



MEGASOFT LIMITED

**Annual Report
2024-2025**



Corporate Information:

Board of Directors

Mr. Sunil Kumar Kalidindi, Executive Director & Chief Executive Officer
 Dr. Uma Garimella, Independent Woman Director
 Mr. Kalyan Vijay Sivalenka, Independent Director
 Mr. Suryanarayana Raju Nandyala, Independent Director
 Ms. Leona Ambuja, Non-Executive Non-Independent Director
 Mr. Krishna Yeachuri, Non-Executive Non- Independent Director

Chief Financial Officer

Mr. Shridhar Thathachary

Company Secretary and Compliance Officer

Mr. Thakur Vishal Singh

Statutory Auditors

M/s. N. C. Rajagopal & Co., Chartered Accountants Office
 No.22, Krishnaswamy Avenue
 Mylapore Road, Opposite Mylapore Club Chennai 600 004,
 Tamil Nadu, India

Secretarial Auditor

M Damodaran
 M/s. M Damodaran & Associates LLP
 MDA Towers, New No.6,
 Old No.12, Appavoo Gramani
 1st Street, Mandaveli, Chennai-600028

Bankers

Kotak Mahindra Bank

Registered Office

85, Kutchery Road, Mylapore Chennai 600004,
 Tamil Nadu, India

Registrars and Share Transfer Agents

Cameo Corporate Services Limited,
 Subramanian Building, No. 1 Club House Road Chennai
 600004, Tamil Nadu, India

Corporate Office

8th Floor, Unit No. 801B,
 Jain Sadguru Image's Capital Park,
 Madhapur, Hyderabad – 500081,
 Telangana, India

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MEGASOFT LIMITED
 CIN: L24100TN1999PLC042730
25th ANNUAL REPORT

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure to present their Report of your Company on the business and operations for the year ended March 31, 2025.

FINANCIAL HIGHLIGHTS:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2025	For the year ended 31 March 2024
Revenues from operations	0.00	0.00	0.00	0.00
Other Income	4,128.44	3,734.65	4,156.28	3,739.53
Expenditure	1,012.85	889.83	1,043.42	892.22
Finance cost	1,821.49	1,706.30	1,821.54	1,706.30
Depreciation	446.59	318.82	446.59	318.82
Operating profit/ (loss)	(3,280.93)	(2,914.95)	(3,311.55)	(2,917.34)
Profit before Exceptional items and Tax	847.51	819.71	844.73	822.19
Exceptional Items	0.00	0.00	0.00	0.00
Profit before tax	847.51	819.71	844.73	822.19
Less: Taxes	0.00	63.64	0.00	63.64
Profit after tax	847.51	756.06	844.73	758.55
Share of Profit /(Loss) of Associate	-	-	(3,838.47)	(2,033.21)
Profit/(Loss) for the period	847.51	756.06	(2,993.74)	(1,274.67)
Other Comprehensive Income/ (Loss)	5.68	0.20	5.68	0.20
Total Comprehensive Income	853.19	756.26	(2,988.06)	(1,274.47)
Share of Other Comprehensive Income from Associate	-	-	(702.36)	0.00
Total Comprehensive Income (includes Associates Comprehensive income)	853.19	756.26	(3,690.42)	(1,274.47)
Earnings per share				
(equity shares, par value Rs. 10 each)				
Basic (Rs.)	1.15	1.02	(4.06)	(1.73)
Diluted (Rs.)	1.15	1.02	(4.06)	(1.73)

OVERVIEW:

During the financial year ended 31 March 2025, your company recorded Standalone Profit of ₹ 847.51 lakhs as compared to ₹ 756.06 lakhs for the financial year ended 31st March 2024. The consolidated loss was ₹ (2,993.74) lakhs during the current year as compared to ₹ (1,274.67) lakhs Loss in the previous year.

In recent years your company has made strategic inroads into the Aerospace and Defence sector. The company's business strategy is focused on becoming a global leader in the defence sector by combining in-house expertise with the strengths of carefully selected acquisitions. Recognising the vast opportunities in this industry, the company is actively targeting acquisitions in the US and UK — two of the most advanced defence markets in the world. These acquisitions bring not only cutting-edge technologies and products but also established customer networks, enabling the company to quickly scale its presence and enhance its competitiveness in both domestic and international markets. The company plans to grow organically and inorganically through such acquisitions.

With multi-dimensional strategy — built on acquisitions, innovation, manufacturing strength, and strategic market access — your company aims at delivering sustained growth, operational excellence, and long-term value creation. By bringing together the right companies, the right people, and the right vision, the company is firmly on its path to becoming a recognised global force in defence technology. Your Company is poised to deliver sustained growth and create value for the stakeholders and contribute positively through innovative solutions and products.

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There has been no change in the nature of Business of the Company during the year under consideration.

TRANSFER TO RESERVES IN TERMS OF SECTION 134(3) (J) OF THE COMPANIES ACT, 2013:

For the financial year ended on March 31, 2025 the Company transferred ₹ (2,993.74) lakhs (Consolidated) to Reserves & Surplus.

DIVIDEND:

As the Company is intending to ploughing back of profit, Board of Directors of the Company do not recommend any dividend.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

SHARE CAPITAL:**a) Authorized Share Capital:**

The Authorized Share Capital of the Company as on March 31, 2025 stands at ₹ 2,00,00,00,000 (Rupees Two Hundred crore only) comprising of 20,00,00,000 (Twenty Crore only) equity shares of ₹10 (Rupees Ten only) each.

b) Paid up Share Capital:

The paid-up equity share capital of the Company as on March 31, 2025 was ₹73,77,00,410 (Rupees Seventy Three Crores Seventy Seven lakhs Four Hundred Ten only) comprising of 7,37,70,041 (Rupees Seven Crores Thirty Seven Lakhs Seventy Thousand and Forty one only) no. of fully paid Equity shares of face value of ₹10 (Rupees Ten only) each.

During the year under review, the company has not issued shares with differential voting rights nor granted stock options or sweat equity shares or bonus shares. The Company has not bought back any of its securities during the year under review.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The company has received declarations from all the independent directors of the company confirming that they meet the criteria of independence as prescribed under section 149(6) of the Companies Act, 2013 and Schedule IV of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

During the financial year, the Board of Directors of the Company was duly constituted and except the following, no other changes were effected therein:

1. Dr. Uma Garimella was appointed as Independent Woman Director w.e.f., December 20, 2024
2. Mr. Anish Mathew ceased to act as Director upon completion of the two consecutive tenure of 5 years as Independent Director w.e.f., December 25, 2024.
3. Mr. Krishna Yeachuri, Non-Executive Director resigned from the position w.e.f., March 31, 2025.

Further, CS Srivalli Manda resigned from the position of Company Secretary & Compliance Officer w.e.f., August 31, 2024. CS Thakur Vishal Singh has been appointed as Company Secretary & Compliance Officer w.e.f., September 1, 2024.

In accordance with the provisions of the Companies Act, 2013 and in terms of the Memorandum of Association and Articles of Association of the Company, Mr. Sunil Kumar Kalidindi [DIN- 02344343] Director of your Company, retiring by rotation at the ensuing Annual General Meeting (AGM) and eligible offers himself for reappointment.

BOARD MEETINGS:

The Board of Directors met Eight (8) times during the financial year. Also, a separate meeting of Independent Directors as prescribed under Schedule IV of the Act, was held during the year under review. For details of the meetings of the Board and its Committees, please refer to the Corporate Governance Report forming part of this Report. The provisions of Companies Act, 2013 and Regulation 17(2) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Secretarial Standard - 1 issued by The Institute of Company Secretaries of India were adhered to in respect of meeting of Board of Directors of the company.

COMPLIANCE WITH SECRETARIAL STANDARDS:

During the year under review, the provisions of Secretarial Standard – 1 (Board Meetings) and 2 (General Meetings) issued by the Institute of Company Secretaries of India (ICSI) were adhered to while conducting the respective Meetings.

NOMINATION & REMUNERATION POLICY:

The Board had, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is available on the website of the company and the terms of reference are given separately in the Corporate Governance Report.

BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its committees. The manner in which the evaluation has been carried out has been detailed out in the Corporate Governance Report.

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:

The performance evaluation criteria for independent directors are determined by the Nomination and Remuneration Committee. An indicative list of factors on which evaluation was carried out includes participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity, experience (including the proficiency) and maintenance of confidentiality and Independence of behavior and judgment.

DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of section 134(3)(c) of the Companies Act, 2013:

- i) in the preparation of the annual financial statements for the year ended March 31, 2025, the applicable accounting standards had been followed along with proper explanations relating to material departures, if any;
- ii) the Directors selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit/loss of the company for the year;
- iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) the Directors had prepared the annual accounts on a “going concern basis”;
- v) the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

SIGNIFICANT TRANSACTIONS:

During the financial year 2024-25 your Board of Directors in their meeting held on October 18, 2024 approved the Scheme of Amalgamation of Sigma Advanced Systems Private Limited (“SASPL” or “Transferor Company”) into and with Megasoft Limited (“MSL” or “Megasoft” or “Transferee Company”). Further, the Company received the No-objection Letters / Observation Letters from the BSE Limited and National Stock Exchange of India Limited bearing letters dated May 16, 2025.

Pursuant to the order of the Hon’ble National Company Law Tribunal, Chennai Bench – I. (NCLT) dated July 11, 2025 read with Order dated July 16, 2025 (“Order”), the Company has conducted a meeting of the Equity Shareholder on August 30, 2025 and received the approval of the Shareholders on the Scheme.

Further, the Company is in process of obtaining the approval from the Hon’ble NCLT on the Scheme.

OUTLOOK:

A detailed discussion on the performance of the company, industry outlook, opportunities, risks and concerns, future outlook and strategy is given separately in the Management’s Discussion and Analysis section, which forms a part of this annual report.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

In terms of Section 134(3)(m) of the Companies Act, 2013 and the rules framed thereunder, your Directors furnish the required details below:

The Company continues to remain committed to optimizing the utilization of energy and natural resources across all operations. As part of our sustainability initiatives, we consistently strive to reduce energy and water consumption and promote environmentally responsible practices within our workspaces.

a) Energy Conservation:

The key measures undertaken includes:

- 1) Regular energy audits to identify opportunities for reducing consumption and enhancing efficiency.
- 2) Deployment of energy-efficient systems such as LED lighting, high-efficiency HVAC units, and low-power computing devices.
- 3) Automation of utilities using programmable timers, automatic level controllers, and motion-based lighting sensors to minimize energy wastage.

We recognize that energy conservation is not only an operational imperative but also a fundamental responsibility toward environmental stewardship. The Company shall continue its efforts to embed sustainability into its core operations.

- ### **b) Technology Absorption:**
- Technology absorption means adopting and using new, advanced technologies to improve the way tasks are performed. It involves acquiring the latest tools and systems, customizing them to meet specific needs, and training people to use the technology effectively. Your company is actively investing in modern technologies and digital tools to stay competitive. It is also conducting regular training programs to ensure employees are well-equipped to use these technologies efficiently

Technology absorption involves the adoption, integration, and effective use of advanced technologies to enhance capabilities and operations. This process includes acquiring cutting-edge tools and systems, customizing them for specific needs, and training personnel to ensure optimal use.

- c) **Foreign exchange earnings and outgo:** The details of foreign exchange earnings and outgo are given in note no. 36 and 37 of the Notes forming part of the standalone financial statements of the company.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES UNDER SECTION 188:

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with the promoters, directors, key managerial personnel or other designated persons which may have a potential conflict with the interest of the company at large.

All related party transactions are placed before the Audit/ Risk Compliance Committee as also the Board for approval.

The Board of Directors of the company has, on the recommendation of the Audit/Risk Compliance Committee, adopted a policy to regulate transactions between the company and its related parties, in compliance with the applicable provisions of the Companies Act, 2013, the Rules framed thereunder and Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. This Policy was considered and approved by the Board and has been uploaded on the website of the company.

The Details of related Party Transaction on arm's length basis has been annexed as 'Annexure-1' appended hereto and forms part of this report.

PARTICULARS OF LOANS, INVESTMENTS & GUARANTEE:

Details of Loans, Investments and Guarantees covered under the provisions of Section 186 of the Companies Act, 2013 are given in note no. 35, 41 and 42 of the Notes forming part of the standalone financial statements of the company.

RISK MANAGEMENT:

The Company has instituted a robust and forward-looking Risk Management Framework aimed at proactively identifying, evaluating, and mitigating potential threats that could impact its business operations or strategic goals. Risks are assessed based on their probability of occurrence and potential impact, enabling prioritized and timely intervention.

While risk minimization has been a foundational element of our operations in the past, the evolving regulatory environment and business complexities necessitated a more structured and documented approach.

The overarching objective is to support sustainable growth, protect stakeholder interests, and ensure resilience in an increasingly dynamic and uncertain business environment.

