

To

BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400 001 Email Id: corp.compliance@bseindia.com Scrip Code: 539012	Head- Listing & Compliance Metropolitan Stock Exchange of India Ltd 4th floor, Vibgyor Towers, Plot No C 62, G - Block, Opp. Trident Hotel, Bandra Kurla Complex, Bandra (E), Mumbai - 400 098, Email Id: listingcompliance@msei.in Symbol: MEGRISOFT
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Subject: 29th Annual Report of the Company for the Financial Year 2019-20

Dear Sirs,

In compliance with the provisions of Regulation 34(1)(a) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Please find enclosed the Annual Report of the Company along with the Notice of Annual General Meeting for the year 2019-20.

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

This is for your information and record.

Thanking You,

Yours Faithfully,

For Megri Soft Limited,


(Kajal Kawaal)

Company Secretary & Compliance Officer

M.No: 61667

Date: 28/08/2020

Place: Chandigarh

29th Annual Report
2019-20

Megrisoft

Megri Soft Limited

COMPANY INFORMATION:

BOARD OF DIRECTORS

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

STATUTORY AUDITOR

M/s Sanjay Arora & Associates
Chartered Accountants
Chandigarh

COMPANY SECRETARY & COMPLIANCE OFFICER

CS Aman Priya

CHIEF FINANCIAL OFFICER (CFO)

Mr. Rajnesh Sharma

CONSULTING COMPANY SECRETARY & SECRETARIAL AUDITOR

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

BANKERS

Karnataka Bank Limited

REGISTERED OFFICE OF COMPANY, CIN, EMAIL ID & WEBSITE

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

REGISTRAR & SHARE TRANSFER AGENT

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

LISTING

- 1. BSE LIMITED**
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai-400 001
- 2. Metropolitan Stock Exchange of India Ltd(MSEI)**
4th floor, Vibgyor Towers, Plot No C 62,
G - Block, Opp. Trident Hotel, Bandra Kurla Complex,
Bandra (E), Mumbai - 400 098

Board's Report

Dear Members,

The Board of Directors of your Company take pleasure in presenting the Twenty-Ninth Annual Report on the business and operations of the Company together with the audited Standalone & Consolidated Financial Statements and the Auditor's Report thereon for the financial year ended March 31, 2020.

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

➤ Results of operations

(₹ Lakhs)

Particulars	Standalone		Consolidated	
	FY 2019-20	FY 2018-19	FY 2019-20	FY 2018-19
1. Revenue	160.83	180.32	221.41	246.03
2. Other Income	34.36	42.29	34.36	42.31
3. Total Income (1+2)	195.19	222.61	255.77	288.34
Expenditure:				
a) Employees Benefits Expenses	41.21	39.73	78.24	75.77
b) Depreciation and Amortization expenses	6.45	11.94	6.96	12.22
c) Finance Cost	0.02	0.52	0.02	0.52
d) Other Expenses	101.37	120.32	121.41	144.04
4. Total Expenditure	149.05	172.51	206.63	232.55
5. Earnings Before Interest and Tax (EBIT) (3-4)	46.14	50.10	49.14	55.79
6. Exceptional Item	0.00	0.00	0.00	2.30
7. Net Profit before tax (5-6)	46.14	50.10	49.14	53.49
8. Tax Expenses	11.91	12.13	12.52	13.26
9. Net Profit After Tax (7-8)	34.23	37.97	36.62	40.23

➤ Financial Review

Standalone Financial Statements

The annual audited Standalone Financial Statements for the year have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable. Necessary disclosures as regards to the key impact areas & other adjustments upon transition to Ind-AS reporting have been made under the Notes to Financial Statements.

Your Company's revenue from operations is ₹ 160.83 Lakh during the year under review as against ₹180.32 Lakh during the previous financial year.

Operating EBIT, for the year is ₹ 46.14 Lakh in comparison with ₹ 50.10 Lakh in FY 2018-19. Profit before tax (PBT) from ordinary activities (before exceptional items) is ₹ 46.14. Lakh in FY 2019-20 as against ₹ 50.10 Lakh in FY 2018-19.

Consolidated Financial Statements

The Consolidated Financial Statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.

The Consolidated Financial Statements have been prepared on the basis of the audited financial statements of the wholly owned subsidiary (Megrisoft Limited) which is incorporated in the United Kingdom, as approved by their respective Board of Directors.

Your Company, on a consolidated basis, achieved net revenue of ₹ 221.41 Lakh during the year under review as against ₹ 246.03 Lakh during the previous financial year. The total consolidated income for the year is ₹ 255.77. Lakh as compared to ₹ 288.34 Lakh in FY 2018-19.

➤ Covid-19

In the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees, and on minimizing disruption to services for all our clients globally. From a highly centralized model consisting of work spaces set in large delivery campuses capable of accommodating employees, the switch to work from home for employees all over extending all the elements of the Company's Open Agile Delivery model concept into a next-generation Secure Borderless Workspaces (SBWS) model was carried out seamlessly.

As of March 31, 2020, work from home was enabled to close to 90 percent of the employees to work remotely and securely. This response has reinforced clients' confidence in Megrisoft and many of them have expressed their appreciation and gratitude for keeping their businesses running under most challenging conditions.

➤ **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 ₹ 1637.45 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 BSE Ltd. (BSE) & Metropolitan Stock Exchange of India Limited (MSEI). The Securities and Exchange Board of India (SEBI), on September 2, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital markets to ensure better enforceability. The said regulations were applicable w.e.f. December 1, 2015. Accordingly, all listed entities were required to enter into a Uniform Listing Agreement within six months from the effective date. The Company has entered into the requisite Listing Agreement with both the above Stock Exchanges.

➤ **Fixed Deposits**

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

➤ **Operations Review**

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

➤ **Details of Subsidiaries**

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

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

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

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

As per the provisions of the Act and the Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on Company's website at <http://www.megrisoft.com/pdfs/rptp.pdf>.

The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

This Policy specifically deals with the review and approval of Material Related Party transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is also obtained for related party transactions on an annual basis for transactions which are of repetitive nature and/ or entered in the ordinary course of business and at arm's length basis. The Company has entered into material related party transactions, i.e. transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statements. The particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the prescribed Form AOC-2 are given in **Annexure II**.

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

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

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

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

➤ Future Outlook

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

➤ Corporate Governance

Pursuant to the provision of Regulation 27(2) of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 regarding Corporate Governance Report is not applicable on our Company due to applicability of exemption provided under Regulation 15(2) of SEBI(LODR) Regulations, 2015. Accordingly, the paid-up Share Capital of our Company is ₹ 3,14.07 Lakh (Rupees Three Crore Fourteen Lakhs & Seven Thousand Only) i.e. below Rs. 10 Crore and Net Worth of the Company is ₹ 1951.52 Lakh as on March 31, 2020 which is not exceeding Rs. 25 Crore. Hence, Corporate Governance provisions are not applicable to the Company.

➤ Management Discussion And Analysis

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

➤ Meetings of the Board

☐ Scheduling and selection of agenda items for Board meetings

- The meetings of the Board are convened by giving appropriate advance notice to the members of the Board. The Company Secretary circulates internal notice to all the Board members asking for the suggestions/details of any matter which requires discussion or approval of the Board so that the same could be incorporated in the agenda of the Board meeting. The date of the Board meeting is fixed taking into account the convenience and availability of the Board members.
- The agenda papers are circulated to the Directors in advance along with suitable explanatory notes. At each meeting detailed presentations and important documents are placed at the table of the meeting for discussion of individual agenda items. The minutes of the Committees of the Board are taken as read at the meeting of the Board for information of the members. The follow up actions of important agenda items of previous Board meetings are placed at the Board meeting for review of the Board.
- The Company Secretary conducts the Board meetings and prepares all documents including minutes of the meeting in compliance with the provisions of the Companies Act and other statutory enactments. The Company Secretary records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to Board/Board Committee members for their comments. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting.
- Pursuant to Schedule IV to the Companies Act, 2013 and Listing Regulations, one meeting of Independent Directors was held during the year i.e. on February 08, 2020, 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 2019-20, the Board met 7 (seven) times i.e. on 22.05.2019, 07.08.2019, 30.08.2019, 01.10.2019, 14.11.2019, 08.02.2020 and 18.02.2020. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

Quarter - I [April'19-June'19]

1) 22.05.2019

Quarter - II [July'19-Sept'19]

1) 07.08.2019

2) 30.08.2019

Quarter - III [Oct'19-Dec19]

1) 14.11.2019

2) 01.10.2019

Quarter - IV [Jan'20-Mar'20]

1) 08.02.2020

2) 18.02.2020

➤ No. of Meetings Attended by the Board of Directors

S.No	Name of the Directors	Number of Meeting Attended
1.	Mohnesh Kohli	7
2.	Aprajita Kohli	2
3.	Rajnesh Sharma	7
4.	Diksha	7
5.	Mahesh Kumar	7

➤ General Meetings

During the Financial Year 2019-20, There were 2 (Two) Meetings held by the Shareholders of the Company. The details of Meetings are as Follows:

S.No.	Meeting	Date of Meeting
1.	Annual General Meeting	30.09.2019
2.	Extra ordinary General Meeting	18.03.2020

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

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

❑ Audit Committee

Our Audit Committee comprised three directors as on March 31, 2020 out of which two are independent directors and one is non-executive director. The Company Secretary acts as the secretary to the audit committee.

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

Audit Committee Meetings

During the Financial Year 2019-20, there were 7 (Seven) meetings held by the Members of the Audit committee. The details pertaining to the number of Audit Committee Meetings held during the financial year under review.

S.No	Date of Board Meeting
1.	22.05.2019
2.	07.08.2019
3.	01.10.2019
4.	14.11.2019
5.	08.02.2020
6.	10.02.2020
7.	11.02.2020

Number of Meetings attended by the Members of the Audit Committee

S.No	Name of the Directors	Numbers of Meeting Attended
1.	Mahesh Kumar	7
2.	Diksha	7
3.	Mohnesh Kohli	7

❑ Nomination & Remuneration Committee

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

Our nomination and remuneration committee comprised the following directors as on March 31, 2020 :

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

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

During the Financial Year 2019-20, there were 3 (Three) meetings held by the Members of the Nomination & Remuneration committee and requisite quorum attended the said meeting. The details pertaining to the number of Nomination & Remuneration Committee Meetings held during the financial year under review.

S.No	Date of Board Meeting
1.	22.05.2019
2.	01.10.2019
3.	18.02.2020

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

S.No	Name of the Directors	Numbers of Meeting Attended
1.	Maresh Kumar	3
2.	Diksha	3
3.	Mohnesh Kohli	3

Shareholders'/Investors' Grievance Committee (Stakeholders Relationship)

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

Our Stakeholders Relationship committee comprised the following directors as on March 31, 2020 :

- | | | | |
|--------------------------|-------------------|---|------------------------------------------------|
| <input type="checkbox"/> | Mr. Mohnesh Kohli | - | Chairman (Non- Executive Director) |
| <input type="checkbox"/> | Ms. Diksha | - | Member (Non- Executive & Independent Director) |
| <input type="checkbox"/> | Mr. Maresh Kumar | - | Member (Non- Executive & Independent Director) |

During the Financial Year 2019-20, there were 2 (Two) meetings held by the Members of the stakeholder's relationship committee and requisite quorum attended the said meeting. The details pertaining to number of stakeholder's relationship Committee Meetings held during the financial year under review

S.No	Date of Board Meeting
1.	19.06.2019
2.	14.02.2020

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

S.No	Name of the Directors	Numbers of Meeting Attended
1.	Maresh Kumar	2
2.	Diksha	2
3.	Mohnesh Kohli	2

During the Financial Year 2019-20, the Company has not received any complaints from any shareholder.

Committee of Independent Directors

The meeting of Independent Directors of the Company for the Financial Year 2019-20 was held on February 08, 2020 to discuss:

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

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

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

➤ Vigil Mechanism/Whistle Blower Policy

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

➤ Risk Management Policy

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

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

➤ Internal Financial Control

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

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

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

- 1) The Company has filed an appeal with CIT (Appeals), Chandigarh for a demand of amount to Rs. 73,47,744/- raised by disallowing deduction u/s 80IC of Income Tax Act, 1961 for the Assessment Year 2013-14.
- 2) The Company has filed an appeal with CIT (Appeals), Chandigarh for a demand of amount to Rs. 65,15,710/- raised by disallowing deduction u/s 80IC of Income Tax Act, 1961 for the Assessment Year 2014-15.
- 3) The Company has filed an appeal with CIT (Appeals), Chandigarh for a demand of amount to Rs. 18,67,998/- raised by disallowing deduction u/s 80IC of Income Tax Act, 1961 for the Assessment Year 2016-17.
- 4) During the FY 2018-19, MS Shoes East Limited (now known as Tomorrowland Technologies Exports Limited) had instituted a suit against the company for execution of ex-parte decree for an amount of Rs 85,16,928/- along with interest @18 % p a till date. The case also has been disposed off as settled by the Delhi High Court on 02.08.2019 by payment of a lump sum amount of 15.00 lacs. The amount paid and execution proceeding has been withdrawn MS Shoes East Limited (now known as Tomorrowland Technologies Exports Limited). Therefore no Contingent Liability as on date.

➤ Directors and Key Managerial Personnel (KMP's)

❑ Appointment

During the year under review, Mr. Rajnesh Sharma whose term as whole Time Director has expired on 30.09.2019 has been reappointed as Whole Time Director of the Company on 01.10.2019 by the Board subject to the approval of terms and conditions of reappointment by the Shareholders in the ensuing Annual General Meeting.

❑ Change in Designation

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

❑ Cessation

During the year under review, none of the directors have resigned from the designation of Director of the Board.

