remuneration 2997 thousand ( Previous Year 2882 thousand) and sitting fee 74 thousand ( Previous Year 60 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 Company has already paid the full amount of 32405 thousand. The company has already made an application for the freehold of the plot with GMADA. The Company owns a plot no. G1/34 measuring 400.06 sq meter at DLF Velly Panchkula Haryana. The title deed of the plot in favour of the company is yet to be registered.

**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 an appeal against the order, pending at the 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 and on the behalf of Board of Directors**

**For Sanjay Arora & Associates**

Chartered Accountants

ICAI Firm Registration Number: 008445N

**Mohnesh Kohli**

**(Director)**

**DIN: 01784617**

**Rajnesh Sharma**

**(Director & CFO)**

**DIN: 02528435**

**Neelkant Gargya**

Partner

Membership Number: 093624

Place of Signature: Chandigarh

Date: 24th May 2024

**Manju Bala**  
**Company Secretary &**  
**Compliance Officer**  
**M.No: ACS 67831**