Oversight of the risk management process is vested with the Audit-Risk Management and Compliance Committee, chaired by Mr. Kalyan Vijay Sivalenka. The committee periodically reviews the risk matrix, validates the effectiveness of mitigation plans, and reports key insights to the Board.

The Company remains committed to strengthening its risk culture, promoting awareness across all levels, and continuously improving its risk assessment and mitigation capabilities.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Your company believes that strong internal controls are essential for the smooth and secure functioning of any organization. These controls include processes, policies, and procedures that help protect the company's resources from risks and threats. They ensure that transactions are approved properly, recorded accurately, and carried out in line with company policies and this would reduce the chances of mistakes, fraud, or incorrect financial reporting. Your company's internal control framework is designed to ensure accuracy, transparency, and accountability across all business processes, with a strong focus on risk mitigation and adherence to statutory, contractual, and security requirements.

A key part of this system is the role of the Audit Committee. Working closely with the Internal Auditor, the Audit Committee regularly reviews the company's internal controls. These reviews take place at fixed intervals and are aimed at checking whether the controls are effective. If any gap is found, the Audit Committee recommends corrective action to fix it. The company also carries out regular risk assessments for both existing processes and any new workflows introduced. This proactive approach helps identify risks early so that preventive measures can be taken before issues arise. By constantly reviewing and updating its risk management strategies, the company stays prepared for changing business needs and external factors.

INTERNAL FINANCIAL CONTROL WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Company has in place adequate internal financial controls with reference to financial statements. During the year no material weakness in the design or operation was observed.

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company maintains a strong commitment to ethical conduct, corporate transparency, and fostering a secure work environment where integrity is upheld at all levels. As part of this commitment, a formal Vigil Mechanism, commonly referred to as the Whistle Blower Policy, has been instituted to enable employees and stakeholders to raise concerns regarding any actual or suspected unethical behavior, violation of legal or regulatory requirements, or any other wrongful conduct.

The mechanism is designed to promote a culture of openness and accountability, encouraging individuals to report concerns without the risk of retaliation, intimidation, or harassment. This ensures that all business practices and employee actions align with the Company's values of honesty, fairness, and professional integrity.

This policy is an essential element of the Company's governance framework and reflects its zero-tolerance stance toward misconduct. Details of the Vigil Mechanism and procedures for reporting concerns are outlined in the Corporate Governance Report, and the full policy is available on the Company's website at: <http://www.megasoft.com/corporate-governance.html>

ENHANCING SHAREHOLDER VALUE:

The company remains committed to enhancing shareholder value through a balanced approach that prioritizes sustainable growth, operational efficiency, and prudent capital allocation. Strategic initiatives have focused on driving revenue growth, optimizing cost structures, and investing in high-return projects that align with our long-term vision. The company will continue to maintain a disciplined approach to capital management, including dividend payouts and share repurchase programs where appropriate. Additionally, the company have strengthened governance practices and improved transparency to build investor confidence and support

long-term value creation. The Board will continue to monitor performance closely to ensure alignment with shareholder interests and market expectations.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

The Company has one wholly owned subsidiary company i.e., Velapan Systems Private Limited. The Company has one Associate Company i.e., Extrovis AG, Switzerland.

PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT:

The Consolidated Financial Statements relate to the Company's subsidiary Velapan Systems Private Limited. The Financial Statements of the Subsidiaries covered in the Consolidation process are drawn upto the same reporting date as that of the Company i.e., March 31, 2025. The Financial Statements of the Company and its Subsidiaries have been combined on a line-by-line basis by adding together like-items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealized profits or losses, unless cost cannot be recovered. The statement pursuant to Section 129 of the Companies Act, 2013 in respect of subsidiaries and associates is annexed as 'Annexure-2'.

DEPOSITS:

The Company has neither raised nor renewed any Deposits as on March 31, 2025 or received any other monies construed to attract the provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 as amended from time to time.

ANNUAL RETURN:

The Annual Return pursuant to the provisions of Section 92(3) of Companies Act, 2013 read with Rule 12 of the Companies (Management and administration) Rules, 2014 can be accessed at <http://www.megasoft.com/annual-return.html>

AUDITORS' REPORT:

Except as specified and explained below, there are no other qualifications, reservations, or adverse remarks or disclaimers in the Auditors' Report. Observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments under Section 134(1) of the Companies Act, 2013.

AUDITORS:

STATUTORY AUDITORS:

Members at its 22nd Annual General Meeting held on September 23, 2022 Appointed M/s. N. C. Rajagopal & Co., [Firm Registration No.003398S], Chartered Accountants to hold office as auditors of the company till the conclusion of the 27th Annual General Meeting to be held in the year 2027.

Further, M/s. N.C. Rajagopal & Co. Chartered Accountants (Firm Registration No. 003398S) have confirmed that they hold a valid certificate issued by the Peer review Board of the Institute of Chartered Accountants of India (ICAI) as required under the SEBI (Listing Obligations Disclosure Requirements), 2015.

The Statutory Auditors have confirmed that they satisfy the independence criteria required under Companies Act, 2013 Code of Ethics issued by Institute of Chartered Accountants of India.

INTERNAL AUDITOR:

Mr. Vijay Parthasarathy of M/s. Vijay R & Co (FCA-235012), Chartered Accountants, performed the duties of Internal Auditors of the Company and their reports are reviewed by the audit committee from time to time.

SECRETARIAL AUDITOR:

Pursuant to the provisions of Sections 204 of the Companies Act, 2013 and the rules framed thereunder, the company has appointed M/s. M. Damodaran & Associates LLP, (COP-5081/FCS-5837), to undertake the Secretarial Audit of the company. The Secretarial Auditors' Report, in the prescribed format, for the year ended March 31, 2025 is annexed as '**Annexure-3**'.

ANNUAL SECRETARIAL COMPLIANCE REPORT:

Pursuant to the provisions of Regulation 24A of the SEBI (LODR) Regulations, 2015 the Board of Directors of the Company have appointed M/s. M. Damodaran & Associates LLP, (COP-5081/FCS-5837), Practicing Company Secretary to undertake the Audit of Annual Secretarial Compliance of the Company for the year ended March 31, 2025. The Annual Secretarial Compliance Report is annexed as '**Annexure- 4**'.

CORPORATE GOVERNANCE:

A report on Corporate Governance including the relevant Auditors' Certificate regarding compliance with the conditions of Corporate Governance as stipulated in Regulation 34(3) and Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, is annexed as '**Annexure-5**'.

MANAGEMENT DISCUSSION AND ANALYSIS:

A detailed report relating to the Management Discussion and Analysis has been annexed herewith as '**Annexure -6**'

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT:

During the year under review, the Statutory Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors as prescribed under Section 143(12) of the Companies Act, 2013 and rules made thereunder.

DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

During the financial year under review, the following are the pending cases:

GST:

The company has filed a Writ Petition in 2023 before the Hon'ble High Court of Telangana challenging notifications relating to taxation of Joint Development transactions under which the Central GST authorities made a claim / demand. The company has also filed another Writ Petition in October 2024 in the matter of order from the State GST relating to taxation of Joint Development transactions. The matter is sub-judice.

Further, the above case has no impact on the going concern status and company's operations in future.

Income Tax:

(a) The Income Tax Department has gone on appeal against the order of the ITAT dated 21.09.2022 in ITA No.733/CHNY/2017 which was in favour of the Company.

(b) The company has filed an appeal before CIT(A) in respect of order dated 21.03.2024 in respect of issue of disallowances of Capital Losses.

Further, the above case has no impact on the going concern status and company's operations in future.

MATERIAL CHANGES FROM END OF FINANCIAL YEAR TO DATE OF THIS REPORT:

- a) **Disposal of Property Asset:** On April 4, 2025, the Company executed the Sale of its share in the Property situated at Knowledge Capital, Plot No. 8 (Part), Survey No.115/2, 3, 4, 5, 35, Nanakramguda Village, Serilingampally Mandal, Ranga Reddy District, Telangana - 500032, India. Further, the sale consideration was INR 400,39,17,061/- (Rupees Four Hundred Crores Thirty-Nine Lacs Seventeen Thousand and Sixty-One Only).

The Company repaid the outstanding loan as on that date, out of the Sale consideration received.

- b) **Approval and Execution of Sale of Investment in Extrovis AG:** On July 1, 2025, the Board of Directors of the Company has approved the Sale of Investment of Megasoft Limited's holding of 36.52% in Extrovis AG, Switzerland. Consequently, the Company received the Shareholders Approval for the aforesaid sale on August 6, 2025. The Company has executed the Share Purchase Agreement (SPA) with Refex Life Sciences Private Limited on July 2, 2025 for a consideration of US \$ 15,000,000.

- c) **Update on Scheme of Amalgamation:**

During the financial year 2024-25 your Board of Directors in their meeting held on October 18, 2024 approved the Scheme of Amalgamation of Sigma Advanced Systems Private Limited ("SASPL" or "Transferor Company") into and with Megasoft Limited ("MSL" or "Megasoft" or "Transferee Company"). Further, the Company received the No-objection Letters / Observation Letters from the BSE Limited and National Stock Exchange of India Limited bearing letters dated May 16, 2025.

Pursuant to the order of the Hon'ble National Company Law Tribunal, Chennai Bench – I. (NCLT) dated July 11, 2025 read with Order dated July 16, 2025 ("Order"), the Company has conducted a meeting of the Equity Shareholder on August 30, 2025 and received the approval of the Shareholders on the Scheme.

Further, the Company is in process of obtaining the approval from the Hon'ble NCLT on the Scheme.

Except as disclosed elsewhere in this report, there have been no other material changes and commitments, that has occurred between the end of the financial year of the Company and date of this report which can affect the financial position of the Company.

HUMAN RESOURCES DEVELOPMENT:

Your company has strong HR policies and systems that ensure employees work in an environment that supports their growth, well-being, and overall development. Through continuous guidance, training programs, and access to the right resources, we help our team build skills and confidence to excel. Our performance management system encourages goal setting, regular feedback, and career development, enabling individuals

to reach their full potential. As a measure for employee welfare we provide comprehensive medical and life insurance coverage for employees and their families, ensuring their health and financial security in times of need. Company conducts mandatory health check-ups to monitor employees' well-being and provide support in taking necessary corrective measures.

Your company conducts yearly performance assessments to evaluate employee contributions and growth. Appraisal processes are fair and transparent, linking achievements to career progression. Constructive feedback is provided to help employees improve and reach their full potential. Megasoftware is committed to providing career progression opportunities so our people can grow alongside the company. Our policies are transparent, fair, and focused on attracting, developing, and retaining people.

Your company believe that when the people succeed, the company succeeds.

PARTICULARS OF EMPLOYEES:

There are no employees falling within the provisions of section 134(3)(q) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

EMPLOYEE STOCK OPTION SCHEME:

The company has not issued any employee stock option during the year under review.

DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Your company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Internal Complaints Committee ("ICC") has been set up to redress the complaints received regarding sexual harassment. All employees are covered under this policy.

(a) number of complaints of sexual harassment received in the year: **Nil**

(b) number of complaints disposed off during the year: **Nil**

(c) number of cases pending for more than ninety days: **Nil**

During the year under review the ICC has not received any complaints.

STATEMENT BY THE COMPANY WITH RESPECT TO THE COMPLIANCE OF THE PROVISIONS RELATING TO THE MATERNITY BENEFIT ACT 1961:

The Company has complied with the provisions of the Maternity Benefit Act, 1961, including all applicable amendments and rules framed thereunder. The Company is committed to ensuring a safe, inclusive, and supportive workplace for women employees. All eligible women employees are provided with maternity benefits as prescribed under the Maternity Benefit Act, 1961, including paid maternity leave, nursing breaks, and protection from dismissal during maternity leave.

The Company also ensures that no discrimination is made in recruitment or service conditions on the grounds of maternity. Necessary internal systems and HR policies are in place to uphold the spirit and letter of the legislation

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE:

Your Company has obtained a certificate relating to compliance of conditions of Corporate Governance for the year ended March 31, 2025, as stipulated in terms of Regulation 34(3) and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. from N.C. Rajagopal & Co. Statutory Auditors, the is annexed herewith as ‘**Annexure -7**’.

CORPORATE SOCIAL RESPONSIBILITY:

The provisions for corporate social responsibility (“CSR”) under the Companies Act, 2013, are applicable to the company for the current financial year. The Company had incurred CSR expenditure of Rs 15.39 lakhs during the financial year 2024-25. The Annual Report on CSR activities is annexed herewith as ‘**Annexure -8**’ The Chief Financial Officer of the Company has furnished the certificate under Rule 4 of the Companies (CSR) Rules, 2014.

THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:

During the financial year, no application was made by or against the Company or any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016).

DISCLOSURE ABOUT THE DIFFERENCE BETWEEN THE AMOUNT OF THE VALUATION EXECUTED AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE AVAILING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:

During the year ended under the review, no such settlements and valuation were undertaken and no loans were availed from the Banks or Financial Institutions.