❑ Retirement by Rotation (Ms. Aprajita Kohli)

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

❑ Key Managerial Personnel

In compliance with the provisions of Section 203 of the Companies Act, 2013, following are the KMPs of the Company as on 31st March, 2020:

S.No.	Name	Designation
1.	Mr. Rajnesh Sharma	Whole Time Director

2.	Mr. Rajnesh Sharma	Chief Financial Officer
3.	Ms. Aman Priya*	Company Secretary

*Ms. Aman Priya has been appointed as Company Secretary of the Company w.e.f. 22nd May,2019 in the place of Ms. Pratima Yadav, Company Secretary who has resigned from the said designation w.e.f. 29th March,2019.

❑ Declaration by Independent Directors

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

❑ Performance Evaluation of the Board

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

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

❑ Annual Evaluation of the Board Performance:

Pursuant to Schedule IV to the Companies Act, 2013 and Listing Regulations, one meeting of Independent Directors was held during the year i.e. on February 08, 2020, without the attendance of Executive directors and members of Management to evaluate the performance of Non-Independent Directors, Chairperson of the Company and the Board as a whole. In addition, the Company encourages regular separate meetings of its independent directors to update them on all business-related issues and new initiatives.

❑ Familiarization Program for Independent Directors

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

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

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

➤ Auditors & Auditor's Report

❑ Statutory Auditor

During the year M/s Kapil Sandeep & Associates, Chartered Accountants (Firm Registration No. 0016244N) resigned as the statutory auditors of the Company due to their preoccupations in other assignments and M/s. Sanjay Arora & Associates, Chartered Accountants, Chandigarh, [FRN: 008445N] were appointed as Statutory Auditors of the Company by the Members at Extraordinary General Meeting held on 18th March, 2020 till the conclusion of the ensuing Annual General Meeting to conduct the Statutory Audit for the period ending 31st March, 2020.

Further M/s. Sanjay Arora & Associates, Chartered Accountants, Chandigarh, [FRN: 008445N] being eligible for re-appointment, the Board on recommendation of Audit Committee hereby recommends their re-appointment as the statutory auditors of the Company for a period of 4 (four) year, on such remuneration as may be fixed by the board.

The Board received a certificate from M/s. Sanjay Arora & Associates, Chartered Accountants, Chandigarh, [FRN: 008445N] intimating that, if that firm will be appointed at ensuing Annual General Meeting, it shall be in accordance with the limits specified under Section 139(1) read with qualification as prescribed under Section 141 of the Companies Act, 2013.

❑ Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. A.M. & Associates, Practising Company Secretaries as the Secretarial Auditors of the Company to undertake Secretarial Audit of the Company for FY 2019-20.

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

❑ Audit Reports

- The Auditors' Report for the financial year ended March 31, 2020 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, 2020 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.

➤ Annual Return

The extracts of Annual Return pursuant to the provisions of Section 92, 134 and Rule 12 of the Companies (Management and Administration) Rules, 2014 for the financial year 2019-20 in Form MGT-9 is annexed hereto and form part of this report as **Annexure V**.

The Annual return of the Company for Financial Year 2019-20 can also be accessed on the Company's website i.e <https://www.megrisoft.com/>

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

☐ Conservation of Energy and Technology Absorption

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

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

☐ Foreign Exchange Earnings and Outgo

The particulars regarding foreign exchange earnings during the year of Rs. 160.83 Lakhs only (Previous Year Rs. 180.32 Lakhs) and expenditure in foreign currency is Rs. 10.81 Lakhs only (Previous year Rs. 7.33 Lakhs).

➤ Green Initiatives

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

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

➤ Human Resources Management

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

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

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

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

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

During the FY 2019-20, the Company received no complaint on sexual harassment under The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.

➤ Particulars of the Employees

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

None of the employees has received a salary of `1.02 crores per annum or `8.50 lakh per month or more during the Financial Year 2019-20. Accordingly, no particulars of employees are required to be given as per Rule 5 (2) and 5 (3) Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014. Since the Company has no Holding Company, no particulars are required to be given pursuant to the provisions of section 197(14) of the Companies Act, 2013.

➤ Directors Responsibility Statement

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

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

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2020.

➤ **General Disclosures**

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

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

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

➤ **Code of Conduct**

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

➤ **Appreciation**

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

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

For and on behalf of the Board

Place: Chandigarh
Date: May 25, 2020

Mohnesh Kohli
Director
DIN:01784617

Rajnesh Sharma
Whole-Time Director
DIN:02528435

Management Discussion and Analysis

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

➤ **Overview**

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

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

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

➤ **Industry Structure and Development**

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

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

➤ **Opportunities and Threats**

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

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

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

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

Because of the opening up of the software business sector and increasing work pressure of project deadlines there is a lot of pressure on people and salaries. The Company has had a good track record of employee retention; therefore, it would be able to maintain the quality of the employees in the future as well. The Company being in the IT sector is having risk of Data Security, Attrition, Content Liability, IPR Protect, Obsolescence and Competition Risk.

➤ **Outlook**

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

➤ **Risk Concerns**

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

➤ **Discussion on Financial Performance**

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

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

➤ **Material Development in Human Resources and Environment**

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

➤ **Internal Financial Control**

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

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

➤ **Forward Looking Statement**

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

Form AOC-1

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

Part "A": Subsidiaries

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

Sl. No.	Particulars	Details
1.	Name of the subsidiary	MEGRISOFT LIMITED
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as Holding Company
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	British Pound Sterling (Rs. 93.08 as on March 31, 2020)
4.	Share capital	Rs 9,308 (100 pounds)
5.	Reserves & surplus	Rs 9.27 Lakhs
6.	Total assets	Rs 36.56 Lakhs
7.	Total Liabilities	Rs 36.56Lakhs
8.	Investments	N.A.
9.	Turnover	Rs 60.58 Lakhs
10.	Profit before taxation	Rs 03.00 Lakhs
11.	Provision for taxation	Rs 0.61 Lakhs
12.	Profit after taxation	Rs 2.39 Lakhs
13.	Proposed Dividend	N.A.
14.	% of shareholding	100%

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

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

Part "B": Associates and Joint Ventures

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

Name of Associates/Joint Ventures	N.A.		
1. Latest audited Balance Sheet Date	N.A	N.A	N.A
2. Shares of Associate/Joint Ventures held by the company on the year end	N.A	N.A	N.A
No.	N.A	N.A	N.A
Amount of Investment in Associates/Joint Venture	N.A	N.A	N.A
Extend of Holding%	N.A	N.A	N.A
3. Description of how there is significant influence	N.A	N.A	N.A

4. Reason why the associate/joint venture is not consolidated	N.A	N.A	N.A
5. Net worth attributable to shareholding as per latest audited Balance Sheet	N.A	N.A	N.A
6. Profit/Loss for the year	N.A	N.A	N.A
i. Considered in Consolidation	N.A	N.A	N.A
ii. Not Considered in Consolidation	N.A	N.A	N.A

Note:

1. Names of associates or joint ventures which are yet to commence operations - **NA**
2. 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: May 25,2020

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)

Form for disclosure of particulars of contracts or 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 fourth proviso thereto:

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

The Company has not entered in to any contract or arrangement or transactions with its related parties which is not at arm's length during the financial year 2019-20.

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: 01.04.2015
 - f) Amount: 360,000
2.
 - a) Name(s) of the related party and nature of relationship: Mrs. Neena Kohli, Promoter, Director & Person having significant influence
 - b) Nature of contracts/arrangements/transactions: Rent Paid
 - c) Duration of the contracts/arrangements/transactions: 5 Years
 - d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
 - e) Date(s) of approval by the Board: 01.04.2015
 - f) Amount: 480,000
3.
 - a) Name(s) of the related party and nature of relationship: Mr. Mahesh Kohli
 - b) Nature of contracts/arrangements/transactions: Contract given/signed for Construction of premises on Companies land
 - c) Duration of the contracts/arrangements/transactions: Five 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 paid as advances, if any: Not Applicable

For and on behalf of the Board

Place: Chandigarh
Date: May 25,2020

Mohnesh Kohli
Director
DIN:01784617

Rajnesh Sharma
Whole-Time Director
DIN:02528435

**NOMINATION AND REMUNERATION POLICY
OF
MEGRI SOFT LIMITED
(U/s 178 of the Companies Act, 2013 and Clause 49 (IV) of the Amended Listing Agreement)**

1. PREFACE:

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

2. ROLE OF THE COMMITTEE:

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

3. MEMBERSHIP:

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

4. CHAIRMAN:

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

5. FREQUENCY OF MEETINGS:

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

6. COMMITTEE MEMBERS' INTERESTS:

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

7. SECRETARY:

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

8. VOTING:

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

9. MINUTES OF COMMITTEE MEETING:

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

10. EFFECTIVE DATE & AMENDMENTS:

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

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

For the Financial Year Ended March 31, 2020

[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, 2020**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Megri Soft Limited** ("The Company") for the period ended on **March 31, 2020** according to the provisions of:
 - a. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
 - b. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the Rules made thereunder;
 - c. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - d. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - e. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**'):
 - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not applicable to the Company during the Audit Period**);
 - iv. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on October 28, 2014 (**Not applicable to the Company during the Audit Period**);
 - v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company during the Audit Period**);
 - vi. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the Company during the Audit Period**);
 - viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the Company during the Audit Period**);

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

- I. Secretarial Standards issued by The Institute of Company Secretaries of India and effective from 01.07.2015.
- II. The Listing Agreements entered into by the Company with BSE Limited & Metropolitan Stock Exchange of India Limited (MSEI)/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

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

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

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

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

**Place : Zirakpur
Date : May 25, 2020**

For A.M. & Associates

**CS Ankur Mahindru (Proprietor)
Membership No. 27853,
C.P. NO. 9951
UDIN: A027853B000278675**

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

Annexure-A

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

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

Place : Zirakpur
Date : May 25, 2020

For A.M. & Associates

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

**Form No. MGT-9
Extract of Annual Return**

As for the financial year ended on March 31, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I.	Registration And Other Details	
i)	CIN (Corporate Identification Number)	L72200CH1992PLC011996
ii)	Registration Date	5th February 1992
iii)	Name of the Company	Megri Soft Limited
iv)	Category / Sub-Category of the Company	Public Company/Limited by shares
v)	Address of the Registered office and contact details	S.C.O. 80, FIRST FLOOR, BACK SIDE, SECTOR- 47, CHANDIGARH-160047 Tel No. : +91-0172-2631561 Fax No.: +91-0172- 5012787
vi)	Whether listed Company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent	Beetal Financial & Computer Services Pvt. Ltd Beetal House, 3rd Floor, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi- 110062 Phone: +911129961281-83 Fax: +911129961284 Email: beetalrta@gmail.com
II.	Principal Business Activities of the Company	As per Attachment A
III.	Particulars Of Holding, Subsidiary And Associate Companies	<ul style="list-style-type: none"> • Name: MEGRISOFT LIMITED • Country : U.K. • Subsidiary Company • Registration No. : 10434642 • % Holding at March 31, 2020- 100%
IV.	Shareholding Pattern (Equity Share Capital Breakup As Percentage Of Total Equity)	
i)	Category-wise Shareholding	
ii)	Shareholding of Promoters	As per Attachment B
iii)	Change in Promoters' Shareholding	
iv)	Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	
v)	Shareholding of Directors and Key Managerial Personnel	
V.	Indebtedness of the Company including interest outstanding/accrued but not due for payment	
VI.	Remuneration Of Directors And Key Managerial Personnel	
A.	Remuneration to Managing Director, Whole-time Directors and/or Manager	As per Attachment D
B.	Remuneration to other directors	
C.	Remuneration to Key Managerial Personnel other than MD/Manager/WTD	
VII.	Penalties/Punishment/Compounding Of Offences	Nil

f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
i)	Any other(specify)	-	-	-	-	-	-	-	-	-
	Sub-Total B(1)	-	-	-	-	-	-	-	-	-
(2)	Non-Institutions									
a)	Bodies Corporate	152300	15500	167800	5.34	9900	15500	25400	0.81	-4.53
b)	Individuals	-	-	-	-	-	-	-	-	-
i)	Individual shareholders holding nominal share capital up to Rs.1 Lakh	10349	288200	298549	9.51	52935	261300	314235	10.00	0.49
ii)	Individual shareholders holding nominal share capital in excess of Rs.1 Lakh	432406	105700	538106	17.13	496470	22900	519370	16.54	-0.59
c)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
d)	Any Other	1695	-	1695	0.05	1695	-	1695	0.05	-
	Sub-Total B(2)	596750	409400	1006150	32.03	561000	299700	860700	27.40	-4.63
	Total Public Shareholding [B=B(1)+B(2)]	596750	409400	1006150	32.03	561000	299700	860700	27.40	-4.63
C	Shares Held by Custodian For GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total(A+B+C)	2731300	409400	3140700	100	2841000	299700	3140700	100	-

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding As on 01.04.2019			Shareholding As on 31.03.2020			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	% change during the year
1.	Mohnesh Kohli	7,07,000	22.51	-	7,32,000	23.31	-	0.80
2.	Neena	3,91,100	12.45	-	3,91,100	12.45	-	-
3.	Aprajita Kohli	1,62,700	5.18	-	1,93,000	6.15	-	0.97
4.	Austin Kohli	2,20,200	7.01	-	2,54,200	8.09	-	1.08
5.	Mohnesh Kohli HUF	3,45,850	11.01	-	4,02,000	12.80	-	1.79
6.	Basel Investments Limited	3,07,700	9.80	-	3,07,700	9.80	-	-
	Total	21,34,550	67.96	-	22,80,000	72.60	-	4.64

iii) Change in Promoters' Shareholding - There were following changes in Promoters Shareholding during FY 2019-20.

