

32nd Annual Report 2022-23

Megrisoft

Megri Soft Limited

COMPANY INFORMATION:

BOARD OF DIRECTORS

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

STATUTORY AUDITOR

M/s Sanjay Arora & Associates
Chartered Accountants
Chandigarh

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Vijay Kumar

CHIEF FINANCIAL OFFICER (CFO)

Mr. Rajnesh Sharma

CONSULTING COMPANY SECRETARY & SECRETARIAL AUDITOR

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

BANKERS

Karnataka Bank Limited

REGISTERED OFFICE OF COMPANY, CIN, EMAIL ID & WEBSITE

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

REGISTRAR & SHARE TRANSFER AGENT

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

LISTING

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



Board's Report

Dear Members,

The Board of Directors of your Company take pleasure in presenting the 32nd Annual Report on the business and operations of the Company together with the audited Standalone and consolidated Financial Statements and the Auditor's Report thereon for the financial year ended March 31, 2023.

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

➤ Results of operations

(Amount in Lakhs)

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

➤ Financial Review

Standalone Financial Statements

The annual audited Standalone Financial Statements for the year have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. Necessary disclosures as regards the key impact areas & other adjustments upon transition to Ind-AS reporting have been made under the Notes to Financial Statements. Your Company's revenue from operations is ₹ 189.79 Lakh during the year under review as against ₹174.28 Lakh during the previous financial year. Operating EBIT for the year is ₹ 65.89 Lakh compared to ₹ 60.58 Lakh in FY 2021-22. Profit before tax (PBT) from ordinary activities (before exceptional items) is ₹ 65.89 Lakh in FY 2023 as against ₹ 60.58 Lakh in FY 2021-22

Consolidated Financial Statements

The Consolidated Financial Statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013, and other recognised accounting practices and policies to the extent applicable. The Consolidated Financial Statements have been prepared on the basis of the audited financial statements of the wholly owned subsidiary (Megrisoft Limited) incorporated in the United Kingdom, as approved by their respective Board of Directors. On a consolidated basis, your Company achieved net revenue of ₹241.28 Lakh during the year under review as against ₹ 255.56 Lakh during the previous financial year. The total consolidated income for the year is ₹ 257.22 Lakh compared to ₹ 281.93 Lakh in FY 2021-22.

➤ Dividend

In order to strengthen the financial position of the Company, your directors proposed to retain the profits for future growth & expansions therefore do not recommend any dividend for the year.

➤ Transfer to Reserves

During the year under review, the balance in Other Equity stands at ₹ 1770.27Lakhs. The Board of Directors of your company has decided not to transfer any amount to the Reserves for the year under review.

➤ Share Capital

There have been no changes in the authorized share capital, issued, subscribed and paid-up share capital during the year under review.

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

➤ Listing of Shares

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

➤ Fixed Deposits

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

➤ Operations Review

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

➤ Details of Subsidiaries

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

➤ Particulars of Loans, Guarantees or Investments in Securities

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

➤ Particulars of Contracts & Arrangements made with Related Parties

As per the provisions of the Act and the Listing Regulations, your Company has formulated a Policy on Related Party Transactions, also available on the Company's website at <http://www.megrisoft.com/pdfs/rptp.pdf>. The Policy intends to ensure proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. This Policy specifically deals with the review and approval of Material Related Party transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is also obtained for related party transactions on an annual basis for transactions that are repetitive and/ or entered in the ordinary course of business and an arm's length basis. The Company has entered into material-related party transactions, i.e. transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statements. The particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the prescribed Form AOC-2 are given in **Annexure II**.

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

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

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

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

➤ Future Outlook

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



➤ Corporate Governance

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

➤ Management Discussion And Analysis

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

➤ Risk Management

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

➤ Internal Controls and Adequacy

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

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

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

➤ Board of Directors

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

➤ BOARD SIZE AND COMPOSITION

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

➤ Meetings of the Board

❑ Scheduling and selection of agenda items for Board meetings

- The meetings of the Board are convened by giving appropriate advance notice to the members of the Board. The Company Secretary circulates internal notice to all the Board members asking for suggestions/details of any matter which requires discussion or approval of the Board so that the same can be incorporated into the agenda of the Board meeting. The Board meeting date is fixed, considering the convenience and availability of the Board members.