LISTING OF EQUITY SHARES:

The Company’s equity shares are listed on the following Stock Exchanges:

<p>i) BSE Limited (BSE), BSE Scrip Code [532408]</p> <p>Address: Phiroze JeeJeebhoy Towers, Dalal Street, Mumbai – 400 001, Maharashtra, India.</p>	<p>ii) National Stock Exchange of India Limited (NSE),</p> <p>NSE [MEGASOFT] Address: Exchange Plaza, Floor 5, Plot No. C/1, G Block, Bandra – Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra, India.</p>
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The Company has paid the annual listing fees to the said stock exchanges for the financial year 2025-26.

MAINTENANCE OF COST RECORDS SPECIFIED BY THE CENTRAL GOVERNMENT UNDER SECTION 148 OF THE COMPANIES ACT, 2013:

The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 for the products/services of the company.

ACKNOWLEDGMENTS:

Your directors place on records their appreciation of the shareholders, customers, bankers, Government of India and of other countries, Government of Telangana, Government of Tamil Nadu, Secretarial Auditors, Registrar and Share Transfer Agent, vendors and technology partners for the support extended. Your directors also wish to place on record their appreciation of the contribution made by employees at all levels without whom the growth of the company is unattainable. Your directors seek and look forward to the same support during future years of growth.

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

.....
Sunil Kumar Kalidindi
Executive Director & CEO
DIN: 02344343

.....
Kalyan Vijay Sivalenka
Independent Director
DIN: 06404449

Place: Hyderabad
Date: September 2, 2025

“Annexure-1”

Form No. AOC-2

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

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: **Not Applicable**
 - a) Name(s) of the related party and nature of relationship
 - b) Nature of contracts/arrangements/transactions
 - c) Duration of the contracts / arrangements/transactions
 - d) Salient terms of the contracts or arrangements or transactions including the value, if any
 - e) Justification for entering into such contracts or arrangements or transactions
 - f) date(s) of approval by the Board
 - g) Amount paid as advances, if any:
 - h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. Details of material contracts or arrangement or transactions at arm's length basis: **During the year, none of the transactions were material in nature.**
 - a) Name(s) of the related party and nature of relationship
 - b) Nature of contracts/arrangements/transactions
 - c) Duration of the contracts / arrangements/transactions
 - d) Salient terms of the contracts or arrangements or transactions including the value, if any:
 - e) Date(s) of approval by the Board, if any:
 - f) Amount paid as advances, if any:

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

Place: Hyderabad
Date: May 29, 2025

.....
Sunil Kumar Kalidindi
Executive Director & CEO
DIN- 02344343

.....
Kalyan Vijay Sivalenka
Independent Director
DIN- 06404449

“Annexure-2”

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 statement of subsidiaries or associate companies or Joint ventures

Part A Subsidiaries

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

1. S. No. **1**
2. Name of the subsidiary - **Velapan Systems Private Limited**
3. The date since when subsidiary was acquired / Incorporated – **10th March 2022**
4. Reporting period for the subsidiary concerned, if different from the holding company’s reporting period. - **No**
5. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries. - **NA**
6. Share capital – **INR 66.00 Lakhs**
7. Reserves and surplus - **INR (11.07 Lakhs)**
8. Total assets – **INR 55.31 Lakhs**
9. Total Liabilities - **INR.0.38 Lakhs**
10. Investments-**0**
11. Turnover - **0**
12. Profit before taxation – **INR (2.78 Lakhs)**
13. Provision for taxation – **0**
14. Profit after taxation– **INR (2.78 Lakhs)**
15. Proposed Dividend - **0**
16. Extent of shareholding (in percentage) – **100%**

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

1. Names of subsidiaries which are yet to commence operations - **NA**
2. Names of subsidiaries which have been liquidated or sold during the year. - **NA**

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 or Joint Ventures	Details
	Extrovis AG
1. Latest Balance Sheet Date	March, 2025
2. Date on which the Associate or Joint Venture was associated or acquired	20 th September, 2022
3. Shares of Associate or Joint Ventures held by the company on the year end	36.52%
Number of Shares	80,000
Amount of Investment in Associates or Joint Venture	INR 13,535.67 Lakhs
Extent of Holding (in percentage)	36.52%
4. Description of how there is significant influence	Not Applicable
5. Reason why the associate/Joint venture is not consolidated.	Consolidated as an Associate
6. Net worth attributable to shareholding as per latest audited Balance Sheet	INR 18,802.38 Lakhs
7. Profit or Loss for the year	INR (10,235.38 Lakhs)
i) Considered in Consolidation (In proportion to the Company's Shareholding)	INR (3,838.47 Lakhs)
ii) Not Considered in Consolidation	Not Applicable

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

As per our Report of even date attached

For and on behalf of the Board of **Megasoft Limited**

for **N.C.Rajagopal & Co.**
Chartered Accountants
Firm Registration No: 003398 S

Sunil Kumar Kalidindi
Executive Director & CEO
DIN: 02344343

Kalyan Vijay Sivalenka
Independent Director
DIN: 06404449

Arjun S.
Membership No: 230448
Place: Hyderabad
Date: 29th May, 2025

Shridhar Thathachary
Chief Financial Officer

Thakur Vishal Singh
Company Secretary & Compliance Officer

“Annexure-3”

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

(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 and Regulation 24A (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,

MEGASOFT LIMITED

(CIN: L24100TN1999PLC042730)

No.85, Kutchery Road, Mylapore,
Chennai – 600 004.

We, M Damodaran & Associates LLP, Practicing Company Secretaries, Chennai have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. MEGASOFT LIMITED** (hereinafter called ‘the Company’). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s 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, 2025 (‘Audit Period’), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2025 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) wherever applicable; including amendment/ re-enactment made thereto:

- a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, dealing with client;
- e) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- f) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR');
- vi) Other laws, as may be applicable specifically to the company – NIL.

We have also examined compliance with the applicable Clauses of the following:

- i) The Listing Agreements entered into by the Company with the National Stock Exchange of India Limited and BSE Limited under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and
- ii) Secretarial Standard -1 (SS-1) for Board Meeting and Secretarial Standard -2 (SS-2) for General Meeting issued by The Institute of Company Secretaries of India (ICSI).

During the audit period, the Company has complied with the applicable provisions of the Acts, Rules, Regulations, Circulars, Notifications, Guidelines, Standards, etc. mentioned above and there are no other specific observations requiring any qualification on non-compliances.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive and Independent Directors. There were changes in the composition of the Board of Directors during the audit period.

Adequate notice was given to all directors to schedule the Board and Committee Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice with the consent of all the Directors, 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. As per the minutes of the meetings duly recorded and signed by the respective Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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

We further report that the shareholders of the Company, inter alia, has,

- i) passed a special resolution under Sections 149, 196, 197, 198, 203, Schedule V and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17(1), other applicable regulations of Securities and Exchange Board of

India (Listing Obligations and Disclosure Requirements) Regulations, 2015, at the 24th AGM held on September 27, 2024 for re-appointment of Sunil Kumar Kalidindi (DIN-02344343) as Executive Director & CEO of the Company for a period of three (3) years, commencing from December 10, 2024 to December 9, 2027 without any change in the remuneration i.e., Rs. 75 lakhs per annum as approved earlier in the 22nd Annual General Meeting of the Company held on September 23, 2022.

- ii) passed a special resolution through postal ballot on 8th March, 2025 under sections 149 and 152, Schedule IV and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for Appointment of Dr. Uma Garimella (DIN: 02847624) as an Independent Director (Woman) of the Company for a term of 5 consecutive years w.e.f. December 20, 2024.

We further report that the board of directors of the Company, inter alia, has,

- i) considered and approved, subject to requisite approvals at its meeting held on October 18, 2024, the draft scheme of amalgamation of Sigma Advanced Systems Private Limited and Megasoft Limited and their respective shareholders.
- ii) considered and appointed vide Circular Resolution dated December 20, 2024, Mrs. Uma Garimella (DIN: 02847624), as an Additional Director (Non-Executive, Independent Woman) of the Company with effect from December 20, 2024 up to a period of 5 years i.e., Upto December 19, 2029.
- iii) took note vide Circular Resolution dated December 20, 2024, the completion of term of Mr. Anish Mathew (DIN: 02545538) as an Independent Director of the Company w.e.f December 25, 2024.

For M DAMODARAN & ASSOCIATES LLP

Place: Chennai

Date: May 28, 2025

M. DAMODARAN

Managing Partner

Membership No.: 5837

COP. No.: 5081

FRN: L2019TN006000

PR 3847/2023

ICSI UDIN: F005837G000464405

*(This report is to be read with my letter of even date which is annexed as **Annexure A** and forms an integral part of this report)*

Annexure A

To,

The Members,

MEGASOFT LIMITED

(CIN: L24100TN1999PLC042730)

No.85, Kutchery Road, Mylapore,

Chennai – 600 004.

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on the audit conducted by me.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on a 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, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **M DAMODARAN & ASSOCIATES LLP**

Place: Chennai

Date: May 28, 2025

M. DAMODARAN

Managing Partner

FCS No.: 5837

COP. No.: 5081

FRN: L2019TN006000

PR 3847/2023

ICSI UDIN: F005837G000464405

“Annexure-4”

SECRETARIAL COMPLIANCE REPORT OF MEGASOFT LIMITED FOR THE FINANCIAL YEAR ENDED 31.03.2025

(Pursuant to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024)

We have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **Megasoft Limited** (hereinafter referred as “the listed entity”), having its Registered Office at No.85, Kutchery Road, Mylapore, Chennai – 600 004. Secretarial Review was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and to provide our observations thereon.

Based on our verification of the Listed entity’s books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorized representatives during the conduct of Secretarial Review, we hereby report that the listed entity has, during the review period covering the financial year ended on **March 31, 2025** complied with the statutory provisions listed hereunder in the manner and subject to the reporting made hereinafter:

We, M Damodaran & Associates LLP Practicing Company Secretaries, Chennai have examined:

- a) all the documents and records made available to us and explanation provided by the listed entity,
- b) the filings/ submissions made by the listed entity to the stock exchanges,
- c) website of the listed entity,
- d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended **March 31, 2025** (“Review Period”) in respect of compliance with the provisions of:
 - i) Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the regulations, circulars, guidelines issued there under; and
 - ii) Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made there under and the regulations, circulars, guidelines issued there under by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations prescribed under the SEBI Act whose provisions and the circulars/guidelines issued thereunder, (wherever applicable), have been examined, include:-

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI LODR’)
- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- d) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- e) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.

f) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

and based on the above examination, we hereby report that, during the review period:

- The listed entity has complied with the provisions of the above regulations and circulars/ guidelines issued thereunder.
- The listed entity was not required to take any actions as there were no observations made by the Secretarial Auditor in previous year report.
- The listed entity has taken sufficient steps to address the concerns raised/ observations made by the Secretarial Auditor in the reports pertaining to the periods prior to the previous years.
- We hereby report that, during the review period the compliance status of the listed entity with the following requirements:

I hereby further report that, during the review period the compliance status of the Company with the following requirements:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by PCS
1.	Secretarial Standards: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI).	Yes	Nil
2.	Adoption and timely updation of the Policies: <ul style="list-style-type: none"> All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entity All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated, as per the regulations/ circulars/ guidelines issued by SEBI. 	Yes	Nil
3.	Maintenance and disclosures on Website: <ul style="list-style-type: none"> The listed entity is maintaining a functional website. Timely dissemination of the documents/ information under a separate section on the website. Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website. 	Yes Yes Yes	Nil
4.	Disqualification of Director: None of the Director(s) of the listed entity are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.	Yes	Nil

5.	Details related to Subsidiaries of the Company have been examined w.r.t.: <ol style="list-style-type: none"> Identification of material subsidiary companies. Requirements with respect to disclosure of material as well as other subsidiaries. 	Yes	The Listed entity does not have any material subsidiary.
6.	Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	Nil
7.	Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations.	Yes	Nil
8.	Related Party Transactions: <ol style="list-style-type: none"> The listed entity has obtained prior approval of Audit Committee for all related party transactions; In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee. 	Yes NA	Nil The related party transactions have the prior approval of the Audit Committee
9.	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	Nil
10.	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	Nil
11.	Actions taken by SEBI or Stock Exchange(s), if any: No actions has been taken against the listed entity / its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder.	NA	Nil

12.	No additional non-compliances observed: In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity and / or its material subsidiary(ies) has / have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024 on compliance with the provisions of the LODR Regulations by listed entities.	Not Applicable	No resignation of statutory auditor during the review period
13.	Disclosure of Employee Benefit Scheme Documents: The listed entity has complied with the requirements for disclosure of Employee Benefit Scheme Documents in terms of regulation 46(2)(za) of the SEBI LODR as mentioned in Clause 11 of SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/CIR/P/2024/185 dated December 31, 2024.	Not Applicable	The listed entity does not have Employee Benefit Schemes
14.	No additional non-compliances observed: No additional non-compliance observed under any of the SEBI regulations/circulars/guidance notes etc.	Yes	Nil

Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

For **M DAMODARAN & ASSOCIATES LLP**

Place: Chennai

Date: May 28, 2025

M. DAMODARAN
Managing Partner
Membership No.: FCS 5837
COP. No.: 5081
FRN: L2019TN006000
PR 3847/2023
ICSI UDIN:F005837G000464471

“Annexure 5”

Corporate Governance Report

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have incorporated the principles for Corporate Governance in line with the Organisation for Economic Co-operation and development (OECD) principles and provides board principles for periodic disclosures by listed entities in line with the International Organization of Securities Commissions (IOSCO) principles.

1. COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE

The company believes in adapting and adhering globally recognized standards of corporate conduct towards its employees, clients and society. Corporate Governance is an on-going process ensuring integrity, transparency and accountability in dealing with employees, shareholders, customers and the community at large. The company has benchmarked its practices with the prevailing guidelines by upholding the core values across all aspects of its operations. The company’s Board is fully aware of its fiduciary responsibilities in the widest sense of the term. The company’s disclosures match, if not go beyond, the best practices recommended by all international corporate governance codes.

2. BOARD OF DIRECTORS

The composition and category of the Directors on the Board of the Company are given below:

Name of Director	Category of director	DIN No./ Date of Appointment	Committee memberships (excluding in the company) #		Name of other Listed Entity(ies) along with Designation held	No of Directorship(s) held in Indian Public Limited Companies (excluding in the Company)*	No of shares held in the company	
			Member	Chairman			No. of shares	%
Mr. Sunil Kumar Kalidindi	Executive Director & CEO	02344343 10/12/2021	--	--	--	--	--	--
Mr. Kalyan Vijay Sivalenka	Independent Non-Executive	06404449 29/09/2020	--	--	--	--	--	--
Mr. Anish Mathew \$	Independent Non-Executive	02545538 31/01/2009	--	--	--	--	2,99,018	0.40%
Mr. Suryanarayana Raju Nandyala	Independent Non-Executive	01581731 24/12/2021	--	--	--	--	--	--
Ms. Leona Ambuja	Non-Independent Non-Executive	07138817 31/03/2015	3	1	ABS Marine Services Limited- Independent Non-Executive Director	1	--	--
Mr. Krishna Yeachuri %	Non-Independent Non-Executive	00066898 31/12/2022	--	1	Bafna Pharmaceuticals Limited, Independent Non-Executive Director	1	--	--
Dr. Uma Garimella \$\$	Non-Executive, Independent-Director, Woman	02847624 20/12/2024	--	--	--	--	--	--

Excludes directorships held in Private Limited Companies, Foreign Companies and Section 8 Companies.

Disclosure of Chairmanship & Membership includes only two committees viz. Audit Committee and Stakeholders' Relationship Committee.

\$ Mr. Anish Mathew has completed his second term of 5 years as Non-Executive, Independent-Director on 25th December, 2024

\$\$ Dr. Uma Garimella has been appointed as Non-Executive, Independent-Director, Woman w.e.f., on 20th December, 2024

% Mr. Krishna Yeachuri resigned as Non-Executive, Non-Independent-Director w.e.f., on 31st March, 2025

The Board of Directors of the company met Eight (8) times during the financial year 2024-25:

Director	Board meetings held on							
	12 th April, 2024	15 th May, 2024	14 th June, 2024	10 th August, 2024	31 st August, 2024	18 th October, 2024	11 th November, 2024	14 th February, 2024
Mr. Sunil Kumar Kalidindi	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Anish Mathew	✓	✓	LOA	✓	✓	✓	✓	NA
Ms Leona Ambuja	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Kalyan Vijay Sivalenka	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Suryanarayana Raju Nandyala	✓	LOA	✓	LOA	✓	LOA	LOA	✓
Mr. Krishna Yeachuri	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Uma Garimella	NA	NA	NA	NA	NA	NA	NA	✓

The Board periodically reviews the items required to be placed before it in terms of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), in particular reviews and approves quarterly/ half yearly unaudited financial statements and the audited annual accounts, corporate strategies, business plans, annual budgets, projects and capital expenditure. It monitors overall operating performance, progress of major projects and reviews such other items which require Board's attention. It directs and guides the activities of the Management towards the set goals and seeks accountability. It also sets standards of corporate behaviors, ensures transparency in corporate dealings and compliance with laws and regulations. The Agenda for the Board Meeting covers items prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent these are relevant and applicable. All agenda items are supported by relevant information, documents and presentations to enable the Board to take informed decisions.

Board Training and Induction

At the time of appointing a director, a formal letter of appointment is given to him/ her, which, inter alia, explains the role, function, duties and responsibilities expected of him / her as a director of the company. The Director is also explained in detail the compliances required from him / her under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant regulations and his / her affirmation taken with respect to the same.

Independent Directors' Meeting

During the financial year under review, the Independent Directors met on 15th May, 2024 to discuss:

- Review the performance of the Directors.
- Review the performance of the Executive Directors of the company.

Assess the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties. All the Independent Directors were present at the meeting.

3. AUDIT/ RISK & COMPLIANCE COMMITTEE

The primary objective of the Committee is to monitor and provide effective supervision of the management's financial reporting process with a view to ensuring accurate, timely and proper disclosure and transparency, integrity and quality of financial reporting. The Committee adheres to the Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in terms of quorum for its meetings, functioning, role and powers as also those set out in the Companies Act, 2013.

The roles and responsibilities of the Committee shall include the following:

1. oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - changes, if any, in accounting policies and practices and reasons for the same;
 - major accounting entries involving estimates based on the exercise of judgment by management;
 - significant adjustments made in the financial statements arising out of audit findings;
 - compliance with listing and other legal requirements relating to financial statements;
 - disclosure of any related party transactions;
 - modified opinion(s) in the draft audit report.
5. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

8. approval or any subsequent modification of transactions of the listed entity with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. discussion with internal auditors of any significant findings and follow up there on;
15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. to review the functioning of the whistle blower mechanism;
19. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
21. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
22. On an annual basis, review the financial statements of the Company's materially significant subsidiaries
23. carrying out additional functions as contained in any other regulatory requirements applicable to the Company or in the terms of reference of the Audit Committee;
24. undertake other specific duties and responsibilities as the Board prescribes from time-to-time.

The Committee consists of qualified and Independent Non-Executive Directors. All the Members on the Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

The Committee members met Five times during the financial year 2024-25:

The Company Secretary is the Secretary of the Audit/Risk & Compliance Committee. The Managing Director and Executive Directors of the company as well as the Internal and Statutory Auditors of the company,

attend Committee meetings to brief the Members. The Committee also invites Business and Departmental Heads, to discuss matters concerning their business / departments, as and when it deems necessary.

The Committee members met five times during the financial year 2024-25

Members	Audit/ Risk & Compliance Committee Meetings held on				
	15th May, 2024	10th August, 2024	18th October, 2024	11th November, 2024	14th February, 2025
Mr. Kalyan Vijay Sivalenka-Chairperson	✓	✓	✓	✓	✓
Mr. Anish Mathew#	✓	✓	✓	✓	NA
Ms. Leona Ambuja	✓	✓	✓	✓	✓
Mr. Suryanarayana Raju Nandyala	LOA	LOA	LOA	LOA	✓
Dr. Uma Garimella*	NA	NA	NA	NA	✓

Mr. Anish Mathew has completed his second term of 5 years as Non-Executive, Independent-Director on 25th December, 2024

* Dr. Uma Garimella has been appointed as Member of the Committee w.e.f. 26th December, 2024.

4. NOMINATION & REMUNERATION COMMITTEE

The Nomination and Remuneration committee is governed by a Charter duly approved by the Board of Directors of the company and in compliance with Section 178 of Companies Act, 2013, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The remuneration policy as adopted by the company envisages payment of remuneration according to qualification, experience and performance at different levels of the organization. The software engineers as well as those rendering clerical, administrative and professional services are suitably remunerated according to the industry norms.

The roles and responsibilities of the Committee shall include the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- Evaluate the balance of skills, knowledge and experience on the Board at the time of recommending the appointment of Independent Director and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director;
- Devising a policy on diversity of Board of Directors;
- Identifying 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 the Board of Directors their appointment and removal;

- vi) The committee shall consider and recommend the appointment of the Chief Financial Officer (“CFO”) and Company Secretary (“CS”) to the Board;
- vii) Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of independent directors;
- viii) recommend to the board, all remuneration, in whatever form, payable to senior management;
- ix) carrying out additional functions as contained in any other regulatory requirements applicable to the Company or in the terms of reference of the Nomination and Remuneration Committee; and undertake other specific duties and responsibilities as the Board prescribes from time-to-time.

The Committee members met Two times during the financial year 2024-25:

Director	Nomination & Remuneration Committee Meetings held on	
	15 th May, 2024	31 st August, 2024
Mr. Anish Mathew – Chairperson\$	✓	✓
Ms. Leona Ambuja	✓	✓
Mr. Kalyan Vijay Sivalenka	✓	✓
Mr. Suryanarayana Raju Nandyala	LOA	LOA
Dr. Uma Garimella Chairperson*	NA	NA

\$ Mr. Anish Mathew has completed his second term of 5 years as Non-Executive, Independent-Director on 25th December, 2024

* Dr. Uma Garimella has been appointed as Chairperson of the Committee w.e.f. 26th December, 2024.

The company pays sitting fees of Rs 25,000 per meeting to its non-executive directors for attending the board and committee meetings. The company also reimburses the out-of-pocket expenses incurred by the directors for attending meetings.

The members at the 12th Annual General Meeting held on June 29, 2012 had approved payment of commission to the Non-Executive Directors (NED) within the ceiling of 1% of the net profits of the company as computed under the applicable provisions of the Companies Act, 1956. The said commission subject to the available profits as computed in terms of the Act, is decided each year by the Board of Directors and distributed amongst the NEDs based on their contribution at Board and Committee meetings, as well as the time spent on operational matters other than at meetings.

The details of remuneration paid to directors of the company during the year are given below:

Director	Salary / perquisites	Commission	Sitting fees	Total
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Mr. Sunil Kumar Kalidindi	72.16	--	--	72.16
Mr. Anish Mathew	--	--	3.25	3.25
Ms. Leona Ambuja	--	--	3.75	3.75
Mr. Kalyan Vijay Sivalenka	--	--	4.00	4.00
Mr. Suryanarayana Raju Nandyala	--	--	1.00	1.00

Mr. Krishna Yeachuri	--	--	2.00	2.00
Dr. Uma Garimella	--	--	0.50	0.50

The remuneration paid to executive directors exclude contribution to gratuity fund and provision for leave encashment on retirement payable to them since the same is provided on actuarial basis (non-funded) for the company as a whole.

The severance payment to executive directors is in terms of the provisions of Section 202 of the Companies Act, 2013. Notice period of executive directors is as per the company's rules.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee of the company is in compliance with Section 178 of the Companies Act, 2013 and the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 to deal with various matters relating to:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company

The process of share transfer is assigned to Cameo Corporate Services Limited, the Registrar & Share Transfer Agent of the company, for taking care of share transfer formalities on an on-going basis.

There were no pending complaints at the beginning or end of the year. There were no transfers pending at the end of the year. All the investor grievances have been resolved to the satisfaction of the investors. No. of No. of Shareholders Complaints received during the year-1

Solved to the satisfaction of the shareholders-1

Number of pending complaints- Nil

The Committee met One time during the financial year 2024-25

Members	Stakeholders' Relationship Committee Meetings held on
	15th May, 2024
Mr. Anish Mathew-Chairperson\$	✓
Mr. Sunil Kumar Kalidindi	✓
Ms. Leona Ambuja	✓
Mr. Krishna Yeachuri*	✓
Mr. Kalyan Vijay Sivalenka- Chairperson%	✓
Dr. Uma Garimella**	NA

\$ Mr. Anish Mathew has completed his second term of 5 years as Non-Executive, Independent-Director on 25th December, 2024

* Mr. Krishna Yeachuri member of the committee resigned w.e.f., 31st March, 2025

** Dr. Uma Garimella has been appointed as Member of the Committee w.e.f. 26th December, 2024.

% Mr. Kalyan Vijay Sivalenka has been appointed as Chairperson of the Committee w.e.f 26th December, 2024.

Mr. Thakur Vishal Singh, Company Secretary acts as the Compliance Officer.

6. CERTIFICATION FROM COMPANY SECRETARY IN PRACTICE

Practicing Company Secretaries, has issued a certificate as required under the Listing Regulations, confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed with this section as “**Annexure A1**”

7. KEY BOARD QUALIFICATIONS, EXPERTISE AND ATTRIBUTES

The Company’s Board comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its committees. The Board members are committed to ensuring that the Company’s Board is in compliance with the highest standards of corporate governance.