Sl. No.	Name of Promoter	Shareholding		Date	Increase/ (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of Shares at the beginning/ end of year	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Mohhesh Kohli	7,07,000	22.51	01.04.2019				
				28.05.2019	25,000	Purchase	7,32,000	23.31
		7,32,000	23.31	31.03.2020				
2.	Neena	3,91,100	12.45	01.04.2019	0	Nil movement during the year	-	-
		3,91,100	12.45	31.03.2020			3,91,100	12.45
3.	Aprajita Kohli	1,62,700	5.18	01.04.2019				
				29.05.2019	30,300	Purchase	1,93,000	6.15
		1,93,000	6.15	31.03.2020				
4.	Austin Kohli	2,20,200	7.01	01.04.2019			-	-
				29.05.2019	34,000	Purchase	2,54,200	8.09
		2,54,200	8.09	31.03.2020				
5.	Mohhesh Kohli HUF	3,45,850	11.01	01.04.2019				
				28.05.2019	36,150	Purchase	3,82,000	12.16
				29.08.2019	20,000	Purchase	4,02,000	12.80
		4,02,000	12.80	31.03.2020				
6.	Basel Investments Limited	3,07,700	9.80	01.04.2019	0	Nil movement during the year	-	-
		3,07,700	9.80	31.03.2020			3,07,700	9.80

iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Komal Sharma	1,08,148	3.44	01.04.2019				
		9,840	0.31	10.05.2019	Increase	Purchase	1,17,988	3.75
		132	0.004	17.05.2019	Decrease	Sale	1,17,856	3.75
		29,450	0.94	31.05.2019	Decrease	Sale	88,406	2.81
		5,177	0.16	07.06.2019	Increase	Purchase	93,583	2.97
		15,032	0.48	21.06.2019	Increase	Purchase	1,08,615	3.45
		1,536	0.08	12.07.2019	Increase	Purchase	1,10,151	3.53

		164	0.005	19.07.2019	Decrease	Sale	1,09,987	3.52
		163	0.005	02.08.2019	Decrease	Sale	1,09,824	3.52
		700	0.02	09.08.2019	Increase	Purchase	1,10,524	3.54
		1,382	0.04	16.08.2019	Increase	Purchase	1,11,906	3.58
		2,175	0.07	23.08.2019	Increase	Purchase	1,14,081	3.65
		5,000	0.16	30.08.2019	Decrease	Sale	1,09,081	3.49
		4,800	0.15	13.09.2019	Increase	Purchase	1,13,881	3.63
		1,13,881	3.63	31.03.2020				
2.	Vikram Joshi	57,800	1.84	01.04.2019	0	Nil movement during the year	57,800	1.84
		57,800	1.84	31.03.2020				
3.	Simranjit Singh Sidhu	44,800	1.43	01.04.2019				
		169	0.005	03.05.2019	Decrease	Sale	44,631	1.42
		14,000	0.45	31.05.2019	Decrease	Sale	30,631	0.97
		3	-	28.06.2019	Decrease	Sale	30,628	0.97
		253	0.008	12.07.2019	Decrease	Sale	30,375	0.96
		17,697	0.56	18.10.2019	Increase	Purchase	48,072	1.53
		48,072	1.53	31.03.2020				
4.	Jarnail Singh	21,700	0.69	01.04.2019				
		105	0.003	08.11.2019	Increase	Purchase	21,805	0.69
		7,000	0.22	15.11.2019	Increase	Purchase	28,805	0.91
		11,000	0.35	24.01.2020	Increase	Purchase	39,805	1.26
		39,805	1.26	31.03.2020				
5.	Arun Mahajan	41,200	1.31	01.04.2019				
		10,000	0.32	09.08.2019	Decrease	Sale	31,200	0.99
		31,200	0.99	31.03.2020				
6.	Sukhvir Singh	42,000	1.34	01.04.2019				
		11,032	0.35	31.05.2019	Decrease	Sale	30,968	0.99
		32	-	16.08.2019	Increase	Purchase	31,000	0.99
		31,000	0.99	31.03.2020				
7.	Suveer Sachdeva	30,900	0.98	01.04.2019	0	Nil movement during the year	30,900	0.98
		30,900	0.98	31.03.2020				
8.	Vikram Karam Chand Bhanot	30,000	0.95	01.04.2019				
		30,000	0.95	31.05.2019	Decrease	Sale	0	0.00
		15,000	0.48	21.06.2019	Increase	Purchase	15,000	0.48
		1,009	0.03	12.07.2019	Decrease	Sale	13,991	0.45
		433	0.01	19.07.2019	Decrease	Sale	13,558	0.44

		596	0.02	02.08.2019	Decrease	Sale	12,962	0.42
		17,703	0.56	18.10.2019	Increase	Purchase	30,665	0.98
		30,665	0.98	31.03.2020				
9.	Satvinder Singh	37,500	1.19	01.04.2019				
		7,000	0.22	31.05.2019	Decrease	Sale	30,500	0.97
		30,500	0.97	31.03.2020				
10.	Manjit Singh	27,550	0.87	01.04.2019	0	Nil movement during the year	27,550	0.87
		27,550	0.87	31.03.2020				

v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name	Shareholding		Date	Increase/ (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of Shares at the beginning/ end of year	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Mohnesh Kohli (Promoter & Director)	7,07,000	22.51	01.04.2019				
				28.05.2019	25,000	Purchase	7,32,000	23.31
		7,32,000	23.31	31.03.2020				
2.	Rajnesh Sharma (Whole- Time Director & CFO)	0	-	01.04.2019	-	Nil Holding during the year	-	-
		0	-	31.03.2020			0	-
3.	Aprajita Kohli	1,62,700	5.18	01.04.2019				
				29.05.2019	30,300	Purchase	1,93,000	6.15
		1,93,000	6.15	31.03.2020				
4.	Mahesh Kumar (Independent Director)	0	-	01.04.2019	0	Nil holding during the period	-	-
		0	-	31.03.2020				
5.	Dikha (Independent Director)	0	-	01.04.2019	0	Nil holding during the year	0	-
		0	-	31.03.2020			0	-
8.	Aman Priya (Company Secretary/ Compliance Officer)	0	-	22.05.2019	0	Nil holding during the year	0	-
		0	-	31.03.2020			0	-

Attachment C
Indebtedness

Indebtedness Of The Company Including Interest Outstanding/accrued But Not Due For Payment

		Amount (in Lakhs)			
Particulars		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness as on 01.04.2019					
i)	Principal Amount	Nil	Nil	Nil	Nil
ii)	Interest due but not paid	Nil	Nil	Nil	Nil
iii)	Interest accrued but not due	Nil	Nil	Nil	Nil
TOTAL (i+ii+iii)			-	-	
Change in Indebtedness during the financial year					
Addition			-	-	
Reduction			-	-	
Exchange Difference		-	-	-	-
Net Change			-	-	
Indebtedness as on 31.03.2020					
i)	Principal Amount	Nil	Nil	Nil	Nil
ii)	Interest due but not paid	Nil	Nil	Nil	Nil
iii)	Interest accrued but not due	Nil	Nil	Nil	Nil
TOTAL (i+ii+iii)		Nil	Nil	Nil	Nil

Attachment D

Remuneration Of Directors And Key Managerial Personnel

A. Remuneration To Managing Director, Whole-Time Directors And/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount (Rs. in Lakhs)
		Rajnesh Sharma (Whole Time Director)	
1.	Basic Pay	4.95	4.95
2.	Other Perquisites	0.00	0.00
Total(A)		4.95	4.95

B. Remuneration to other directors:

Sl.No	Particulars of Remuneration	Independent Directors and Other Non Executive Directors	Total Amount (Rs. in Lakhs)
1.	Fee for attending board /committee meetings	0.53	0.53
2.	Commission	0.00	0.00
Total(B)		0.53	0.53
Total Managerial Remuneration(A+B)		5.48	

C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Name of KMP other than MD/Manager/WTD		Total Amount (Rs. in Lakhs)
		Rajnish Sharma (Chief Financial Officer)	Aman Priya(Company Secretary/Compliance Officer)	
1.	Basic Pay	Please refer table above for details	2.24	2.24
2.	Other Perquisites		0.00	0.00
Total			2.24	2.24

Annexure V

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 percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2019-20 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2019-20 are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for Financial Year 2019-20 (In Lakhs)	% increase in remuneration In Financial Year 2019-20	Ratio of remuneration of each Director to median remuneration of employees
1.	Rajnish Sharma, Whole Time Director & CFO	4.95	47.87%	1.76
3.	Aman Priya, Company Secretary	2.24	N.A	N.A.

- The median remuneration of employees of the Company during the Financial Year was 2.81 Lakhs (previous year 2.74 Lakhs)
- In the Financial Year, there was an Increase of 2.61 % in the median remuneration of employees.
- There were 12 permanent employees on the rolls of the Company as on 31st March, 2020.
- Average percentage increase made in the salaries of employees other than managerial personnel in the last Financial Year i.e. 2018-19 was 18.55 %.
- It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Independent Auditors' Report

To the Members of
Megri Soft Limited

Report on the Audit of the Standalone 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 2020, 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, 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 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 financial statements.

Emphasis of Matter

We draw attention to Note 33 to the standalone financial results which explains the uncertainties and the management's assessment of the financial impact due to the lockdown and other restrictions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

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, 2020. These matters were addressed in the context of our audit of the standalone 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, 2020 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, 2019 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 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 financial statements and our auditors' report thereon. Our opinion on the standalone 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 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 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 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 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 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 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] 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 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The comparative financial information of the Company for the year ended 31 March 2020, prepared in accordance with Ind AS, included in these standalone financial statements have been audited by the predecessor auditor who had audited the financial statements for the relevant period. The report of the predecessor auditor on such comparative financial information dated 22nd May, 2019 expressed an unmodified opinion. Our opinion is not modified in respect of this matter

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("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, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, 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 financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - g. In our opinion, the managerial remuneration for the year ended March 31, 2020 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 financial statements – Refer Note 25 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.

For Sanjay Arora & Associates

Chartered Accountants

ICAI Firm Registration Number: 008445N

Neelkant Gargya

Partner

Membership Number: 093624

Place of Signature: Chandigarh

Date: May 25, 2020

UDIN:- 20093624AAAAAW5229

Annexure 1 referred to in paragraph 1 under the heading “Report on other legal and regulatory requirements” 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:

1. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b. The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
 - c. According to the information and explanations given by the management, the title deeds all the immovable properties of land and buildings are held in the name of the company. In respect of land that has been taken on lease and included in fixed assets in the financial statements, the lease is in the name of the Company.
2. 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.
3. According to the information and explanations furnished to us, the company has not granted secured or unsecured loans to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
4. 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.
5. 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.
6. 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.
7. According to the information and explanations given to us and based on the records of the company examined by us:
 - a. The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees’ state insurance, income-tax, service tax, value added tax, goods and service tax, cess and other statutory dues applicable to it.

- b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other materials Statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
- c. 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)

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures. Hence, the provisions of clause 3 (vii) of the Order are not applicable to the Company.
9. The company has not raised money by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company.
10. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year
11. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
13. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
14. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the

provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For **Sanjay Arora & Associates**

Chartered Accountants

ICAI Firm Registration Number: 008445N

Neelkant Gargya

Partner

Membership Number: 093624

Place of Signature: Chandigarh

Date: May 25, 2020

UDIN:- 20093624AAAAAW5229

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

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, 2020 in conjunction with our audit of the standalone 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 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 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 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 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 Financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone 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 financial statements and such internal financial controls over financial reporting with reference to these standalone Financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

For **Sanjay Arora & Associates**

Chartered Accountants

ICAI Firm Registration Number: 008445N

Neelkant Gargya

Partner

Membership Number: 093624

Place of Signature: Chandigarh

Date: May 25, 2020

UDIN:- 20093624AAAAAW5229

MEGRI SOFT LIMITED
CIN : L72200CH1992PLC011996
Regd. Office : SCO 80, Sector 47D, Chandigarh -160047
AUDITED STANDALONE BALANCE SHEET AS AT MARCH 31, 2020

(Amount in '000)

S. No.	Particulars	Note	As At March 31,2020	As At March 31,2019
A	ASSETS			
1	NON-CURRENT ASSETS			
	Property, Plant and Equipment	3	71337	71812
	Other Intangible Assets	3	679	575
	Intangible Assets Under Development	3	17658	17314
	Capital work in progress	3	3269	-
	Financial Assets			
	(a) Non-Current Investments	4(a)	10617	9604
	Deffered Tax Assets (Net)	5	476	477
	Other Non-Current Assets	6	36554	36071
	Total Non-current Assets		140590	135853
2	CURRENT ASSETS			
	Financial Assets			
	(a) Current Investments	4(b)	4400	2000
	b) Trade Receivables	4(c)	2692	2824
	c) Cash and Cash Equivalents	7	3121	1069
	d) Bank balance other then (c) above	8	42376	48922
	e) Other Current Assets	9	3861	3111
	Total current Assets		56450	57926
	Total Assets		197040	193779
B	EQUITY & LIABILITIES			
1	SHAREHOLDERS' FUNDS			
	(a) Equity Share Capital	10(a)	31407	31407
	(b) Other Equity	10(b)	163745	160322
	Total Equity		195152	191729
2	NON CURRENT LIABILTIES			
	Financial Liabilities			
	(a) Long-Term Borrowings		-	-
	(b) Deferred Tax Liabilities (Net)		-	-
	Total Non-current Liabilities		-	-
3	CURRENT LIABILTIES			
	Financial Liabilities			
	(a) Trade payables	11	-	-
	(b) Other current liabilities	12	314	370
	(c) Provisions	13	1574	1680
	Total Current Liabilities		1888	2050
	Total Equity and Liabilities		197040	193779

The accompanying notes 1 to 34 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 Director**
& CFO)
DIN: 01784617 **DIN: 02528435**