- The agenda papers are circulated to the Directors in advance, along with suitable explanatory notes. At each meeting, detailed presentations and important documents are placed at the meeting table to discuss individual agenda items. The minutes of the Committees of the Board are taken as read at the meeting of the Board for information of the members. The follow-up actions of important agenda items of previous Board meetings are placed at the Board meeting for review by the Board.
- The Company Secretary conducts the Board meetings and prepares all documents, including meeting minutes, in compliance with the provisions of the Companies Act and other statutory enactments. The Company Secretary records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to Board/Board Committee members for their comments. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting.
- Pursuant to Schedule IV to the Companies Act, 2013 and Listing Regulations, one meeting of Independent Directors was held during the year i.e. on February 7, 2023, without the attendance of Executive directors and members of Management. In addition, the Company encourages regular separate meetings of its independent directors to update them on all business-related issues and new initiatives.
- During the Financial Year 2022-23, the Board met 7 (Seven) times i.e. on 20.05.2022, 16.07.2022, 10.08.2022, 29.08.2022, 10.10.2022, 10.11.2022. And 7.02.2023. The intervening gap between any two meetings was within the period prescribed by the Companies Act 2013.

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

❖ No. of Meetings Attended by the Board of Directors

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

General Meetings

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

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

Committees of the Board

During the year, the Board had the following Committees –

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

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

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

BOARD COMMITTEES

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

☐ Audit Committee

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

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

☐ Audit Committee Composition

Our Audit Committee comprised three directors as of March 31, 2023, of which two are independent directors and one is a non-executive director. The Company Secretary acts as the secretary to the audit committee.

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

Audit Committee Meetings

During the Financial Year 2022-23, under review 7(Seven) Audit Committee Meetings were held on April 28, 2022, May 20, 2022, May 31, 2022 August 10, 2022, November 10, 2022, November 23, 2022, and February 7, 2023.

Number of Meetings attended by the Members of the Audit Committee

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

❑ Nomination & Remuneration Committee

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

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

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

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

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

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

During the Financial Year 2022-23, 4 (four) meetings were held by the Nomination & Remuneration Committee members, and a requisite quorum attended the meeting were held on April 5, 2022, July 6, 2022, October 4, 2022 and January 6, 2023.

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

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

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

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

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

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

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

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

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

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

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

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

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

❑ Board Evaluation Process

Pursuant to the provisions of the Companies Act, 2013 and Rules made thereunder, Schedule IV of the Act and SEBI (LODR) Regulations, 2015, the Board of Directors has carried out an annual evaluation of its performance, Board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India (SEBI). The Board evaluated the performance of the Board after seeking inputs from all the directors on the basis of criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc. The board evaluates the performance of the committees after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc. The Board and the Nomination and Remuneration Committee (NRC) reviewed the performance of the individual directors on the basis of criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. The Board of Directors had expressed their satisfaction to the overall evaluation process.

❑ Committee of Independent Directors

The company's Independent directors shall hold at least one meeting in a financial year without the attendance of non-independent directors and members of management. The meeting of Independent Directors of the Company for the Financial Year 2022-23 was held on **February 07, 2023** to discuss:

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

➤ Familiarisation Programme for Independent Directors.

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

➤ Declaration by Independent Directors

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

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

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

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

➤ Insolvency And Bankruptcy Code, 2016

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

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

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

➤ Vigil Mechanism/Whistle Blower Policy

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

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

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

➤ Risk Management Policy

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

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

➤ Internal Financial Control

Your Company has established adequate internal financial controls concerning the financial statements. Such controls were tested during the year, and no reportable material weaknesses in the design or operation were observed. The Company has also put in place adequate systems of Internal Control to ensure compliance with policies and procedures commensurate with the size, scale and complexity of its operations.

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

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

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