The table below summarizes the key qualifications, skills, and attributes which are taken into consideration while nominating candidates to serve on the Board.

Definition of Directors Qualifications	
Financial	Leadership of a financial firm or management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation, and financial reporting processes, or experience in actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions
Gender, ethnic, national, or other diversity	Representation of gender, ethnic, geographic, cultural, or other perspectives that expand the Board’s understanding of the needs and viewpoints of our customers, partners, employees, governments, and other stakeholders worldwide
Global business	Experience in driving business success in markets around the world, with an understanding of diverse business environments, economic conditions, cultures, and regulatory frameworks, and a broad perspective on global market opportunities
Leadership	Extended leadership experience for a significant enterprise, resulting in a practical understanding of organizations, processes, strategic planning, and risk management. Demonstrated strengths in developing talent, planning succession, and driving change and long-term growth
Technology	A significant background in technology, resulting in knowledge of how to anticipate technological trends, generate disruptive innovation, and extend or create new business models

Board service and governance	Service on a public company board to develop insights about maintaining board and management accountability, protecting shareholder interests, and observing appropriate governance practices
Sales and marketing	Experience in developing strategies to grow sales and market share, build brand awareness and equity, and enhance enterprise reputation

In the table below, the specific areas of focus or expertise of individual Board members have been highlighted. However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding qualification or skill.

Director	Area of Expertise						
	Financial	Diversity	Global business	Leadership	Technology	Board service and governance	Sales and marketing
Mr. Sunil Kumar Kalidindi	√	√	√	√	√	√	√
Mr. Anish Mathew	√	√	√	√	×	√	√
Ms. Leona Ambuja	√	√	√	√	×	√	√
Mr. Kalyan Vijay Sivalenka	√	√	√	√	×	√	√
Mr. Suryanarayana Raju Nandyala	√	√	√	√	×	√	√
Mr. Krishna Yeachuri	√	√	√	√	×	√	√
Dr. Uma Garimella	√	√	√	√	√	√	√

8. GENERAL BODY MEETINGS

Annual General Meetings (AGM)

Year	AGM	Location	Date	Time	Special Resolutions passed
2024	24 th	AGM through VC/OAVM	27 th September, 2024	10.00 AM	1
2023	23 rd	AGM through VC/OAVM	22 nd September, 2023	10.03 AM	Nil
2022	22 nd	AGM through VC/OAVM	23 rd September, 2022	10.18 AM	3

The resolutions at the last AGM were passed by e-voting and e-voting at the AGM ballot as prescribed under the Companies Act, 2013.

Extra-ordinary General Meetings (EGM)

During the year, no extra-ordinary general meeting was held.

Postal Ballot

The Company successfully completed the process of obtaining approval of its Members on the following resolutions through Postal Ballot process during the year 2024-25:

Item No.1	Particulars	Resolution type	% of Votes in Favour	% of Votes Against
1.	Appointment of Dr. Uma Garimella (DIN: 02847624) as an Independent Director (Woman) of the Company for a term of five consecutive years w.e.f. December 20, 2024.	Special	99.91	0.09

Procedure for Postal Ballot: The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and read with the Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 read with Circular No.22/2020 dated June 15,2020, Circular No. 33/2020 dated September 28, 2020, Circular No. 39/2020 dated December 31,2020 and Circular No. 10/2021 dated June 23, 2021 and Circular No. 20/2021 dated December 08,2021 and Circular No. 9/2024 dated September 19, 2024 (collectively as “MCA Circulars”).

The resolution put through the postal ballot were carried out by requisite majority.

9. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 the Board Committees. A structured performance evaluation was done after taking into consideration inputs received from the Directors, covering various aspects of the Board’s functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Non-Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

10. SUBSIDIARY COMPANIES

The Company has one Indian Wholly Owned subsidiary Velapan Systems Private Limited.

The financial statements of the subsidiary company were placed before and reviewed by the Audit/Risk & Compliance Committee.

11. DETAILS OF TOTAL FEES PAID TO STATUTORY AUDITORS

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part, are as follows:

Type of Service	FY 2024-25	FY 2023-24
Audit Fee	16.00	16.00
Tax Fee	0.00	0.00
Others	0.00	0.00

12. CODE OF CONDUCT

The Board of Directors has approved a Code of Business Conduct which is applicable to the Members of the Board and all employees of the company and its subsidiaries. The Code has been posted on the website of the company.

The Code lays down the standard of conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the workplace, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behaviors from an employee in a given situation and the reporting structure.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code. All Management Staff were required to complete an e-learning module in this regard.

13. DISCLOSURES

There were no materially significant related party transactions, pecuniary transactions or relationships between the company and its directors during the year ended 31st March, 2025 that may have a potential conflict with the interests of the company at large.

All details relating to financial and commercial transactions where directors may have a pecuniary interest are provided to the Board, and the interested directors neither participated in the discussion, nor voted on such matters.

Transactions with related parties, as per requirements of Accounting Standard 18, are disclosed elsewhere in this Annual Report and they are not in conflict with the interest of the company at large.

Business risk evaluation and managing such risks is an on-going process within the organisation. The Board is regularly briefed of risks assessed and the measures adopted by the company to mitigate the risks.

No strictures / penalties have been imposed on the company by the Stock Exchanges or SEBI or any statutory authority on any matters related to the capital market during the last three years.

The company's code of conduct has clearly laid down procedures for reporting unethical behaviors, actual or suspected fraud or violation of the ethics policies. No employee of the company is / was denied access to the Audit/Risk & Compliance Committee.

Adoption of non-mandatory requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is being reviewed by the Board from time to time.

Internal Controls

The company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory / regulatory compliances. The company's business process has a strong monitoring and reporting process resulting in financial discipline and accountability.

CEO & CFO Certification

The certificate pursuant to the provisions of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the company's affairs is annexed as "Annexure B1" and forms part of the Annual Report.

Vigil Mechanism / Whistle Blower Policy

The company is committed to the high standards of Corporate Governance and stakeholder responsibility. The company has a whistle blower policy to deal with instances of fraud and mismanagement, if any. The said policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. The said policy is posted on the website of the company.

Credit ratings

During the year the Company had obtained a credit rating from India Ratings & Research Private Limited dated 10th March, 2025 wherein the rating has been given as 'IND BBB' for long term issuer rating.

14. MEANS OF COMMUNICATION

The unaudited quarterly / half yearly financial results are announced within the stipulated time frame in terms of the Regulation 33(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges.

The audited annual financial results are announced within the stipulated time frame in terms of Regulation 33 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges. For the financial year ended 31st March, 2025, the company announced the Audited annual financial results on 23rd May, 2025.

The above-mentioned results are being taken on record by the Board of Directors with due review by the Audit / Risk & Compliance Committee and communicated to the Stock Exchanges where the company's securities are listed. The Stock Exchanges are intimated about these results and published within 48 hours in English (Business Standard) and Tamil (Makkal Kural) daily newspapers.

The quarterly / half-yearly and the annual financial results are placed on the website of the company.

15. GENERAL SHAREHOLDER INFORMATION

● Annual General Meeting

Pursuant to the General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 20/2020 dated May 5, 2020 and General Circular No. 20/2021 dated December 08, 2021 and General Circular No. 2/2022 dated May, 05, 2022 and Circular No. 10/2022 and Circular No. 11/2022 dated December 28, 2022 (MCA Circulars) and Securities and Exchange Board of India (SEBI) vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January, 15, 2021, Circular No. SEBI/HO/DDHS/DDHS_Div2/P/CIR/2022/079 dated June 03, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 and General Circular No. 09/2023 dated September 25, 2023 issued by the Ministry of Corporate Affairs and SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated

October 07, 2023, MCA General Circular No. 09/2024, dated September 19, 2024 & also the circular of SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 03, 2024 the 25th Annual General Meeting (AGM) of the members of the Company for the year ended March 31, 2025 is scheduled to be held on Saturday, 27th day of September, 2025 at 10.00 AM IST through Video Conferencing/OAVM. The Members as on the cut-off date i.e. Saturday 20th September, 2025 may attend the same through VC/OAVM or watch the live web-cast at www.evotingindia.com. Detailed instructions for participation are provided in the Notice of the 25th AGM.

● Calendar for Financial Results 2025-26

April 1 to March 31

- Unaudited quarterly results- First quarter – July to first half of August 2025
- Unaudited quarterly results-Second quarter / half yearly – October to first half of November 2025
- Unaudited quarterly results-Third quarter – January to first half of February 2026
- Annual results for the year ending 31st March, 2026 – April to May 2026

Annual General Meeting for the year ending 31st March, 2026 – May to September, 2026

● Listing on Stock Exchanges

The company's equity shares are listed in India:

BSE Limited

Phiroze JeeJee Bhoy Towers

Dalal Street, Fort Mumbai 400001

National Stock Exchange of India Limited

Exchange Plaza

Bandra-Kurla Complex, Bandra (E) Mumbai 400051

The company has paid the listing fees to the stock exchanges where its securities are listed.

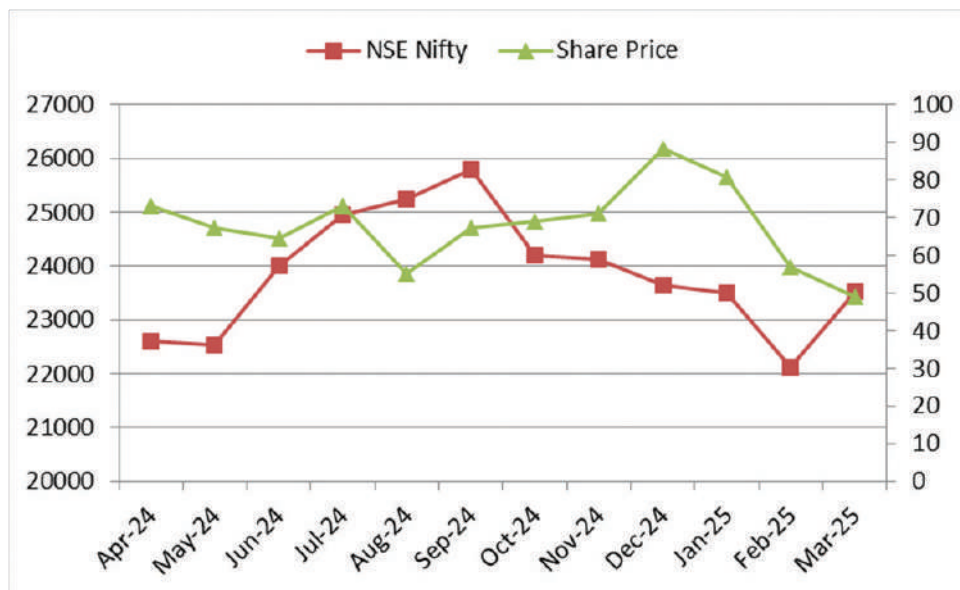
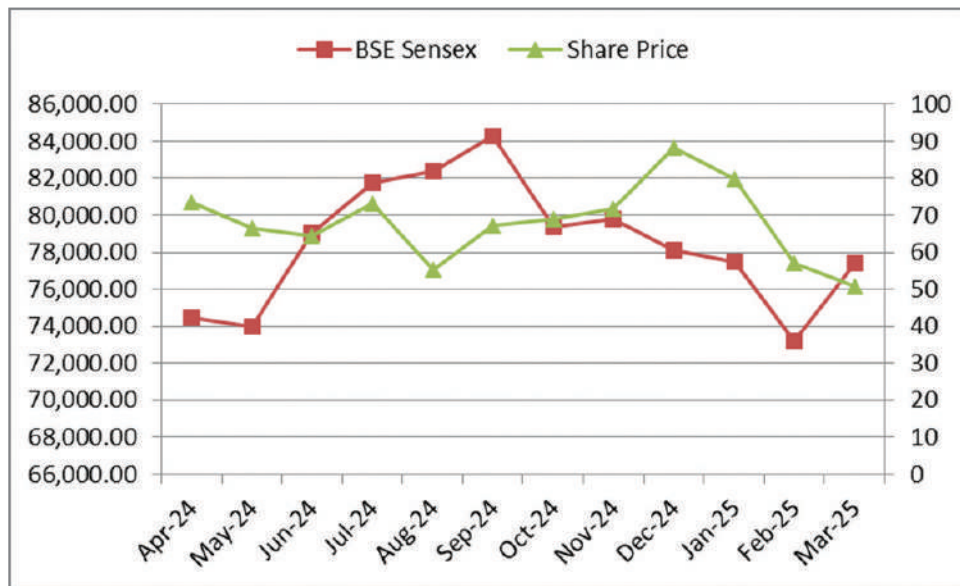
● Stock Code

Stock Exchange	Code
BSE Limited	532408
National Stock Exchange of India Limited	MEGASOFT
ISIN number for equity shares	INE933B01012