Place: Chandigarh
Date: May 25,2020

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, 2020

(Amount in '000) except EPS

S. No.	Particulars	Note	As At March 31,2020	As At March 31,2019
	Revenue From Operations	14	16083	18032
	Other income	15	3436	4229
I	Total Revenue		19519	22261
	EXPENSES			
	a) Employees Benefit Expenses	16	4121	3973
	b) Finance Cost	17	2	52
	c) Depreciation & Amortization Expenses	18	645	1194
	d) Other Operating Expenses	19	10137	12032
II	Total Expenses		14905	17251
III	Profit before tax (I-II)		4614	5010
	Tax Expenses			
	a) Current Tax		1190	1330
	b) Deffered Tax (Assets)/Liabilities		1	(117)
IV	Total Tax Expenses		1191	1213
V	Profit for the period (after Tax) (III-IV)		3423	3797
	Total Comprehensive income		3423	3797
	Paid-up Equity Share Capital (face value of Rs. 10 per equity share)		31407	31407
	Earning per Equity share of Rs. 10/- each (Annualised) :			
	1) Basic	20	1.09	1.21
	2) Diluted		1.09	1.21

The accompanying notes 1 to 34 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: May 25,2020

MEGRI SOFT LIMITED
CIN : L72200CH1992PLC011996
Regd. Office : SCO 80, Sector 47D, Chandigarh -160047
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(Amount in '000)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	4614	5010
Adjustments for:		
Interest Expenses	2	4
Depreciation	645	1194
Profit on sale of Assets	(20)	-
Profit on sale of Investments	(4)	(933)
Discount Received	-	-
Interest on FDR's	(3354)	(3140)
Dividend	(12)	(30)
Operating Profit before Working Capital Changes	1871	2105
Adjustments for:		
Increase/(Decrease) in Short Term Borrowings	-	-
Increase/(Decrease) in Trade Payables	-	(178)
Increase/(Decrease) in Other Current Liabilities	(56)	185
Increase/(Decrease) in Provisions	(106)	238
(Increase)/Decrease in Trade Receivables	132	912
(Increase)/Decrease in Short Term Loans & Advances	-	-
(Increase)/Decrease in Other Current Assets	(750)	(419)
(Increase)/Decrease in Other Non Current Assets	(483)	1127
Cash generated from operations	609	3970
Income Tax	(1190)	(1330)
Net Cash flow from Operating activities	(581)	2640
CASH FLOW FROM INVESTING ACTIVITIES		
(Increase) /Decrease in Loang Term Loans & Advances		
(Purchase) of Fixed Assets	(3918)	-
Sale of Fixed Assets	32	175
(Increase) /Decrease in FDR	6545	(6102)
(Increase) /Decrease in Investment	(3413)	(529)
Interest on FDR's	3354	3140
Dividend	12	30
Profit on sale of Assets	20	
Sale of Investment	4	933
Net Cash used in Investing activities	2636	(2353)
CASH FLOW FROM FINANCING ACTIVITIES		
Interest on overdraft facility	(2)	(4)
Net Cash used in financing activities	(2)	(4)
Net increase in cash & Cash Equivalents	2052	283
Cash and Cash equivalents (Opening Balance)	1069	786
Cash and Cash equivalents (Closing Balance)	3121	1069
Net Decrease/(Increase) in Cash and Cash Equivalents	(2052)	(283)

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 34 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: May 25,2020

MEGRI SOFT LIMITED
CIN : L72200CH1992PLC011996
Regd. Office : SCO 80, Sector 47D, Chandigarh -160047
STATEMENT OF CHANGE IN EQUITY (F.Y.2019-20)

(Amount in '000)

Particulars	Equity Share Capital	Other Equity			Total equity attributable to equity holders
		Security Premium	General Reserves	Retained Earnings	
Balance as at April 1, 2019	31407		5295	155027	191729
Changes in equity for the year ended March 31, 2020					-
Profit for the period				3423	3423
Transfer to General Reserve			-	-	-
Dividends (including corporate dividend tax)					-
Balance as at March 31, 2020	31407	-	5295	158450	195152
Statement of Change in Equity (FY 2018-19)					
Balance as at April 1, 2018	31407	-	5295	151230	187932
Changes in equity for the year ended March 31, 2019					-
Profit for the period				3797	3797
Transfer to General Reserve			-	-	-
Dividends (including corporate dividend tax)					-
Balance as at March 31, 2019	31407	-	5295	155027	191729

The accompanying notes 1 to 34 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: May 25,2020

Notes to the Standalone Financial Statements for the year ended March 31, 2020

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 160036. 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 25th May 2020.

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

2.2. **Property, plant and equipment** - **Property, plant and equipment** are stated at historical cost less depreciation. Historical cost includes expenditure that is directly

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

Assets Estimated useful life (Years)

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

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

- 2.3. **Intangible Assets** - Intangible assets are stated at cost less accumulated amortization and impairment, wherever applicable. Intangible assets are amortized over their respective individual estimated useful lives on a straight line basis, from the date they are available for use. The estimated useful life of an identifiable asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash 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 group of assets. The smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit (CGU). An asset or CGU whose carrying value exceeds its recoverable amount is considered impaired and is written down to its recoverable amount. Assessment is also done at each balance sheet for possible reversal of an impairment loss recognized for an asset, in prior accounting periods.

2.5. Foreign currency translations -

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

2.6. Revenue Recognition

- 2.6.1. Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration we expect to receive in exchange for those services.
- 2.6.2. Dividend income is recognized as and when the right to receive is established. Interest on Bank fixed 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. **Investments** - Investments are classified into current and long term investments. Long Term Investments are stated at cost and provision for diminution in value is made if decline is other than temporary in the opinion of the management. Current Investments are valued at cost and provision is made for decline in market value, if any material in nature.

2.8. **Income tax**

2.8.1. 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.

2.8.2. 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

2.8.3. 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.

2.8.4. 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.

2.8.5. 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.

2.8.6. 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.

- 2.8.7. 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.

2.9. Provisions

- 2.9.1. 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.
- 2.9.2. 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.
- 2.9.3. 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
- 2.9.4. 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."

- 2.10. **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.

2.11. Earnings Per Share (EPS)

2.11.1. Basic earnings per share is calculated by dividing

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

2.11.2. Diluted earnings per share

- 2.11.2.1. 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.

2.12. Critical estimates and judgements

2.12.1. 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.

Note 3

Property, Plant & Equipment For the Financial Year 2019-20

(Amount in '000)

Particulars	Gross Block			Depreciation				Net Block		
	As On April 01,2019	Additions	Deductions	As On March 31,2020	As On March 31, 2019	Current Year	Written Off	Transfer	As On March 31, 2020	As On March 31, 2019
(a) Land & Building										
Land	56406	-	-	56406	-	-	-	-	56406	56406
Building	13842	-	-	13842	-	-	-	-	13842	13842
Total	70248	0	0	70248	-	-	-	-	70248	70248
(b) Tangible Assets										
Furniture & Fixtures	2310	5	34	2281	1732	162	-	24	411	577
Computer	2784	142	183	2743	2622	31	-	168	258	162
Generator	727	-	-	727	690	-	-	-	36	36
Air Conditioner	604	-	-	604	549	12	-	-	43	55
Office Equipment	680	5	87	598	605	25	-	80	48	75
Vehicles	5836	-	-	5836	5177	366	-	-	293	659
Total	12941	152	304	12789	11375	596	-	272	1089	1564
(I) Property, Plant and Equipment (a+b)	83189	152	304	83037	11375	596	0	272	71337	71812
Note 3 -										
(II) Other Intangible Assets										
Computer Software	749	153	-	902	618	50	-	-	234	130
Web Properties	8909	-	-	8909	8464	-	-	-	445	445
Total	9658	153	-	9811	9082	50	-	-	679	575
(II) Intangible Assets under Development										
Capital work in progress	17314	344	-	17658	-	-	-	-	17658	17314
GRAND TOTAL	110161	3918	304	113775	20457	646	-	272	92943	89702

No depreciation charged on building as it is not put into use during the year.

Note 4

(a) Non-Current Investments

Particulars	As At March 31,2020			As At March 31,2019		
	Number of Unit	Face value (₹)	('000)	Number of Unit	Face value (₹)	('000)
Investment in Equity shares (fully paid up)						
(Quoted) (At Cost)						
Tata Consultancy Services Ltd	45	1.00	85	0	1.00	0
Infosys Limited	410	5.00	272	0	5.00	0
Mindtree Limited	150	10.00	120	35	10.00	33
Wipro Limited	770	2.00	195	200	2.00	52
Yes Bank Limited	9000	2.00	559	880	2.00	161
Reliance Industries	100	10.00	117	0	10.00	0
Tech Mahindra Ltd	40	5.00	23	0	5.00	0
Bandhan Bank Ltd	0	10.00		20	10.00	8
Larsen & Toubro ltd	0	2.00		80	2.00	104
Aggregate amount of quoted investments (At Cost) - A			1371			358
Investment in Equity shares - fully paid up (Unquoted) (At Cost)						
Dynamic Petro Products Limited	262000	10	2620	262000	10	2620
Basel Investments Limited	380000	10	3800	380000	10	3800
Himalyan Financial Services Ltd.	281600	10	2816	281600	10	2816
Aggregate amount of unquoted investments (At Cost) - B			9236			9236
Investment in Subsidiary Companies -fully paid up (Unquoted)						
Megrisoft Limited (UK)	100		10	100		10
Aggregate amount of unquoted investments (At Cost) - C			10			10
Total Non current investments (A+B+C)			10617			9604
Aggregate fair value of non-current investments			10611			9650

(b) Current investments

Particulars	As At March 31,2020			As At March 31,2019		
	Number of Unit	Amount per unit Rs	('000)	Number of Unit	Amount per unit Rs	('000)
Investment in Mutual Funds (unquoted) (Liquid/ Liquid Plus) (At Cost)						
Kotak liquid scheme- growth	-	-	-	266.08	3758.22	1000
Axis Liquid Fund - Growth	233.19	2141.54	500	388.24	2060.71	800
ICICI Prudential liquid fund- growth	1,030.26	291.19	300	728.33	274.60	200
Aditya Birla Sunlife Liquid fund Daily Dividend	5,030.34	100.20	500	-	-	-
Franklin India Banking and PSU Debt Fund - Growth	6,287.89	15.90	100	-	-	-
Franklin India Corporate Debt Fund - Growth	4,280.31	70.08	300	-	-	-
Franklin India Liquid Fund - Growth	342.97	2915.74	1000	-	-	-
Franklin India Ultra Short Bond Fund	17,943.72	27.87	500	-	-	-
HDFC Asset Managment Fund	103.45	3866.69	400	-	-	-
Mirae Asset Large cap fund growth plan	2,228.85	44.78	100	-	-	-
UTI Liquid Cash Plan - Growth	216.75	3228.59	700	-	-	-
Total Current Investments			4400			2000
Aggregate fair value of Current investments			4429			2006

(c) Trade Receivables

Particulars	As At March 31,2020	As At March 31,2019
Trade receivable outstanding for a period exceeding six months	(‘000)	(‘000)
Unsecured		
Considered good - Against Sale of Investments	2520	2690
Considered doubtful	-	-
Trade receivable outstanding for a period less than six months		
Unsecured		
Considered good - Against Exports	172	134
Considered doubtful	-	-
Total	2692	2824

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person
The above 2692 (Thousands) includes amount recoverable on account of sale of investment 2520 (Thousands) (Previous Year 2690
Thousands)

Note 5**Deferred Tax Assets (Net)**

Particulars	As At March 31, 2020	As At March 31, 2019
	(‘000)	(‘000)
Opening Balance	477	360
Add: Deferred Tax Assets on Depreciation	-	117
Less: Deferred Tax Liabilities on Depreciation	1	-
Total	476	477

Note 6**Other Non-Current Assets**

Particulars	As At March 31,2020	As At March 31,2019
(Unsecured, considered good, unless otherwise stated)	(‘000)	(‘000)
Capital Advances (Against Land & Building)	22404	21483
Other Loans and Advances	13880	14264
Deffered revenue Expenditure	270	324
Total	36554	36071

Note 7**Cash & Cash Equivalents**

Particulars	As At March 31,2020	As At March 31,2019
Balances with banks	(‘000)	(‘000)
In Current Account	3111	1046
Cash in hand	10	23
Total	3121	1069

Note 8**Bank balance other then (7) above**

Particulars	As At March 31,2020	As At March 31,2019
	(‘000)	(‘000)
Balances with bank:-		
In Fixed Deposit	42376	48922
Total	42376	48922

Note 9**Other Current Assets**

Particulars	As At March 31,2020	As At March 31,2019
(Unsecured, considered good, unless otherwise stated)	(‘000)	(‘000)
Advances with suppliers & others	2700	1821
Other Advances	157	157
Advance Tax	468	661
TDS Recoverable	339	314
Other Current Assets	197	158
Total	3861	3111

Note 10 (a)**Share Capital**

Particulars	As At March 31, 2020	As At March 31, 2019
	(‘000)	(‘000)
Authorised		
3300000 Equity Shares of Rs. 10/- each	33000	33000
	33000	33000
Issued & subscribed		
3140700 equity shares of Rs. 10/- each fully paid	31407	31407
	31407	31407
Issued, Subscribed & Paid up		
3140700 equity shares of Rs. 10/- each fully paid	31407	31407
Total	31407	31407

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

Particulars	As At March 31, 2020	As At March 31, 2019
	(‘000)	(‘000)
EQUITY SHARES		
At the beginning of the year	31407	31407
Add: Issued during the year	-	-
Outstanding at the end of the year	31407	31407

b. Terms/Rights attached to equity shares

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

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

d. Details of shareholders holding more than 5% shares in the company

Particulars	As at March 31,2020		As At March 31, 2019	
	No. of Shares	% Holding	No. of Shares	% Holding
Mohnesh Kohli	732000	23.31%	707000	22.51%
Neena	391100	12.45%	391100	12.45%
Basel Investment limited	307700	9.80%	307700	9.80%
Mohnesh Kohli HUF	402000	12.80%	345850	11.01%
Aprajita Kohli	193000	6.15%	162700	5.18%
Austin Kohli	254200	8.09%	220200	7.01%
Total	2280000	72.60%	2134550	67.96%

Note 10(b)**Other Equity**

Particulars	As At March 31, 2020	As At March 31, 2019
	(‘000)	(‘000)
General reserve	5295	5295
Retained earnings	158450	155027
Total	163745	160322

Note 11**Trade Payables**

Particulars	As At March 31, 2020	As At March 31, 2019
	('000)	('000)
Trade Payables	-	-
Total	0	0

Based on information available with the Company, there are no dues to micro, small and medium enterprises, as defined in Micro, Small and Medium Enterprises Development Act, 2006 as on March 31, 2020.

Note 12**Other Current Liabilities**

Particulars	As At March 31, 2020	As At March 31, 2019
	('000)	('000)
Audit Fees Payable	70	28
Contribution to Provident & Other Funds	3	1
Other Payables	241	341
Total	314	370

Note 13**Provisions**

Particulars	As At March 31, 2020	As At March 31, 2019
	('000)	('000)
Provision for Income Tax	1190	1330
Provision for Employee Benefits	384	350
Total	1574	1680

Note 14**Revenue From Operations**

Particulars	As At March 31,2020	As At March 31,2019
	('000)	('000)
Information Technology Services		
Income From IT Exports Of Services	16083	18032
Total	16083	18032

Note 15**Other Income**

Particulars	As At March 31,2020	As At March 31,2019
	('000)	('000)
Interest on Fixed Deposits with Bank	3354	3140
Income from Investment (Dividend and Profits on Investments etc.)	36	963
Other Income	46	126
Total	3436	4229

Note 16**Employee Benefit Expenses**

Particulars	As At March 31,2020	As At March 31,2019
	('000)	('000)
Salary & Wages (Including Director Remuneration see note no. 31)	3904	3820
Contribution to Provident & Other Funds	12	10
Staff Welfare Expenses	205	143
Total	4121	3973

Note 17**Finance Cost**

Particulars	As At March 31,2020	As At March 31,2019
	('000)	('000)
Borrowings Cost	2	3
Foreign exchange Fluctuation	0	49
Total	2	52

Note 18**Depreciation & Amortisation**

Particulars	As At March 31,2020	As At March 31,2019
	('000)	('000)
Depreciation & Amortization Expenses	645	1194
Total	645	1194

Note 19**Other Operating Expenses**

Particulars	As At March 31,2020	As At March 31,2019
	('000)	('000)
Advertisement & Marketing expenses	414	634
Bank Charges	78	56
Communication & Internet Expenses	206	236
Collection Charges	543	567
Insurance Expenses	57	82
IT Operating Expenses	3753	7179
Legal & Professional Expenses	2414	827
Miscellaneous Expenses	232	501
Payment to auditors (refer Note 19.1 below)	70	28
Power Fuel & Water Charges	151	140
Printing & stationery	51	91
Rent Rates & Taxes	858	745
Repair & Maintenance Expenses	235	235
Travelling & conveyance expenses (Including Director Foreign travelling Expenses)	1077	711
Total	10139	12032

Note 19.1**Payment to Auditors**

Particulars	As At March 31,2020	As At March 31,2019
	('000)	('000)
Payment to auditor		
As Auditor Statutory Audit	70	28
Total	70	28

Note 20**Earning Per Share**

Particulars	As At March 31,2020	As At March 31,2019
	('000)	('000)
Earnings per share		
Basic		
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	3423	3797
Weighted average number of equity shares	3140700	3140700
Par value per share	10	10
Earnings per share from continuing operations - Basic	1.09	1.21
Diluted	1.09	1.21

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, 2020. Hence, no provision is required in the accounts for the year under review.

Note 23

Auditor's Remuneration

Auditors remuneration for the financial year 2019-20 is Rs. 70000 (Previous Year Rs. 28000)

Note 24

Foreign Exchange Earnings

The particulars regarding foreign exchange earnings during the year of Rs. 160.83 Lakhs only (Previous Year Rs. 180.32 Lakhs) and expenditure in foreign currency is Rs. 10.81 Lakhs only (Previous year 7.33 Lakhs).

Note 25

Contingent Liabilities and Litigations

In view of accounting policies, Contingent Liability not provided for: Disputed Income Tax Demand against which company has gone into appeal in view of facts of the cases/ opinion obtained Rs. 1,57,31,452/-

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)

Last year, MS Shoes East Limited (now known as Tomorrowland Technologies Exports Limited) instituted a suit against the company for execution of ex-parte decree for an amount of Rs 85,16,928/- along with interest @18 % p a till date. The case also has been disposed off as settled by the Delhi High Court on 02.08.2019 by payment of a lump sum amount of 15.00 lacs. The amount paid and execution

proceeding has been withdrawn MS Shoes East Limited (now known as Tomorrowland Technologies Exports Limited). Therefore no Contingent Liability as on date.

The full and final settlement of disputes arrived with MS Shoes East Limited (now known as Tomorrowland Technologies Exports Limited) at Delhi High Court by payment of a lump sum amount of 15.00 lacs as damages for contract in ordinary course of his business.

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 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 define contribution plan in the Statement of Profit and Loss –

Particulars	Amount (000)	
	As At March 31,2020	As At March 31,2019
Employers' Contribution to Provident Fund	4	1
Employer's Contribution to Employees State Insurance	8	9

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 employee who are in continuous service for a period of 5 years Hence The Company doesn't operates a defined benefit gratuity plan, which requires contributions to be made to the recognised fund Company doesn't Carry out the Actuarial valuation of the Defined benefit plan (Gratuity) hence does not recognise in the Balance sheet in respect of Gratuity in terms of present value of the Defined benefit obligation as the the Balance Sheet date less fair value of plan assets

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 31,2020	As At March 31,2019
Advance given to subsidiary		
Megrisoft Limited (UK Subsidiary)		
Balance at the year end	2019	2019
Maximum amount outstanding at any time during the year	2019	2019

Note 28**Foreign Travelling Expenses**

Rs. 9.45 Lakhs was incurred on foreign travelling during the financial year under review as compared to Rs. 4.75 Lakhs during the preceding financial year. The entire amount was incurred on foreign travelling expenses of the director.

Notes 29

During the year ended March 31, 2020 the company incurred an expense of 32.69 lacs (Previous year : Nil) for construction of IT plot at I-46, Sector-83 Alpha, I.T. City, SAS Nagar, Punjab,160055. Since construction is in progress and the amount shown under head Capital work in progress in the Schedule of Fixed Assets (Notes 3).

Note 30**Related Party Disclosures:**

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

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

Sr.No.	Name of Related Party	Relationship
1.	Mr. Mohnesh Kohli	Promoter, Director & Person having significant influence
2.	Mrs. Neena Kohli	Relative of person having significant influence
3.	Ms. Aprajita Kohli	
4.	Mr. Austin Kohli	
5.	Mr.. Rajnesh Sharma (Whole Time Director)	Key Managerial Personnel
6.	Mrs. Aman Priya (Company Secretary)	

7.	Mohnesh Kohli & Co.	Enterprise Over which controlling person have significant influence
8.	Mohnesh Kohli HUF	
9.	Megrisoft Limited (UK)	Subsidiary Company

B) Details of transactions with related party during the year ended March 31, 2020 in the ordinary course of business:

(Rs. in Lakhs)

S r N o.	Nature of Relationship/ transaction	Person having Significant Influence & their relatives	Key Managerial Personnel & relatives	Independent & Other Non Executive Directors	Enterprise over which controlling person have significant influence	Subsidiary Company	Total
1	KMP Remuneration Mr.Rajnesh Sharma Ms. Aman Priya	- -	4.95 2.24	- -	- -	- -	7.19
2	Director Sitting Fees: Mohnesh Kohli Diksha Mahesh Kumar	- - -	- - -	0.175 0.175 0.175	- - -	- - -	0.53
3	Reimbursement of Tour & Travelling Expense: Mohnesh Kohli	-	-	9.74	-	-	9.74
2	Rent paid: Mohnesh Kohli Ms. Neena Kohli	3.60 4.80	- -	- -	- -	- -	3.60 4.80

Out of above payments to related parties director remuneration outstanding on 31st March 2020 is 0.21 lacs (previous year 0.30)

In EGM Wednesday, March 18, 2020 Approval is granted to Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Mr. Mahesh Kohli Contractor, a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for construction of building on company land situated at Plot No. I-46, Sector- 83 Alpha, I.T. City, S.A.S. Nagar, Punjab-160055, for expansion of company business, up to a maximum aggregate value of Rs. 5 Crore (Rupees Five Crore Only) for a period of 5 years but due to Covid-19 the company has yet not entered into any contract so far.

Note 31

Salary and wages include director remuneration 4.95 lacs (Previous Year 35.92 lacs) and sitting fee 0.53 lacs. (Previous Year NIL)

Notes 32

Company invested 5.00 lacs in Franklin India Ultra Short Bond Fund which announced that 100% money will be refunded back to the investors hence there is no diminution in value of the investment.

Note 33

In the March of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. To minimize disruption to services we switch to work from home for employees.

- The company has sufficient capital, reserve and liquidity therefore do not foresee any impact of covid related to this.
- Demand for the company's services may be adversely affected directly by the pandemic – as the company is 100% export of IT/ITes services having customers from the UK, US, Canada, European countries and australia. This is likely to affect the company's earnings in the short and medium term.
- Liquidity risk refers to the risk that the company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The company consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.
- Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. The company has no Credit risk as the company is 100% debt free.
- Financial assets carried at fair value as at March 31, 2020 is 56450 Thousands . A significant part of the financial assets are cash and cash equivalents, bank deposits amounting to 45497 Thousands which is not going to have any impact of covid. Further major mainly investments in liquid debt securities and accordingly, any material volatility is not expected. Trade receivables are considered good and fully recoverable.
- The Company does not foresee any large-scale contraction in demand which could result in significant down-sizing of its employee base rendering the physical infrastructure redundant.
- While the company believes strongly that it has a long term customers, the small impact on future revenue streams could come from
 - the inability of our customers to continue their businesses due to financial resource constraints or their services no-longer being availed by their customer
 - prolonged lock-down situation resulting in its inability to deploy resources at different locations due to restrictions in mobility
 - customers postponing their discretionary spend due to change in priorities
- The company has no existing contracts/agreements where non-fulfilment of the obligations by any party will have a significant impact on the business.
- Keeping in view the current situation of Covid19, the company does not foresee any doubt on their ability to continue as a going concern, because of zero debt and sufficient liquid cash and bank balances.

- The company has designed internal financial reporting and control processes which helped the company to prepare its financial statements and get them audited per original timelines. Financial executive and director communicate regularly with all Audit Committees and the auditors.
- However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

Note 34

Previous Year Figures Regrouping/Reclassification

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

As per the report of even date attached.

For **Sanjay Arora & Associates**

Chartered Accountants

ICAI Firm Registration Number: 008445N

For and on the behalf of Board of Directors

Neelkant Gargya

Partner

Membership Number: 093624

Place of Signature: Chandigarh

Date: May 25, 2020

Mohnesh Kohli

(Director)

DIN: 01784617

Rajnesh Sharma

(Director & CFO)

DIN: 02528435

Independent Auditors' Report

To the Members of
Megri Soft Limited

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated 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 2020, 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 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, 2020, 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 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 financial statements.

Emphasis of Matter

We draw attention to Note 33 to the standalone financial results which explains the uncertainties and the management's assessment of the financial impact due to the lockdown and other restrictions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated 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, 2020 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, 2019 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 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 financial statements and our auditor's report thereon. Our opinion on the consolidated 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 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 Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act 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 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 Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated 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 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.

We communicate with those charged with governance of the Holding Company and its subsidiary included in the consolidated 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 financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The comparative financial information of the Company for the year ended 31 March 2019, prepared in accordance with Ind AS, included in these standalone financial statements have been audited by the predecessor auditor who had audited the financial statements for the relevant period. The report of the predecessor auditor on such comparative financial information dated 22nd May, 2019 expressed an unmodified opinion. Our opinion is not modified in respect of this matter

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, as noted in the 'other matter' paragraph 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 financial statements;
- d. In our opinion, the aforesaid consolidated 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, 2020 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, 2020 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. In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Holding Company incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us as also the other financial information of the subsidiary , as noted in the 'Other matter' paragraph:
 - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated financial statements – Refer Note 25 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.