● Stock market data

Months	BSE				NSE			
	High	Low	Close	Volume (in lakhs)	High	Low	Close	Volume (in lakhs)
	₹	₹	₹	Nos	₹	₹	₹	Nos
April, 2024	93.8	69.54	73.52	11.29	93.90	69.50	73.35	54.75
May, 2024	77.37	63.64	66.61	8.80	76.95	63.60	67.15	44.75
June, 2024	69.94	59.04	64.51	5.13	70.50	58.60	64.47	31.84
July, 2024	75.00	63.99	73.28	9.56	75.99	63.55	73.17	65.77
August, 2024	74.20	54.40	55.16	10.75	74.09	54.01	55.04	100.62

September, 2024	76.90	50.13	67.35	35.53	76.90	50.05	67.45	251.26
October, 2024	73.08	61.55	68.78	11.54	72.49	61.01	68.95	36.21
November, 2024	79.41	66.02	71.69	4.91	80.02	66.50	71.19	35.50
December, 2024	98.21	67.60	88.24	7.88	98.65	68.51	88.37	55.01
January, 2025	110.75	73.89	79.94	16.67	111.00	72.00	80.65	90.42
February, 2025	82.99	57.00	57.00	7.01	82.90	56.86	56.88	20.11
March, 2025	64.19	49.9	50.89	4.47	63.90	49.06	49.06	20.04



- **Distribution of shareholding as on 31st March, 2025**

Slab of Shareholding of Nominal Value of Rs.	No of Shareholders	% of Shareholders	No of Shares	% of Shareholding
October, 5000	28,441	80.0929	30,07,677	4.0770
5001-10000	2,752	7.7499	22,52,293	3.0531
10001-20000	1,628	4.5846	25,02,760	3.3926
20001-30000	699	1.9684	18,14,250	2.4593
30001-40000	357	1.0053	12,81,614	1.7373
40001-50000	386	1.0870	18,48,010	2.5050
50001-100000	582	1.6389	44,04,369	5.9704
100001 & Above	665	1.8727	5,66,59,068	76.8049
Total	35,510	100	7,37,70,041	100

- **Dematerialisation of shares**

The company's equity shares are tradable compulsorily in electronic form. The company has established connectivity with both the depositories, that is, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through Cameo Corporate Services Limited, Registrar and Share Transfer Agents. The International Securities Identification Number (ISIN) allotted to our shares under the Depository System is INE933B01012. Over 97.98% of outstanding equity shares of the company have been dematerialised as on 31st March, 2025.

Category	Number of shareholders	Number of shares	% to total equity
Demat mode			
NSDL	14,260	4,49,74,493	60.96
CDSL	20,448	2,73,06,760	37.02
Physical mode	802	14,88,788	2.02
Total	35,510	7,37,70,041	100

- **Categories of shareholders**

		No. of shareholders	Total No. of shares	% of shareholding
	Category of shareholder			
A	Shareholding of Promoter and Promoter Group			
	Indian Promoters	1	2,58,73,115	35.07
	Total Shareholding of Promoter Group	1	2,58,73,115	35.07
B	Public Shareholding			
1	Institutions			

	Mutual Funds / UTI	0	0	0
	Financial Institutions / Banks	1	12	0
	Venture Capital Funds	0	0	0
	Insurance Companies	0	0	0
	Foreign Institutional Investors	0	0	0
	Others-Foreign Portfolio Investors	3	99,125	0.13
	Sub Total B(1)	4	99,137	0.13
2	Non-institutions			
	Bodies Corporate	310	28,27,097	3.83
	Individuals			
	Individual shareholders holding nominal share capital up to Rs. 2 lakh	32,818	1,88,06,520	25.49
	Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	278	2,09,07,584	28.34
	Others:			
	HUF	717	18,86,864	2.56
	Trusts	2	105	0
	NRI	417	33,13,837	4.49
	Clearing Members	2	8	0
	LLP	17	55,774	0.08
	Sub Total B(2)	34,561	4,77,97,789	64.79
	Total Public Shareholding (B)=B(1)+B(2)	34,565	4,78,96,926	64.92
	Total (A+B)	34,566	7,37,70,041	100

● **Shareholders holding more than 1% of the equity share capital**

S No.	Name of the shareholder	No. of shares	% of shareholding
1	Ramanagaram Enterprises Private Limited	2,58,73,115	35.07
2	Guttikonda Vara Lakshmi	15,72,133	2.13
3	Ashish Chugh	10,34,892	1.4
4	Srinivas Raju D	7,47,600	1.01
5	Rajagopalan Shyamsunder	8,60,950	1.17
	Total	3,00,88,690	40.78

● **Registrar and Share Transfer Agents**

Cameo Corporate Services Limited

Subramanian Building, 1, Club House Road, Chennai 600002, India

Tel: +91.44.28460390, Fax: +91.44.28460129, email: cameo@cameoindia.com

Share Transfer System and other related matters

i) Share transfers

As the transfer of shares held in physical form has been barred by SEBI, the Company has not processed any share transfer requests and consequently there arose no necessity for entry in the memorandum of transfers and issue of share certificate(s) thereof during the said period.

ii) Nomination facility for shareholding

As per the provisions of the Companies Act 2013, facility for making nomination is available for shareholders in respect of shares held by them. Those shareholders who hold shares in physical form may obtain nomination forms from the company.

iii) Payment of dividend through Electronic Clearing Service

The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividends through Electronic Clearing Service (ECS) to the investors wherever ECS and Bank details are available. In the absence of ECS facility the company is required to print the Bank account details, if available, on payment instruments for distribution of dividend to the shareholders. The company is complying with SEBI's directive in this regard.

iv) Transfer to Investor Education and Protection Fund

The Company was not required to transfer any sums to the Investor Education and Protection Fund (IEPF) established by the Central Government during the financial year.

v) Correspondence regarding Change of Address, etc.

Shareholders are requested to ensure that any correspondence for change of address, change in Bank Mandates, etc. should be signed by the first named shareholder. The company is now also requesting for supporting documents such as proof of residence and proof of identification whenever a letter requesting for change of address is received. This is being done in the interest of shareholders as there are cases in the corporate world where attempts are made to fraudulently change the registered address of shareholders by unscrupulous parties. Shareholders are requested to kindly co-operate and submit the necessary documents / evidence while sending the letters for change of address. Shareholders who hold shares in dematerialised form should correspond with the Depository Participant with whom they have opened Demat Account/s.

vi) Pending Investor's Grievances

Any shareholder whose grievance has not been resolved to his / her satisfaction may kindly write to the Company Secretary at the Registered Office with a copy of the earlier correspondence.

• Go Green initiative

In order to protect the environment and as a Go Green initiative, the company has taken an initiative of sending documents like Notice calling the Annual General Meeting, Directors' Report, Audited Financial Statements, Auditors' Report, dividend intimations(if any), etc. by e-mail. Physical copies shall be sent only to those shareholders whose e-mail addresses are not registered with the company. Shareholders are requested to register / update their e-mail id with RTA/ Depository to enable the company to send the documents in electronic form or inform the company in case they wish to receive the above documents in paper mode.

- **Plant locations**

In view of the nature of the company's business during the year, the company operates from various offices in India and does not have any manufacturing plant.

- **Address for correspondence**

Company Secretary & Compliance Officer Megasoft Limited

85, Kutchery Road, Mylapore, Chennai 600004

Tel: +91 44 24616768, +91 40 69652222, 8143238686, email: investors@megasoft.com

OTHER DISCLOSURE:

- ***Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large:***

All related party transactions that were entered into during the financial year were on an arm's length basis, and were in compliance with the applicable provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All related party transactions are placed before the Audit Committee and Board for approval. Omnibus approval for related party transactions is granted by the Audit Committee subject to the conditions laid down in the Act and Regulation 23 of SEBI Listing Regulations for transactions which are repetitive in nature. A statement of all related party transactions is placed before the Audit Committee for its review on a quarterly basis, specifying the nature and value of the transactions. A comprehensive list of related party transactions as required by Ind AS 24, and as prescribed under the Act, forms part of Notes to the standalone financial statements in the Annual Report.

During the financial year ended 31st March, 2025, there were no materially significant related party transactions, which had potential conflict with the interests of the Company at large.

The policy is available on website of the Company at <https://www.megasoft.com>

- ***Details of non-compliance by the listed entity, penalties, and strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:***

Kindly refer the Secretarial Audit and Annual Secretarial Compliance Report attached as annexures to the Directors' Report.

- ***Web link where policy for determining 'material' subsidiaries is disclosed:***

The Company have One Wholly owned subsidiary company in terms of Section 2(87) of the Companies Act, 2013, read with underlying rules as on 31st March, 2025.

The policy is available on website of the Company at <https://www.megasoft.com>

- ***Instances of not accepting any recommendation of the Committee by the Board:***

There is no such instance where the Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year.

- ***Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:***

The Company is committed to ensuring that all employees work in an environment that not only promotes diversity and equality but also mutual trust, equal opportunity and respect for human rights.

The Company has formulated the Policy on Prevention of Sexual Harassment of Women at Workplace in accordance with the provisions of the The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder which is aimed at providing every woman at the workplace a safe, secure and dignified work environment.

The composition of the internal committee of the Company as on 31st March, 2025, is as under:

Name	Designation
Ms. Jyoshana Vemasani	Presiding Officer
Ms. Aishwarya Rahul Joshi	Internal Member
Mr. Thakur Vishal Singh	Internal Member
Ms. Malineni Aruna Kumari	External Member

No meeting was held during the year as no complaints were received from any employee.

- **Website:**

The Company is maintaining a functional website viz: <https://www.megasoft.com>. All the information as specified under Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are uploaded on a regular basis under the investor's column of the website.

- **Management Discussion and Analysis:**

A separate report on Management Discussion and Analysis is attached as part of the Annual Report.

For and on behalf of the Board of Directors of Megasoft Limited

.....
Sunil Kumar Kalidindi
Executive Director & CEO
DIN- 02344343

.....
Kalyan Vijay Sivalenka
Independent Director
DIN- 06404449

Place: Hyderabad

Date: September 2, 2025

“Annexure-6”

Management’s Discussion and Analysis

(1) Background and Overview

Over the last couple of years your company has been making strategic inroads into the Aerospace and Defence sector.

The factors driving the market potential in the Aerospace and Defence sector include geopolitical tensions, the need for military modernization and technological advancements. India and countries around the world are allocating significant funds and increasing defence budgets to enhance military capabilities. For airspace protection, nations are deploying advanced air defence systems. The use of drones and anti-drone (counter drone) technologies, EW systems and other air and naval systems like submarines, missiles are expanding rapidly in military operations.

Strategically the company plans to grow organically and inorganically through acquisitions in the aforementioned sector primarily focussed on niche technologies and unique capabilities.

By focussing on the emerging opportunities, the Company is poised to deliver sustained growth and create value for the stakeholders and contribute positively through innovative solutions and products.

(2) Significant Transactions during the period under review

During the financial year 2024-25 your Board of Directors in their meeting held approved the Scheme of Amalgamation of Sigma Advanced Systems Private Limited (“SASPL” or “Transferor Company”) into and with Megasoft Limited (“MSL” or “Megasoft” or “Transferee Company”). Further, the Company received the No-objection Letters / Observation Letters from the BSE Limited and National Stock Exchange of India Limited. The Company is in the process of obtaining approval from the Hon’ble National Company Law Tribunal (NCLT).

(3) Industry Outlook

Global defence spending has risen sharply in 2024, due to rising geopolitical tensions and faster rearmament programs; that rise is supporting broad demand across air-defence, missiles, naval platforms and sensors. There has been a notable jump in world military expenditure in 2024, underlining stronger budgets for procurement and modernization worldwide.

Looking into 2025, market signals point to continued growth in several specialist areas. Demand for air-defence missiles and associated radars is materially up as countries replenish stocks and expand layered air-defence systems - producers are ramping up output but supply pressure remains tight. At the same time, the counter-UAS / anti-drone market and radar sensor markets are forecast to grow rapidly, driven by widespread adoption of detection and mitigation systems for airports, critical infrastructure and military bases. Naval capabilities - including submarine combat systems and associated weapons such as torpedoes - are also areas of accelerating investment as nations expand their naval deterrence.

Major defence companies are publicly signalling stronger defence demand and are increasing investment and production capacity. This industry behaviour confirms not only to a market environment of robust opportunity but also of intense competition and supply-chain challenges. Your Company sees a strong opportunity in this environment to leverage its capabilities, expand its presence, and deliver innovative solutions to meet growing defence needs.