For Sanjay Arora & Associates

Chartered Accountants

ICAI Firm Registration Number: 008445N

Neelkant Gargya

Partner

Membership Number: 093624

Place of Signature: Chandigarh

Date: May 25, 2020

UDIN:- 20093624AAAAAX7255

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

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 financial statements of Megri Soft Limited as of and for the year ended March 31, 2020, 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 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 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 financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated 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 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 Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated 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 financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Sanjay Arora & Associates**

Chartered Accountants

ICAI Firm Registration Number: 008445N

Neelkant Gargya

Partner

Membership Number: 093624

Place of Signature: Chandigarh

Date: May 25, 2020

UDIN:- 20093624AAAAAX7255

MEGRI SOFT LIMITED
CIN : L72200CH1992PLC011996
Regd. Office : SCO 80, Sector 47D, Chandigarh -160047
AUDITED CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

(Amount in '000)

S. No.	Particulars	Note	As At March 31,2020	As At March 31,2019
A	ASSETS			
1	NON-CURRENT ASSETS			
	Property, Plant and Equipment	3	71490	71899
	Other Intangible Assets	3	679	576
	Intangible Assets Under Development	3	18697	18353
	Capital work in progress	3	3269	-
	Financial Assets			
	(a) Non-Current Investments	4(a)	10607	9594
	Deffered Tax Assets (Net)	5	475	476
	Other Non-Current Assets	6	34517	34052
	Total Non-current Assets		139734	134950
2	CURRENT ASSETS			
	Financial Assets			
	a) Current Investments	4(b)	4400	2000
	b) Trade Receivables	4(c)	2895	3763
	b) Cash and Cash Equivalents	7	5382	2867
	c) Bank balance other then (c) above	8	42376	48922
	d) Other Current Assets	9	3861	3192
	Total current Assets		58914	60744
	Total Assets		198648	195694
B	EQUITY & LIABILITIES			
1	SHAREHOLDERS' FUNDS			
	(a) Equity Share Capital	10(a)	31407	31407
	(b) Other Equity	10(b)	164672	161010
	Total Equity		196079	192417
2	NON CURRENT LIABILITIES			
	Financial Liabilities			
	(a) Long-Term Borrowings		-	-
	(b) Deferred Tax Liabilities (Net)		-	-
	Total Non-current Liabilities		-	-
3	CURRENT LIABILITIES			
	Financial Liabilities			
	(a) Trade payables	11	-	-
	(b) Other current liabilities	12	722	1185
	(c) Provisions	13	1847	2092
	Total Current Liabilities		2569	3277
	Total Equity and Liabilities		198648	195694

The accompanying notes 1 to 34 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: May 25,2020

MEGRI SOFT LIMITED

CIN : L72200CH1992PLC011996

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

STATEMENT OF AUDITED CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(Amount in '000) except EPS

S. No.	Particulars	Note	As At March 31,2020	As At March 31,2019
	Revenue From Operations	14	22141	24603
	Other income	15	3436	4231
I	Total Revenue		25577	28834
	EXPENSES			
	a) Employees Benefit Expenses	16	7824	7577
	b) Finance Cost	17	2	52
	c) Depreciation & Amortization Expenses	18	696	1222
	d) Other Operating Expenses	19	12141	14404
II	Total Expenses		20663	23255
III	Profit before exceptional items and tax from continuing operations (I-II)		4914	5579
IV	Exceptional items- Prior Year Expenses		0	230
V	Profit before tax (III-IV)		4914	5349
IV	Tax Expenses			
	a) Current Tax		1251	1443
	b) Deffered Tax (Assets)/Liabilities		1	(117)
VII	Total Tax Expenses		1252	1326
VIII	Profit for the period (after Tax) (III-IV)		3662	4023
	Total Comprehensive income		3662	4023
	Paid-up Equity Share Capital (face value of Rs. 10 per equity share)		31407	31407
	Earning per Equity share of Rs. 10/- each (Annualised) :			
	1) Basic	20	1.17	1.28
	2) Diluted		1.17	1.28

The accompanying notes 1 to 34 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

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

Place: Chandigarh
 Date: May 25,2020

MEGRI SOFT LIMITED
CIN : L72200CH1992PLC011996
Regd. Office : SCO 80, Sector 47D, Chandigarh -160047
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(Amount in '000)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	4914	5579
Adjustments for:		
Interest Expenses	2	4
Depreciation	696	1222
Profit on sale of Assets	(20)	-
Profit on sale of Investments	(4)	(935)
Discount Received	-	-
Interest on FDR's	(3354)	(3140)
Dividend	(12)	(30)
	(2692)	(2879)
Operating Profit before Working Capital Changes	2222	2700
Adjustments for:		
Increase/(Decrease) in Short Term Borrowings	-	-
Increase/(Decrease) in Trade Payables	-	(178)
Increase/(Decrease) in Other Current Liabilities	(463)	695
Increase/(Decrease) in Provisions	(245)	164
(Increase)/Decrease in Trade Receivables	868	(28)
(Increase)/Decrease in Short Term Loans & Advances	0	0
(Increase)/Decrease in Other Current Assets	(669)	(434)
(Increase)/Decrease in Other Non Current Assets	(465)	2461
	(974)	2680
Cash generated from operations	1247	5380
Income Tax	(1251)	(1443)
Net Cash flow from Operating activities	(4)	3937
CASH FLOW FROM INVESTING ACTIVITIES		
(Increase) /Decrease in Loan Term Loans & Advances		
(Purchase) of Fixed Assets	(4034)	(1039)
Sale of Fixed Assets	32	175
(Increase) /Decrease in FDR	6545	(6102)
(Increase) /Decrease in Investment	(3413)	(529)
Interest on FDR's	3354	3140
Dividend	12	30
Sale of Investment	4	935
Profit on sale of Assets	20	-
Prior Year Expenses	-	(230)
Net Cash used in Investing activities	2520	(3620)
CASH FLOW FROM FINANCING ACTIVITIES		
Interest on overdraft facility	(2)	(4)
Net Cash used in financing activities	(2)	(4)
Net increase in cash & Cash Equivalents	2515	313
Cash and Cash equivalents (Opening Balance)	2867	2554
Cash and Cash equivalents (Closing Balance)	5382	2867
Net Decrease/(Increase) in Cash and Cash Equivalents	(2515)	(313)

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 34 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: May 25,2020

MEGRI SOFT LIMITED
CIN : L72200CH1992PLC011996
Regd. Office : SCO 80, Sector 47D, Chandigarh -160047
STATEMENT OF CHANGE IN EQUITY (F.Y.2019-20)

(Amount in '000)

Particulars	Equity Share Capital	Other Equity			Total equity attributable to equity holders
		Security Premium	General Reserves	Retained Earnings	
Balance as at April 1, 2019	31407		5341	155669	192417
Changes in equity for the year ended March 31, 2020					-
Profit for the period				3662	3662
Transfer to General Reserve			-	-	-
Dividends (including corporate dividend tax)					-
Balance as at March 31, 2020	31407	-	5341	159331	196079
Statement of Change in Equity (FY 2018-19)					
Balance as at April 1, 2018	31407	-	5341	151646	188394
Changes in equity for the year ended March 31, 2019					-
Profit for the period				4023	4023
Transfer to General Reserve			-	-	-
Dividends (including corporate dividend tax)			-		-
Balance as at March 31, 2019	31407	-	5341	155669	192417

The accompanying notes 1 to 34 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
Place: Chandigarh
Date: May 25,2020

Mohnesh Kohli
(Director)
DIN: 01784617

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

- 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 160036. 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 100% subsidiary of Megri Soft limited India. The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on 25th May 2020.

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 31 March.

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

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

2.5. Foreign currency translations -

- 2.5.1. **Functional and presentation currency** -Items included in the financial statements of the 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. **Investments** - Investments are classified into current and long term investments. Long Term Investments are stated at cost and provision for diminution in value is made if decline is other than temporary in the opinion of the management. Current Investments are valued at cost and provision is made for decline in market value, if any material in nature.

2.8. **Income tax**

- 2.8.1. 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.
- 2.8.2. 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
- 2.8.3. 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.

- 2.8.4. 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.
- 2.8.5. 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.
- 2.8.6. 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.
- 2.8.7. 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.

2.9. Provisions

- 2.9.1. 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.
 - 2.9.2. 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.
 - 2.9.3. 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
 - 2.9.4. 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."
- 2.10. **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.

2.11. Earnings Per Share (EPS)

2.11.1. Basic earnings per share is calculated by dividing

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

2.11.2. Diluted earnings per share

- 2.11.2.1. 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.

2.12. Critical estimates and judgements

- 2.12.1. 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.

Note 3

Property, Plant & Equipment For the Financial Year 2019-20

(Amount in '000)

Particulars	Gross Block			Depreciation				Net Block		
	As On April 01, 2019	Additions	Deductions	As On March 31, 2020	As On March 31, 2019	Current Year	Written Off	Transfer	As On March 31, 2020	As On March 31, 2019
(a) Land & Building										
Land	56406	-	-	56406	-	-	-	-	56406	56406
Building	13843	-	-	13843	-	-	-	-	13843	13843
Total	70249	0	0	70249	-	-	-	-	70249	70249
(b) Tangible Assets										
Furniture & Fixtures	2310	5	34	2281	1732	162	-	24	411	577
Computer	2917	258	183	2992	2668	81	-	168	411	249
Generator	727	-	-	727	690	-	-	-	36	36
Air Conditioner	604	-	-	604	549	12	-	-	43	55
Office Equipment	680	5	87	598	605	25	-	80	48	75
Vehicles	5835	-	-	5835	5177	366	-	-	292	658
Total	13073	268	304	13037	11421	646	-	272	1241	1650
(I) Property, Plant and Equipment (a+b)	83322	268	304	83286	11421	646	0	272	71490	71899
Note 3 -										
(II) Other Intangible Assets										
Computer Software	749	153	-	902	618	50	-	-	234	131
Web Properties	8909	-	-	8909	8464	-	-	-	445	445
Total	9658	153	-	9811	9082	50	-	-	679	576
(II) Intangible Assets under Development										
Capital work in progress	18353	344	-	18697	-	-	-	-	18697	18353
GRAND TOTAL	111333	4034	304	115063	20503	696	-	272	94135	90828

No depreciation charged on building as it is not put into use during the year.

Note 4

4(a) Non-Current Investments

Particulars	As At March 31,2020			As At March 31,2019		
	Number of Unit	Face value Rs	('000)	Number of Unit	Face value Rs	('000)
Investment in Equity shares (fully paid up)						
(Quoted) (At Cost)						
Tata Consultancy Services Ltd	45	1.00	85	0	1.00	0
Infosys Limited	410	5.00	272	0	5.00	0
Mindtree Limited	150	10.00	120	35	10.00	33
Wipro Limited	770	2.00	195	200	2.00	52
Yes Bank Limited	9000	2.00	559	880	2.00	161
Reliance Industries	100	10.00	117	0	10.00	0
Tech Mahindra Ltd	40	5.00	23	0	5.00	0
Bandhan Bank Ltd	0	10.00		20	10.00	8
Larsen & Toubro ltd	0	2.00		80	2.00	104
Aggregate amount of quoted investments (At Cost) - A			1371			358
Investment in Equity shares - fully paid up (Unquoted) (At Cost)						
Dynamic Petro Products Limited	262000	10	2620	262000	10	2620
Basel Investments Limited	380000	10	3800	380000	10	3800
Himalyan Financial Services Ltd.	281600	10	2816	281600	10	2816
Aggregate amount of unquoted investments (At Cost) - B			9236			9236
Total Non current investments (A+B)			10607			9594
Aggregate fair value of non-current investments			10601			9640

(b) Current investments

Particulars	As At March 31,2020			As At March 31,2019		
	Number of Unit	Amount per unit (Rs.)	('000)	Number of Unit	Amount per unit (Rs.)	('000)
Investment in Mutual Funds (quoted) (Liquid/ Liquid Plus)						
Kotak liquid scheme- growth	-	-	-	266.08	3758.22	1000
Axis Liquid Fund - Growth	233.19	2141.54	500	388.24	2060.71	800
ICICI Prudential liquid fund- growth	1,030.26	291.19	300	728.33	274.60	200
Aditya Birla Sunlife Liquid fund Daily Dividend	5,030.34	100.20	500	-	-	-
Franklin India Banking and PSU Debt Fund - Growth	6,287.89	15.90	100	-	-	-
Franklin India Corporate Debt Fund - Growth	4,280.31	70.08	300	-	-	-
Franklin India Liquid Fund - Growth	342.97	2915.74	1000	-	-	-
Franklin India Ultra Short Bond Fund	17,943.72	27.87	500	-	-	-
HDFC Asset Management Fund	103.45	3866.69	400	-	-	-
Mirae Asset Large cap fund growth plan	2,228.85	44.78	100	-	-	-
UTI Liquid Cash Plan - Growth	216.75	3228.59	700	-	-	-
Total Current Investments			4400			2000
Aggregate fair value of Current investments			4429			2006

(c) Trade Receivables

Particulars	As At March 31,2020	As At March 31,2019
Trade receivable outstanding for a period exceeding six months	(‘000)	(‘000)
Unsecured		
Considered good - against sale of investments	2520	2690
Considered doubtful	-	-
Trade receivable outstanding for a period less than six months		
Unsecured		
Considered good - against exports	375	1073
Considered doubtful	-	-
Total	2895	3763

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.
The above 2895 (Thousands) includes amount recoverable on account of sale of investment 2520 (Thousands) (Previous Year 2690 Thousands)

Note 5**Deferred Tax Assets (Net)**

Particulars	As At March 31, 2020	As At March 31, 2019
	(‘000)	(‘000)
Opening Balance	476	359
Add: Deferred Tax Assets on Depreciation	-	117
Less: Deferred Tax Liabilities on Depreciation	1	-
Total	475	476

Note 6**Other Non-Current Assets**

Particulars	As At March 31,2020	As At March 31,2019
	(‘000)	(‘000)
(Unsecured, considered good, unless otherwise stated)		
Capital Advances (Against Land & Building)	22404	21483
Other Loans and Advances	11843	12245
Deffered revenue Expenditure	270	324
Total	34517	34052

Note 7**Cash & Cash Equivalents**

Particulars	As At March 31,2020	As At March 31,2019
	(‘000)	(‘000)
Balances with banks		
In Current Account	5344	2818
Cash in hand	38	49
Total	5382	2867

Note 8**Bank balance other then (7) above**

Particulars	As At March 31,2020	As At March 31,2019
	(‘000)	(‘000)
Balances with bank:-		
In Fixed Deposit	42376	48922
Total	42376	48922

Note 9**Other Current Assets**

Particulars	As At March 31,2020	As At March 31,2019
(Unsecured, considered good, unless otherwise stated)	(‘000)	(‘000)
Advances with suppliers & others	2700	1902
Other Advances	157	157
Advance Tax	468	661
TDS Recoverable	339	314
Other Current Assets	197	158
	3861	3192

Note 10(a)**Share Capital**

Particulars	As At March 31, 2020	As At March 31, 2019
	(‘000)	(‘000)
Authorised		
3300000 Equity Shares of Rs. 10/- each	33000	33000
	33000	33000
Issued & subscribed		
3140700 equity shares of Rs. 10/- each fully paid	31407	31407
	31407	31407
Issued, Subscribed & Paid up		
3140700 equity shares of Rs. 10/- each fully paid	31407	31407
	31407	31407
Total	31407	31407

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

Particulars	As At March 31, 2020	As At March 31, 2019
	(‘000)	(‘000)
EQUITY SHARES		
At the beginning of the year	31407	31407
Add: Issued during the year	-	-
Outstanding at the end of the year	31407	31407

b. Terms/Rights attached to equity shares

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

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

d. Details of shareholders holding more than 5% shares in the company

Particulars	As at March 31,2020		As At March 31, 2019	
	No. of Shares	% Holding	No. of Shares	% Holding
Mohnesh Kohli	732000	23.31%	707000	22.51%
Neena	391100	12.45%	391100	12.45%
Basel Investment limited	307700	9.80%	307700	9.80%
Mohnesh Kohli HUF	402000	12.80%	345850	11.01%
Aprajita Kohli	193000	6.15%	162700	5.18%
Austin Kohli	254200	8.09%	220200	7.01%
Total	2280000	72.60%	2134550	67.96%

Note 10(b)**Other Equity**

Particulars	As At March 31, 2020	As At March 31, 2019
	(‘000)	(‘000)
General reserve	5341	5341
Retained earnings	159331	155669
Total	164672	161010

Note 11**Trade Payables**

Particulars	As At March 31, 2020	As At March 31, 2019
	('000)	('000)
Trade Payables	-	-
Total	0	0

Based on information available with the Company, there are no dues to micro, small and medium enterprises, as defined in Micro, Small and Medium Enterprises Development Act, 2006 as on March 31, 2020.