Focus areas:

- **Missiles & Air-Defence Systems:** There is strong demand to rebuild inventories and strengthen layered defence systems (including interceptors and SAMs). While production is ramping up worldwide, supply chains may pose a challenge to the growing demand.
- **Anti-Drone / Counter-UAS:** The market is expanding rapidly due to asymmetric threats targeting airports, public gatherings, and military installations. Key growth areas include advanced detection, mitigation and neutralisation measures.
- **Submarines & Torpedoes (Sea-Based Systems):** Countries are upgrading their navies and focusing more on undersea defence, which is leading to an increase in spending on submarine systems, sensors and advancement in torpedoes.
- **Radar & Sensors:** Demand is rising for long-range air surveillance systems, integrated air-defence networks, and counter-UAS sensor suites. Market projections indicate sustained multi-year growth in the radar sector as militaries and critical infrastructure operators enhance their detection capabilities.
- **Technology & Integration (EW, C2, AI):** Companies are investing into electronic warfare, integrated command & control and AI-powered sensor systems. This is driving demand for software, secure communication and cybersecurity.

The defence industry is expected to keep growing as countries spend more on security, upgrade old equipment, and invest in new technologies. Research and development are the backbone of this growth, driving advances in AI, sensors, drones, robotics, and modern weapons. Governments are also focusing on indigenisation of defence equipment and working with private industry players to speed up innovation. This creates a big opportunity for companies that can bring smart, flexible, and advanced solutions to meet changing security needs.

(4) Business Strategy and Focus for 2025-26

Your company's business strategy is focused on becoming a global player in the defence sector by combining in-house expertise with the strengths of carefully selected merger and acquisitions. Recognising the vast opportunities in this industry, the company is actively exploring merger and acquisition opportunities in the US and UK — two of the most advanced defence markets in the world. These acquisitions bring not only cutting-edge technologies and products but also establish customer networks, enabling the company to quickly scale its presence and enhance its competitiveness in both domestic and international markets.

To ensure the right strategic fit, the company is working hard to identify potential partners that share its vision, values, and commitment to innovation. We have engaged highly capable resources - including industry veterans, defence specialists, and experienced advisors who are dedicated to mapping the global market, conducting thorough due diligence, and identifying companies whose capabilities align with our growth plans. This careful approach ensures that each acquisition delivers clear synergies in technology, market access, and operational efficiency.

By integrating the knowledge and expertise of acquired companies with our own, we are strengthening our ability to deliver advanced solutions such as anti-drone systems, airspace protection technologies, and high-value defence components. These capabilities enable us to serve Defence Public Sector Undertakings (PSUs), the Tri-Services, the Ministry of Home Affairs, Para-Military forces, and global defence organisations. Aligned with the vision of *Atmanirbhar* Bharat, the company is also investing in the indigenisation of

defence products, reducing dependence on imports and enhancing national self-reliance. At the same time, our intended presence in the US and UK will give us access to global opportunities, helping position the company as a trusted partner for defence requirements worldwide. Company aims to establish itself in the manufacturing of specific systems and subsystems for the Aerospace and Defence Sectors; namely in (a) Precision machining of the most demanding metals and super alloys (b) Metal surface treatments, specialising in treating small and large complex components (c) Machining and fine grinding (d) Advanced precision fabrications (e) Assembly, CNC machining and manufacture of complex parts.

The company is actively progressing on significant projects aimed at enhancing our capabilities in advanced defence technologies. These projects will enable your company to meet the evolving needs of armed forces and security agencies, with a focus on precision, reliability, and adaptability. Your company is working to ensure that these systems are not only technologically advanced but also compliant with the highest quality and operational standards. Once operational, ongoing projects are expected to strengthen our product portfolio, open new market opportunities, and reinforce our position as a trusted solutions provider in the defence sector.

This multi-dimensional strategy built on merger & acquisitions, innovation, manufacturing strength and strategic market access is designed to deliver sustained growth, operational excellence, and long-term value creation. By bringing together the right companies, the right people, and the right vision, the company is firmly on its path to becoming a recognised global player in defence technology.

(5) Risks and Concerns

Below are the possible risk and probable mitigation actions.

- **Market Penetration Risk**

As we explore new geographies (like US or UK) or grow domestic market share, there could be challenges due to high competition, local regulations, or lack of brand recognition. As a measure there is a need to work towards building partnership with established local players and leverage acquired company's network.

- **Acquisition Integration Risk**

One of the risks is the difficulty in integrating newly acquired companies into existing operations, leading to cultural misalignment, operational inefficiencies, or delays in synergy realization. However, this can be mitigated by conducting pre-acquisition financial, operational due diligence and establish integration teams, and set clear timelines and KPIs for post-merger alignment.

- **Foreign Exchange & Remittance Compliance Risk**

There could be delays in compliance due to dynamic foreign remittance regulations and exchange rate fluctuations. Engaging experienced legal and compliance advisors, using forward contracts and hedging could help to manage currency volatility

- **Revenue Concentration & Contract Risk**

Heavy dependence on a few large defence contracts may expose the company to high revenue volatility if orders are delayed or cancelled. To mitigate the risk there is a need to diversify the client base (domestic and international), pursue long-term service/maintenance contracts, and maintain a healthy order pipeline.

- **Regulatory & Government Approval Risk**

There could be unanticipated delays in obtaining mandatory government approvals, defence clearances, or export licenses. By maintaining active liaison with regulatory authorities, engaging consultants with domain expertise, and preparing complete documentation well in advance would enable smoother and faster approvals

- **Supply Chain & Manufacturing Disruption Risk**

Shortage of critical components, raw materials, or manufacturing delays impacting delivery timelines could be the probable risk. To mitigate the risk there is a need to develop multiple suppliers, maintain stock of critical parts and evaluate option of investing in in-house manufacturing capabilities of key components

- **Technological Relevance and Future-Proofing**

Rapid advancements in defence technology and evolving security threats can make existing systems or solutions outdated. If the company's products or capabilities fail to keep pace with industry innovation, it may lose competitiveness and market share. Continuously investing in R&D, collaborating with technology partners, and tracking global defence technology trends will support in being relevant also engaging in joint ventures or acquisitions to gain access to advanced capabilities. Regularly upgrading product offerings to align with changing customer requirements and emerging security challenges will go a long way in mitigating the risk associated.

(6) Internal Controls

Operating in the highly sensitive and regulated defence sector, robust internal control systems are essential to maintaining operational integrity, compliance, and stakeholder confidence. We believe that strong internal controls are essential for the smooth and secure functioning of any organization. These controls include processes, policies, and procedures that help protect the company's resources from risks and threats. They ensure that transactions are approved properly, recorded accurately, and carried out in line with company policies. This reduces the chances of mistakes, fraud, or incorrect financial reporting. At the same time, it builds transparency and accountability across the organization.

Our internal control framework is designed to ensure accuracy, transparency, and accountability across all business processes, with a strong focus on risk mitigation and adherence to statutory, contractual, and security requirements.

A key part of this system is the role of the Audit Committee. Working closely with the Internal Auditor, the Audit Committee regularly reviews the company's internal controls. These reviews take place at fixed intervals and are aimed at checking whether the controls are effective. If any weakness or gap is found, the Audit Committee recommends corrective action to fix it. This process shows the company's commitment to maintaining effective controls and following best practices. It also gives assurance to stakeholders that the control systems are in place and working as intended.

The company also carries out regular risk assessments for both existing processes and any new workflows introduced. This proactive approach helps identify risks early so that preventive measures can be taken before issues arise. By constantly reviewing and updating its risk management strategies, the company stays prepared for changing business needs and external factors.

Another important element of our internal control framework is the company's "cash and caution" policy. This policy focuses on careful financial management by controlling costs, avoiding unnecessary debt, and

prioritizing debt repayment. The idea is to ensure the company operates within its means, maintains healthy cash flows, and remains financially stable. This approach helps safeguard financial resources and ensures that funds are used efficiently and for the right purposes.

Together, these measures – strong policies and processes, regular reviews by the Audit Committee, ongoing risk assessments, and a cautious financial management approach – create a secure and reliable control environment. They not only protect the company's assets but also build trust, integrity, and transparency. With these systems in place, the company is well-positioned to achieve its goals and ensure long-term growth and stability.

(7) Human Assets

At Megasoft, our people are our greatest strength. They are the driving force behind our growth, innovation, and success. We value employees not only for their professional contributions but also for the culture, spirit, and positive energy they bring to the organization.

We have strong HR policies and systems that ensure employees work in an environment that supports their growth, well-being, and overall development. Through continuous guidance, training programs, and access to the right resources, we help our team build skills and confidence to excel. Our performance management system encourages goal setting, regular feedback, and career development, enabling individuals to reach their full potential.

Employee welfare is a top priority. We provide comprehensive medical and life insurance coverage for employees and their families, ensuring their health and financial security in times of need. In addition, we offer wellness initiatives such as health awareness programs and webinars to promote a balanced lifestyle. We conduct mandatory health check-ups to monitor employees' well-being and provide support in taking necessary corrective measures.

We believe in creating a positive, respectful, and inclusive workplace where everyone feels safe, supported, and encouraged to share ideas. We actively promote teamwork, open communication, and a culture of respect. Gatherings, team dinners, and festival celebrations are organized to keep employees motivated.

The company conducts yearly performance assessments to evaluate employee contributions and growth. Appraisal processes are fair and transparent, linking achievements to career progression. Constructive feedback is provided to help employees improve and reach their full potential. Outstanding performance is recognized and rewarded, reinforcing a culture of excellence.

Megasoft is committed to providing career progression opportunities so our people can grow alongside the company. Our policies are transparent, fair, and focused on attracting, developing, and retaining people.

We believe that when our people succeed, the company succeeds. Our people-first philosophy ensures that every employee feels valued, supported, and proud to be part of our journey. We know that a happy, motivated workforce is the foundation of a thriving organization.

(8) Property:

Your company continued to receive rental income from all the three blocks of its Nanakramguda, Hyderabad property throughout the year.

(9) Material changes from end of financial year to date of this report:

- a) **Disposal of Property Asset:** On April 4, 2025, the Company executed the Sale of its share in the Property situated at Knowledge Capital, Plot No. 8 (Part), Survey No.115/2, 3, 4, 5, 35, Nanakramguda Village, Serilingampally Mandal, Ranga Reddy District, Telangana - 500032, India. Further, the sale consideration was INR 400,39,17,061/- (Rupees Four Hundred Crores Thirty-Nine Lacs Seventeen Thousand and Sixty-One Only). The Company repaid the outstanding loan as on that date, out of the Sale consideration received.
- b) **Approval and Execution of Sale of Investment in Extrovis AG:** On July 1, 2025, the Board of Directors of the Company has approved the Sale of Investment of Megasoft Limited's holding of 36.52% in Extrovis AG, Switzerland. Consequently, the Company received the Shareholders Approval for the aforesaid sale on August 6, 2025. The Company has executed the Share Purchase Agreement (SPA) with Refex Life Sciences Private Limited on July 2, 2025 for a consideration of US \$ 15,000,000.

c) **Update on Scheme of Amalgamation:**

During the financial year 2024-25 your Board of Directors in their meeting held on October 18, 2024 approved the Scheme of Amalgamation of Sigma Advanced Systems Private Limited ("SASPL" or "Transferor Company") into and with Megasoft Limited ("MSL" or "Megasoft" or "Transferee Company"). Further, the Company received the No-objection Letters / Observation Letters from the BSE Limited and National Stock Exchange of India Limited bearing letters dated May 16, 2025.

Pursuant to the order of the Hon'ble National Company Law Tribunal, Chennai Bench – I. (NCLT) dated July 11, 2025 read with Order dated July 16, 2025 ("Order"), the Company has conducted a meeting of the Equity Shareholder on August 30, 2025 and received the approval of the Shareholders on the Scheme.

Further, the Company is in process of obtaining the approval from the Hon'ble NCLT on the Scheme.

Except as disclosed elsewhere in this report, there have been no other material changes and commitments, that has occurred between the end of the financial year of the Company and date of this report which can affect the financial position of the Company.

FINANCIAL PERFORMANCE (CONSOLIDATED)

Share capital

There is no change in the Company's equity share capital during the financial year under review.

Reserves and surplus

The movement in Foreign Currency Translation Reserve, if any, during the financial year under review was due to fluctuation in foreign currency rate. The profit/loss earned during the year has been carried forward in full.

Borrowings

The total debt in FY 24-25 is Rs.13,697.35 lakhs against Rs. 14,468.56 lakhs in the year 23-24. The reduction is on account of repayment of loan during the year.

Deferred tax liability / asset

There were no deferred tax assets or liabilities during the year.

Trade Payables & Other liabilities

The trade payables and other liabilities increased to Rs.8,374.35 lakhs in 2025 from Rs. 4,062.87 lakhs in 2024. The increase was in the normal course of business.

Provisions

	Short term		Long term		Total	
As at	31-Mar-2025	31-Mar-2024	31-Mar-2025	31-Mar-2024	31-Mar-2025	31-Mar-2024
	Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs
Provision for retirement benefits	4.50	25.74	35.95	14.30	40.45	40.04

The movement in the provisions is in the normal course of business.