Note 12**Other Current Liabilities**

Particulars	As At March 31, 2020	As At March 31, 2019
	('000)	('000)
Audit Fees Payable	70	28
Contribution to Provident & Other Funds	329	435
Other Payables	323	722
Total	722	1185

Note 13**Provisions**

Particulars	As At March 31, 2020	As At March 31, 2019
	('000)	('000)
Provision for Income Tax	1251	1443
Provision for Employee Benefits	596	649
Total	1847	2092

Note 14**Revenue From Operations**

Particulars	As At March 31,2020	As At March 31,2019
	('000)	('000)
Information Technology Services		
Income From IT Exports Of Services	22141	24603
Total	22141	24603

Note 15**Other Income**

Particulars	As At March 31,2020	As At March 31,2019
	('000)	('000)
Interest on Fixed Deposits with Bank	3354	3140
Income from Investment (Dividend and Profits on Investments etc.)	36	965
Other Income	46	126
Total	3436	4231

Note 16**Employee Benefit Expenses**

Particulars	As At March 31,2020	As At March 31,2019
	('000)	('000)
Salary & Wages (Including Director Remuneration see note no. 31)	7256	7078
Contribution to Provident & Other Funds	363	355
Staff Welfare Expenses	205	144
Total	7824	7577

Note 17**Finance Cost**

Particulars	As At March 31,2020	As At March 31,2019
	('000)	('000)
Borrowings Cost	2	3
Foreign exchange Fluctuation	0	49
Total	2	52

Note 18**Depreciation & Amortisation**

Particulars	As At March 31,2020	As At March 31,2019
	('000)	('000)
Depreciation & Amortization Expenses	696	1222
Total	696	1222

Note 19**Other Operating Expenses**

Particulars	As At March 31,2020	As At March 31,2019
	('000)	('000)
Advertisement & Marketing expenses	417	664
Bank Charges	81	56
Communication & Internet Expenses	206	238
Collection Charges	620	699
Insurance Expenses	57	82
IT Operating Expenses	4863	9144
Legal & Professional Expenses	2863	882
Miscellaneous Expenses	239	511
Payment to auditors (refer Note 19.1 below)	70	28
Power Fuel & Water Charges	151	140
Printing & stationery	51	102
Rent Rates & Taxes	1151	810
Repair & Maintenance Expenses	237	247
Travelling & conveyance expenses (Including Director Foreign travelling Expenses)	1135	801
Total	12141	14404

Note 19.1**Payment to Auditors**

Particulars	As At March 31,2020	As At March 31,2019
	('000)	('000)
Payment to auditor	70	28
As Auditor Statutory Audit	70	28
Total	70	28

Note 20**Earning Per Share**

Particulars	As At March 31,2020	As At March 31,2019
	('000)	('000)
Earnings per share		
Basic		
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	3662	4023
Weighted average number of equity shares	3140700	3140700
Par value per share	10	10
Earnings per share from continuing operations - Basic	1.17	1.28
Diluted	1.17	1.28

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, 2020. Hence, no provision is required in the accounts for the year under review.

Note 23

Auditor's Remuneration

Auditors remuneration for the financial year 2019-20 is Rs. 70000 (Previous Year Rs. 28000)

Note 24

Foreign Exchange Earnings

The particulars regarding foreign exchange earnings of holding company during the year of Rs. 160.83 Lakhs only (Previous Year Rs. 180.32 Lakhs) and expenditure in foreign currency is Rs. 10.81 Lakhs only (Previous year 7.33 Lakhs).

Note 25

Contingent Liabilities and Litigations

In view of accounting policies, Contingent Liability not provided for: Disputed Income Tax Demand against which company has gone into appeal in view of facts of the cases/ opinion obtained Rs. 1,57,31,452/-

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)

Last year, MS Shoes East Limited (now known as Tomorrowland Technologies Exports Limited) instituted a suit against the company for execution of ex-parte decree for an amount of Rs 85,16,928/- along with interest @18 % p a till date. The case also has been disposed off as settled by the Delhi High Court on 02.08.2019 by payment of a lump sum amount of 15.00 lacs. The amount paid and execution

proceeding has been withdrawn MS Shoes East Limited (now known as Tomorrowland Technologies Exports Limited). Therefore no Contingent Liability as on date.

The full and final settlement of disputes arrived with MS Shoes East Limited (now known as Tomorrowland Technologies Exports Limited) at Delhi High Court by payment of a lump sum amount of 15.00 lacs as damages for contract in ordinary course of his business.

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 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 define contribution plan in the Statement of Profit and Loss –

Particulars	Amount (000)	
	As At March 31,2020	As At March 31,2019
Employers' Contribution to Provident Fund	4	1
Employer's Contribution to Employees State Insurance	360	353

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 employee who are in continuous service for a period of 5 years Hence The Company doesn't operates a defined benefit gratuity plan, which requires contributions to be made to the recognised fund Company doesn't Carry out the Actuarial valuation of the Defined benefit plan (Gratuity) hence does not recognise in the Balance sheet in respect of Gratuity in terms of present value of the Defined benefit obligation as the the Balance Sheet date less fair value of plan assets

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 31,2020	As At March 31,2019
Advance given to subsidiary		
Megrisoft Limited (UK Subsidiary)		
Advance given to subsidiary Balance at the year end	2019	2019
Maximum amount outstanding at any time during the year	2019	2019
Investment in Equity Shares - 100%		
100 Equity Share of ₹1 each	10	10

Note 28**Foreign Travelling Expenses**

Rs. 9.92 Lakhs was incurred on foreign travelling during the financial year under review as compared to Rs. 4.75 Lakhs during the preceding financial year. The entire amount was incurred on foreign travelling expenses of the director.

Notes 29

During the year ended March 31, 2020 the company incurred an expense of 32.69 lacs (Previous year : Nil) for construction of IT plot at I-46, Sector-83 Alpha, I.T. City, SAS Nagar, Punjab,160055. Since construction is in progress and the amount shown under head Capital work in progress in the Schedule of Fixed Assets (Notes 3).

Note 30**Related Party Disclosures:**

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

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

Sr.No.	Name of Related Party	Relationship
1.	Mr. Mohnesh Kohli	Promoter, Director & Person having significant influence
2.	Mrs. Neena Kohli	Relative of person having significant influence
3.	Ms. Aprajita Kohli	
4.	Mr. Austin Kohli	
5.	Mr.. Rajnesh Sharma (Whole Time Director)	Key Managerial Personnel

6.	Mrs. Aman Priya (Company Secretary)	
7.	Mohnesh Kohli & Co.	Enterprise Over which controlling person have significant influence
8.	Mohnesh Kohli HUF	
9.	Megrisoft Limited (UK)	Subsidiary Company

B) Details of transactions with related party during year ended March 31, 2020 in the ordinary course of business:

(Rs. in Lakhs)

S r N o.	Nature of Relationship/ transaction	Person having Significant Influence & their relatives	Key Managerial Personnel & relatives	Independent & Other Non Executive Directors	Enterprise over which controlling person have significant influence	Subsidiary Company	Total
1	KMP Remuneration Mr. Rajnish Sharma Aprajita Kohli Ms. Aman Priya	- - -	4.95 33.51 2.24	- - -	- - -	- - -	40.70
2	Director Sitting Fees: Mohnesh Kohli Diksha Mahesh Kumar	- - -	- - -	0.175 0.175 0.175	- - -	- - -	0.53
3	Reimbursement of Tour & Travelling Expense: Mohnesh Kohli Aprajita Kohli	- -	- -	9.74 0.58	- -	- -	10.32
2	Rent paid: Mohnesh Kohli Ms. Neena Kohli	3.60 4.80	- -	- -	- -	- -	3.60 4.80

Out of above payments to related parties director remuneration outstanding on 31st March 2020 is 3.00 lacs (previous year 3.02)

In EGM Wednesday, March 18, 2020 Approval is granted to Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Mr. Mahesh Kohli Contractor, a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for construction of building on company land situated at Plot No. I-46, Sector- 83 Alpha, I.T. City, S.A.S. Nagar, Punjab-160055, for expansion of company business, up to a maximum aggregate value of Rs. 5 Crore

(Rupees Five Crore Only) for a period of 5 years but due to Covid-19 the company has yet not entered into any contract so far.

Note 31

Salary and wages include director remuneration 38.46 lacs (Previous Year 35.92 lacs) and sitting fee 0.53 lacs (Previous Year NIL).

Note 32

Holding Company invested 5.00 lacs in Franklin India Ultra Short Bond Fund which announced that 100% money will be refunded back to the investors hence there is no diminution in value of the investment.

Note 33

In the March of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. To minimize disruption to services we switch to work from home for employees.

- The Group has sufficient capital, reserve and liquidity therefore do not foresee any impact of covid related to this.
- Demand for the Group services may be adversely affected directly by the pandemic – as the company is 100% export of IT/ITes services having customers from the UK, US, Canada, European countries and australia. This is likely to affect the Group earnings in the short and medium term.
- Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.
- Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. The Group has no Credit risk as the company is 100% debt free.
- Financial assets carried at fair value as at March 31, 2020 is 58914 Thousands . A significant part of the financial assets are cash and cash equivalents, bank deposits amounting to 47758 Thousands which is not going to have any impact of covid. Further major mainly investments in liquid debt securities and accordingly, any material volatility is not expected. Trade receivables are considered good and fully recoverable.
- The Group does not foresee any large-scale contraction in demand which could result in significant down-sizing of its employee base rendering the physical infrastructure redundant.
- While the Group believes strongly that it has a long term customers, the small impact on future revenue streams could come from
 - the inability of our customers to continue their businesses due to financial resource constraints or their services no-longer being availed by their customer
 - prolonged lock-down situation resulting in its inability to deploy resources at different locations due to restrictions in mobility
 - customers postponing their discretionary spend due to change in priorities

- The Group has no existing contracts/agreements where non-fulfilment of the obligations by any party will have a significant impact on the business.
- Keeping in view the current situation of Covid19, the company does not foresee any doubt on their ability to continue as a going concern, because of zero debt and sufficient liquid cash and bank balances.
- The Group has designed internal financial reporting and control processes which helped the company to prepare its financial statements and get them audited per original timelines. Financial executive and director communicate regularly with all Audit Committees and the auditors.
- However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

Note 34

Previous Year Figures Regrouping/Reclassification

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

As per the report of even date attached.

For Sanjay Arora & Associates

Chartered Accountants

ICAI Firm Registration Number: 008445N

For and on the behalf of Board of Directors

Neelkant Gargya

Partner

Membership Number: 093624

Place of Signature: Chandigarh

Date: May 25, 2020

Mohnesh Kohli

(Director)

DIN: 01784617

Rajnesh Sharma

(Director & CFO)

DIN: 02528435

NOTICE TO THE 29TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the **29th (Twenty Ninth) Annual General Meeting (AGM)** of the Members of **MEGRI SOFT LIMITED** will be held on Wednesday, September 30, 2020 at 12:30 p.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), in compliance with applicable provisions of the Companies Act, 2013 and in accordance with relevant circulars issued by Ministry of Corporate Affairs ("MCA") and Securities and Exchange Board of India ("SEBI") to transact the following businesses:

Ordinary Business

Item No. 1- Adoption of Financial Statements

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

"RESOLVED THAT the Audited Financial Statements (including Consolidated Financial Statements) for the Financial Year ended March 31, 2020 together with the Director's Report and Independent Auditor's Report thereon as circulated to the members and laid before the meeting be and are hereby received, considered, approved and adopted."

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

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

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

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

Item No. 3- Re-Appointment of M/s Sanjay Arora & Associates, Chartered Accountants, Chandigarh as Statutory Auditors of the Company

To appoint M/s Sanjay Arora & Associates, Chartered Accountants, Chandigarh (FRN: 008445N) as Statutory Auditors of the Company and to fix their remuneration and in this regard, pass with or without modifications, the following resolution as ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby re-appoints M/s Sanjay Arora & Associates, Chartered Accountants, Chandigarh (FRN: 008445N), as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of

the Annual General Meeting to be held for the financial year 2024 on such remuneration as may be determined by the Board of Directors.”

Special Business

Item No. 4- To Re-Appoint Ms. Diksha (DIN:07072776) as Independent Director of the Company

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Ms. Diksha (DIN:07072776), who holds the office of Independent Director upto the conclusion of forthcoming Annual General Meeting and who has submitted a declaration that she meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act, from a Member, signifying his intention to propose Ms. Diksha candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of one year commencing from 1st October, 2020 upto 30th September, 2021.”

Item No. 5- To Appoint Mr. Ishwar Partap Singh (DIN:07505006) as Independent Director of the Company

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (‘Act’), and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV of the said Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’), **Mr. Ishwar Partap Singh (DIN:07505006)**, who has submitted a declaration that he meets the criteria for Independence as provided in Section 149(6) of the Act and Regulation 16 of Listing Regulations and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Non-Executive, Independent Director of the Company to hold office for a term of five consecutive years commencing from 1st October, 2020 upto 30th September 2025 and that he shall not be liable to retire by rotation;

RESOLVED FURTHER THAT anyone of the Directors or Chief Financial Officer or Company Secretary be and are hereby severally authorized to file necessary forms with Ministry of Corporate Affairs and to do all such acts, deeds and things as may be deemed and expedient and necessary to give effect to this resolution.”

Item No. 6- To Re-Appoint Mr. Rajnesh Sharma (DIN:02528435) as whole time Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013("Act") read with Schedule V of the Act and rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force) and subject to such approvals, permission and sanctions, as may be required, and subject to the approval of the Central Government, wherever required and such other approvals as may be necessary, approval of the Members of the Company be and is hereby accorded to the reappointment and terms and conditions of payment of remuneration to Mr. Rajnesh Sharma (DIN:02528435) as Whole-time Director of the Company for a period of 5 years from 01st October, 2019 to 30th September, 2024 on the existing terms and conditions at which he is currently appointed, as may be agreed to by the Board of Directors and Mr. Rajnesh Sharma.

RESOLVED FURTHER THAT where in any Financial Year during the currency of the tenure of the Whole Time Director, the Company has no profits or its profits are inadequate, the Company may pay to the Whole Time Director the above remuneration as the minimum remuneration by way of receipt of the requisite approvals of the Central Government wherever required, and also subject to the provision of Section 196, 197, and subject to the conditions and limits specified in Schedule V and all other applicable provisions of Companies Act, 2013."

Place: Chandigarh
Date: August 28, 2020

By order of the Board of Directors
For Megri Soft Limited

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

Kajal Rawat
Company Secretary

Notes:

1. As you aware , in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM/EGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.
3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of

participation at the EGM/AGM through VC/OAVM will be made available to all members as the members of the company are not more than 1000 therefore participation is unlimited. large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. are also allowed to attend the EGM/AGM.

4. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, , the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
6. In line with the MCA Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.megrisoft.com. The Notice can also be accessed from the website of the Stock Exchanges i.e. BSE Ltd. at www.bseindia.com and Metropolitan Stock Exchange of India Ltd. at www.msei.in respectively and is also available on the website of e-voting agency Central Depository Services (India) Limited (CDSL) at the website address www.evotingindia.com.
7. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

- I. The remote e-voting commences on 9.00 a.m on Sunday, September 27, 2020 and will end at 5.00 p.m on Tuesday, September 29, 2020. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Wednesday, September 23, 2020, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- II. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- III. 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.
- IV. The shareholders should log on to the e-voting website www.evotingindia.com.
- V. Click on "Shareholders" tab.
- VI. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

Or

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- VII. Next enter the Image Verification as displayed and Click on Login.
- VIII. 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.
- IX. 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> <p><input type="checkbox"/> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first 2 letters of their name and the 8 digits of the sequence number in the PAN field. Sequence number is printed on “e-voting instruction slip” attached with the Notice.</p> <p><input type="checkbox"/> In case the sequence number is less than 8 digits, enter the applicable number of 0's before the number after the first 2 characters of the name in CAPITAL letters. Eg. if your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
Dividend Bank Details Or Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <p><input type="checkbox"/> If both the details are not recorded with the depository or Company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (iv)</p>

- X. After entering these details appropriately, click on “SUBMIT” tab.
- XI. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach the ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- XII. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- XIII. Click on the EVSN **200821023 <Megri Soft Limited>** on which you choose to vote.

- XIV. 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.
- XV. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- XVI. 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.
- XVII. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- XVIII. 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.
- XIX. 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.
- XX. Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

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 provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id.

INSTRUCTIONS FOR THE MEMBERS FOR ATTENDING THE E-AGM THROUGH VIDEO CONFERENCE:

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Members may access the same at www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of 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 12:15 p.m. to 12:45 p.m.

4. Further Members will be required to allow Camera and use the Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
6. **AGM Questions prior to e-AGM:** Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 07 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 07 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at legal@megrisoft.com . These queries will be replied to by the company suitably by email.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

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

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

(XXI) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporate” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cDSLindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cDSLindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

· Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; legal@megrisoft.com , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

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

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

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

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

Other Important Notes:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (MCA) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as ‘MCA Circulars’) permitted the holding of the Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (Act), SEBI (Listing Obligations and

Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the MCACirculars, the AGM of the Company is being held through VC / OAVM

2. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
3. The Register of members & Share Transfer books will remain closed from Thursday, September 24, 2020 to Wednesday, September 30, 2020 (both days inclusive).
4. Brief details of the directors, who are seeking appointment/re-appointment, are annexed hereto as per requirements of regulation 36(3) of the Listing Regulations and as per provisions of the Act.
5. In support of the Green Initiative, the Notice of AGM and the copies of audited standalone & consolidated financial statements, directors' report, auditors' report etc. will also be displayed on the website at www.megrisoft.com of the Company. Members holding shares in electronic mode are therefore requested to ensure to keep their email addresses updated with the depository participants. those members who have not registered their e-mail addresses and mobile nos. and in consequence could not be served the Annual Report and Notice of e-AGM, may temporarily get themselves registered by writing to the Company or RTA quoting their folio number(s).
6. SEBI has mandated the submission of Permanent Account Number (PAN) by every person dealing in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ RTA.
7. SEBI vide its notification dated 8 June 2018 as amended on 30 November 2018, has stipulated that w.e.f. 1 April 2019, the transfer of securities (except transmission or transposition of shares) shall not be processed, unless the securities are held in the dematerialized form. To comply with the above mandate, members who still hold share certificates in physical form are advised to dematerialise their shareholding to also avail of numerous benefits of dematerialisation, which include easy liquidity, ease of trading and transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.
8. In case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the e-AGM
9. Since the meeting will be conducted through VC/ OAVM facility, the Route Map is not annexed in this Notice.
10. The Board of Directors has appointed A.M. & Associates, Practicing Company Secretaries as the Scrutinizer to the e-voting process and voting at the e-AGM in a fair and transparent manner.
11. The Scrutinizer shall, immediately after the conclusion of voting at the e-AGM, first count the votes cast at the meeting, thereafter unblock the votes through e-voting in the presence of at least two witnesses, not in the employment of the Company and make a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman of the Company, who shall countersign the same.
12. The Results on above resolutions shall be declared not later than 48 hours from the conclusion of the e-AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the resolutions. The results declared along with the Scrutinizers Report shall be placed at the Company's website www.Megrisoft.com immediately after the results are declared by the Company and simultaneously communicated to the BSE and MSEI.

13. Since the AGM is being held through VC in accordance with the MCA Circulars, the route map, proxy form and attendance slips are not being attached to this notice.
14. The business set out in the Notice will be transacted through Electronic Voting System and the Company is providing facility for voting by electronic means. The instructions & other information relating to remote e-voting are above mentioned in this notice and the Company will also send communication relating to remote-e-voting which inter-alia would contain details about User ID and Password along with a copy of this Notice to the members, separately.
15. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members. The Members seeking to inspect such documents can send an email to legal@megrisoft.com
16. Members holding shares in dematerialized mode are requested to intimate all changes with respect to their bank details, mandate, nomination, power of attorney, change of address, email address, change in name etc. to their Depository Participant. These changes will be automatically reflected in the Company's records which will help the Company to provide efficient and better service to the members.
17. The Securities and Exchange Board of India (SEBI) has by its circular SEBI/HO/DOP1/CIR/P/2018/73 dated 20th April, 2018 mandated the updation of PAN & Bank account details for the holders holding shares in physical form. Those physical shareholders whose folio(s) do not have complete details relating to their PAN and Bank Account, or where there is any change in the bank account details provided earlier, are hereby requested to furnish the details to Company for registration/updation as the earliest possible. Members holding shares in physical form are further requested to intimate all changes with respect to mandate, nomination, power of attorney, change of address, email address, change in name etc. immediately to the Company.
18. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the 29th Annual General Meeting, scheduled to be held on **Wednesday, September 30, 2020 at 12:30 a.m.** by electronic means ('remote e-voting') services provided by the Central Depository Services (India) Limited (CDSL).
19. Any person who acquires shares of the Company and become the member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date, i.e. September 23, 2020 have the option to obtain user-ID & password by sending a request at legal@megrisoft.com and may follow the same instructions as mentioned above for e-voting.
20. A copy of this notice has been placed on the website of the Company at www.megrisoft.com and the website of CDSL at www.cdslindia.com. Members holding shares in electronic mode are therefore requested to ensure to keep their email addresses updated with the depository participants. Members holding shares in physical mode are also requested to update their email addresses by writing to the RTA of the Company quoting their folio number(s).

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

Place: Chandigarh
Date: August 28, 2020

By order of the Board of Directors
For Megri Soft Limited

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

Kajal Rawat
Company Secretary

EXPLANATORY STATEMENT
[Pursuant to Section 102 of the Companies Act, 2013]

Item No.4.

Ms. Diksha was appointed as Independent Directors of the Company pursuant to Section 149 of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014, by the Shareholders at the Annual General Meeting held on 29th September, 2018 to hold office upto the conclusion of forthcoming Annual General Meeting ("first term" as per the explanation to Section 149(10) and 149(11) of the Act.)

The Nomination & Remuneration Committee after taking into account the performance evaluation of Ms. Diksha as Independent Director, during her first term of two years and considering the knowledge, acumen, expertise and experience and the substantial contribution made by her during the tenure as an Independent Director since the appointment, has recommended to the Board that continued association of her as an Independent Director would be in the interest of the Company. Based on the above, the Nomination & Remuneration Committee and the Board has recommended the re-appointment of Ms. Diksha as Independent Director on the Board of the Company, to hold office for the second term of One year commencing from 1st October, 2020 upto 30th September, 2021 and not liable to retire by rotation.

The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a Member proposing her candidature of Ms. Diksha for her appointment to the office of Independent Director. Brief profile of Ms. Diksha to be reappointed including nature of their expertise and other disclosure as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided at **ANNEXURE A** of this Notice.

Your Directors, therefore, recommends the appointment of Ms. Diksha (DIN 07072776) as Independent Director of the Company, not liable to retire by rotation, as set forth in Item No. 4, of this notice.

Except Ms. Diksha, being an appointee and her relatives, none of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the above Resolution

Item No.5.

Pursuant to the provisions of the Companies Act 2013 ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Board of Directors (Board) on the recommendation of the Nomination and Remuneration Committee is recommending the appointment of Mr. Ishwar Partap Singh (DIN:07505006) to the Members.

In terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and Listing Regulations, Mr. Ishwar Partap Singh (DIN:07505006), being eligible and offering himself for appointment, is proposed to be appointed as an Independent Non-Executive Director for a term of 5 (five) years from the date of his appointment.

The Company has received a notice in writing under the provisions of Section 160 of the Act from a member proposing the candidature of Mr. Ishwar Partap Singh for appointment as an Independent Director as per the provisions of the Act. The Company has also received a declaration from Mr. Ishwar Partap Singh that he meets the criteria of independence as prescribed both under subsection (6) of Section 149 of the Act and under the Listing Regulations.

In the opinion of the Board, Mr. Ishwar Partap Singh fulfills the conditions specified in the Act, and rules made thereunder and the Listing Regulations for his appointment as an Independent Director of the Company and is independent of the Management. Brief profile of Mr. Ishwar Partap Singh to be appointed including nature of their expertise and other disclosure as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided at **ANNEXURE A** of this Notice.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Ishwar Partap Singh as an Independent Director.

None of the Directors/ Key Managerial Personnel of the Company and their relatives except the appointee are concerned or interested in the resolution.

The Board recommends the Ordinary Resolution at Item No. 5 of the Notice for approval of the Members.

Item No.6.

Mr. Rajnesh Sharma (DIN: 02528435) earlier was appointed as Whole Time Director of the Company for a period of 5 (five) years from 01st October, 2014 upto 30th September, 2019 at the Annual General Meeting held on 30th September, 2014.

Now, based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 01.10.2019, approved the appointment of Mr. Rajnesh Sharma (DIN: 02528435) as Whole-Time Director of the Company for a period of 5 (Five) years from 01.10.2019 to 30.09.2024 on the existing terms and conditions at which he is currently appointed, as may be agreed to by the Board of Directors and Mr. Rajnesh Sharma.

The Board of Directors recommends the passing of the above resolution as an Ordinary Resolution

Save and except Mr. Rajnesh Sharma, none of the Directors and Key Managerial Personnel of the Company and/or their relatives, is interested or concerned, in the resolution set out at item No.6.

Annexure A

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

Name of the Director	Ms. Aprajita Kohli	Ms. Diksha	Mr. Ishwar Partap Singh	Mr. Rajnesh Sharma
Date of Birth	25.10.1990	01.01.1989	31.03.1987	27.05.1969
Date of Appointment	30.09.2009	16.07.2018	30.09.2020	18.08.1998
Expertise in Specific Functional Area	Internet Technology	Corporate Laws, Financial Consultancy & Income Tax related matters	Corporate Laws, Secretarial related Matters & Financial Management	Finance and Web Services.
Qualification	Graduation in Journalism & PR, Advanced IT Course and MBA in International Business from University of Greenwich, London.	CS, B.Com	CS, B.Com	Technical Graduate
No. of Shares Held	1,93,000	0	0	0
Relationship with Other Directors	Related to Mr. Mohnesh Kohli	Not Related to any Director	Not Related to any Director	Not Related to any Director
Board Membership of other Companies as on March 31, 2020	None	None	None	None
Chairman/ Member of the Committee of the Board of Directors as on March 31, 2020	None	None	None	None