Fixed assets

The fixed assets Increased to Rs.19,998.57 lakhs in the current year from Rs. 18,718.62 lakhs in the previous year the details of which are available in the fixed assets schedule No 2

Trade receivables

There were no trade receivables during the financial year.

Cash and bank balances

The current year cash and bank balances are of Rs.916.98 lakhs against the previous year-end balance at Rs.1,704.85 lakhs.

Short term loans and advances

The short-term loans and advances increased to Rs.3,344.58 lakhs in 2025 from Rs.1,671.50 lakhs in 2024. The details of which are available in the schedule.

Results of operations (consolidated)

For the period / year ended	31-Mar-2025	31-Mar-2024
	Rs lakhs	Rs lakhs
Revenues from operations	0.00	0.00
Other Income	4,156.28	3,739.53
EBIDTA	3,112.86	2,847.31
Finance cost	1,821.54	1,706.80
Depreciation	446.59	318.82
Profit /(Loss) before exceptional Item and Tax	844.73	822.19
Exceptional Items(Net)	0.00	0.00

Profit after exceptional item and before tax	844.73	822.19
Less: Taxes	0.00	63.64
Profit after tax	844.73	758.55
Share of Profit /(Loss) of Associate	(3,838.47)	(2,033.21)
Profit/(Loss) for the period	(2,993.74)	(1,274.67)

Total income & Revenue

While there were no operational revenues during the year, however total income for the period was 4,156.28 lakhs in the FY24-25

Other Income

Other income for FY 24-25 is Rs.4,156.28 Lakhs against 3,739.53 Lakhs for the previous year 23-24.

Software, hardware and material costs

There was no Software, hardware and material costs incurred during the financial year.

Employee cost

Employee cost Increased to Rs.261.29 lakhs in 2025 from Rs. 205.55 lakhs in 2024.

Other expenses

Increase in other expenses to Rs.782.13 lakhs in 2025 from Rs. 686.67 lakhs in 2024. The details of which are available as per schedule no 24.

Finance cost

Finance cost increased to Rs. 1,821.54 lakhs in 2025 from Rs. 1,706.30 lakhs in 2024. Finance cost has increased during the year 2025 due to rise in the floating interest rate of borrowings.

Depreciation

Depreciation was charged on a pro-rata basis on fixed assets purchased / sold during the year. Depreciation on assets acquired under finance lease / hire purchase was provided using the straight-line method over the shorter of the lease / hire purchase term and useful life of the asset. The movement in depreciation charge from Rs 318.82 lakhs in the previous financial year to Rs 446.59 lakhs in 2025 is in the normal course of business.

FINANCIAL PERFORMANCE (STANDALONE)

Share capital

There is no change in the Company's equity share capital during the financial year under review.

Reserves and surplus

The profit earned by the company during the year has been carried forward in full and hence there is an increase in closing balance in Statement of Profit & Loss.

Borrowings

The total debt in FY 24-25 is Rs.13,697.35 lakhs against Rs. 14,468.56 lakhs in the year 23-24. This reduction is on account of repayment of loan during the year.

Deferred tax liability/asset

There were no deferred tax assets or liabilities during the year.

Trade Payables & Other current liabilities

The Trade payables and other current liabilities Increased to Rs.8,373.45 lakhs from Rs. 4,060.79 Lakhs in 2024. This was in the normal course of business.

Provisions

	Short term		Long term		Total	
As at	31-Mar-2025	31-Mar-2024	31-Mar-2025	31-Mar-2024	31-Mar-2025	31-Mar-2024
	Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs
Provision for retirement benefits	4.50	25.74	35.95	14.30	40.45	40.04

The movement in the provisions is in the normal course of business.

Fixed assets

The fixed assets are Rs. 19,998.57 Lakhs in 2025 as against Rs. 18,718.62 lakhs in the previous year 2024. The details are available in schedule no 2

Investments

There was no change in Investment in the year 2025 and stood at Rs.13601.67 Lakhs same as in 2024.

Trade Receivables

There were no trade receivable during the financial year.

Cash and bank balances

The cash and bank balance Rs 864.89 lakhs in 2025 as against Rs 1,646.44 lakhs in 2024.

Short term loans and advances

There is an increase in short term loans and advances to Rs 3,341.35 lakhs in 2025 from Rs. 1,670.61 lakhs in 2024. The details of which are available in the schedule.

Result of Operations (Standalone)

For the period / year ended	31-Mar-2025	31-Mar-2024
	Rs lakhs	Rs lakhs
Revenues from operations	0.00	0.00
Other Income	4,128.44	3,734.65
EBIDTA	3,115.59	2,844.82
Finance cost	1,821.49	1,706.30

Depreciation	446.59	318.82
Profit/(Loss) before Exceptional Item and Tax	847.51	819.71
Exceptional Items(Net)	0.00	0.00
Profit after Exceptional Item and before tax	847.51	819.71
Less: Taxes	0.00	63.64
Profit after tax	847.51	756.06

Revenues

While there were no operational revenues during the year, however total income for the period was 4,128.44 lakhs in the FY24-25

Other Income

Other income for FY 24-25 is 4,128.44 against Rs.3,734.65 for the previous year 2023-24.

Software, hardware and material costs

There was no Software, hardware and material costs incurred during the financial year.

Employee cost

Employee cost Increased to Rs 261.29 lakhs in 2025 from Rs 205.55 lakhs in 2024 .The increase is in the normal course of the business.

Other expenses

There is an Increase in other expenses to Rs. 751.56 lakhs in 2025 from Rs. 684.28 lakhs in 2024. The details are available in schedule no 26.

Finance cost

Finance cost increased to Rs 1,821.49 lakhs in 2025 from Rs 1,706.30 lakhs in 2024. This is on account of rise in the floating interest rate of borrowings.

Depreciation

Depreciation was charged on a pro-rata basis on fixed assets purchased / sold during the year. Depreciation on assets acquired under finance lease / hire purchase is provided using the straight-line method over the shorter of the lease / hire purchase term and useful life of the asset. The depreciation charge was Rs 446.59 lakhs in 2025 as against Rs 318.82 lakhs in 2024.

“Annexure-7”

Auditors’ Certificate on Corporate Governance

To

The Members of Megasoft Limited,

We have examined the compliance of conditions of Corporate Governance by Megasoft Limited for the year ended 31st March 2025, as stipulated in terms of Regulation 34(3) and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied in all material respect with conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

We further state that such compliance in neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For N.C. Rajagopal & Co.
Chartered Accountants.,
Firm Reg No: 003398S

Place: Chennai
Date: September 2, 2025

Arjun S
Partner
(Membership No. 230448)
UDIN: 25230448BMINAX7938

“Annexure-8”

REPORT ON CORPORATE SOCIAL RESPONSIBILITY

[Pursuant to clause (o) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline on CSR Policy of the Company: The Company is focused on Pharma, Aerospace and Defense Electronics areas and is in the process of acquiring a few companies and intend to provide centralized corporate, technology, finance and leadership / management support services to such subsidiaries/associate companies. Megasoft Limited is a public listed company, listed with NSE & BSE.

The Company’s CSR Policy intends:

- To enhance value creation to the society, through its services and conduct,
- To promote sustainable growth to the society,
- To fulfill its role as a Socially Responsible Corporate, with environmental concern.

2. **The Composition of the CSR Committee:**

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
NA	NA	NA	NA	NA

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the Company : <https://www.megasoft.com/investor-services.html>
4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable -
5. (a) Average net profit of the company as per sub-section (5) of section 135 - Rs. 7,69,46,590
(b) Two percent of average net profit of the company as per sub-section (5) of section 135 - Rs. 15,38,932
(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years – NA
(d) Amount required to be set-off for the financial year, if any - (e) Total CSR obligation for the financial year [(b)+(c)-(d)] -- NA
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) - Rs 15,38,932
(b) Amount spent in Administrative Overheads - NA
(c) Amount spent on Impact Assessment, if applicable - NA
(d) Total amount spent for the Financial Year [(a)+(b)+(c)] – Rs. 15,38,932

(e) CSR amount spent for the Financial Year: Rs. 15,38,932

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
15,38,932	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
	-	-	-	-	-
	-	-	-	-	-

Sl No	Particulars of CSR Spent	Amount in Rs.
1	SPARSH HOSPICE AN ENTITY OF ROTARY CBHCT	3,00,000
2	NACHIKETA TAPOVAN	9,00,000
3	FLYINGDISC DEVELOPMENT FOUNDATION	1,00,000
4	SIGNATURE FOUNDATION- EK BADALTI SOCH	2,38,932

(f) Excess amount for set-off, if any:

Sl No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
	Two percent of average net profit of the company as per sub-section (5) of section 135	15,38,932
	Total amount spent for the Financial Year	15,38,932
	Excess amount spent for the Financial Year [(ii)-(i)]	Nil
	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Year: NA

1	2	3	4	5	6	7	8
Sl No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any	Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any

					Amount (in Rs)	Date of Transfer		
1	FY-1	-	-	-	-	-	-	-
2	FY-2	-	-	-	-	-	-	-
2	FY-3	-	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If Yes, enter the number of Capital assets created/ acquired: NA

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: NA

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
-	-	-	-	-	CSR Registration Number, if applicable	Name	Registered address
-	-	-	-	-	-	-	-

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/ Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135 - NA

.....

.....

Sunil Kumar Kalidindi
Executive Director & CEO
DIN: 02344343

Kalyan Vijay Sivalenka
Independent Director
DIN: 06404449

Place: Hyderabad
Date: September 2, 2025

“Annexure A1”

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members of MEGASOFT LIMITED,
(CIN-L24100TN1999PLC042730)

No.85, Kutchery Road, Mylapore,
Chennai – 600 004.

We, M Damodaran & Associates LLP, Practicing Company Secretaries have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **MEGASOFT LIMITED** having **CIN - L24100TN1999PLC042730** and having registered office at No. 85, Kutchery Road, Mylapore, Chennai - 600 004 (hereinafter referred to as ‘the Company’), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **March 31, 2025** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Sunil Kumar Kalidindi	02344343	10/12/2021
2	Ms. Leona Ambuja	07138817	31/03/2015
3	Mr. Sivalenka Kalyan Vijay	06404449	29/09/2020
4	Mr. Suryanarayana Raju Nandyala	01581731	24/12/2021
5	*Mr. Krishna Yeachuri	00066898	31/12/2022
7	Dr. Uma Garimella	02847624	20/12/2024

**Mr. Krishna Yeachuri, Non- Executive, Non-Independent Director has resigned from the Board with effect from close of business hours on 31st March, 2025.*

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

For M DAMODARAN & ASSOCIATES LLP

Place: Chennai
Date: June 6, 2025

M. DAMODARAN
Managing Partner
Membership No.: 5837
COP. No.: 5081
FRN: L2019TN006000
PR 3847/2023
ICSI UDIN.: F005837G000557179

“Annexure B1”

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certificate

As stipulated under Regulation 17(8) and Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby certify that:

We the undersigned, in our respective capacities as Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of Megasoft Limited (“the Company”), to the best of our Knowledge and belief certify that:

1. We have reviewed the financial statements and the cash flow statement for the financial year ended 31st March, 2025 and based on our knowledge and belief, we state that:
 - i) These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading; and
 - ii) These statements together present a true and fair view of Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. there are no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company’s code of conduct;
3. we are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the company and have disclosed to the Auditors and the Audit Committee deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies;
4. we have indicated, based on our most recent evaluation, wherever applicable, to Auditors and Audit Committee:
 - i) Significant changes, if any, in the internal control over financial reporting during the year;
 - ii) Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the company’s internal control system over financial reporting.

Place: Hyderabad
Date: May 29, 2025

Sunil Kumar Kalidindi
Executive Director & CEO
DIN: 02344343

Shridhar Thathachary
CFO

INDEPENDENT AUDITOR'S REPORT

To the Members of Megasoft Limited

Report on the Audit of the Consolidated Financial Statements

1. Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of MEGASOFT LIMITED ("the Holding Company") its Subsidiary and its Associate (collectively referred to as "the Group") which includes the Groups share of profit/loss in its Associate which comprise the Consolidated Balance Sheet as at 31st March 2025, and Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and Notes to the Consolidated Ind AS Financial Statements for the year then ended, and a summary of material 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 Consolidated Ind AS Financial Statements give the information required by the Companies Act, 2013, 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 Company as at 31st March, 2025, and consolidated Loss, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS 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 Consolidated Ind AS Financial Statements under the provisions of the Companies Act, 2013 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 opinion.

3. Emphasis of Matter

- a. We draw attention to Note No. 4 of the Consolidated Financial Statements regarding the proceedings with the GST department and multiple Writ petitions filed by the company in that connection.
- b. We draw attention to Note No. 27 of the Consolidated Financial Statements regarding the scheme of amalgamation with Sigma Advanced Systems Private Limited.

Our opinion is not modified in respect of the above matters.

4. Key Audit Matters

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

Sl.No.	Key Audit Matter	Auditor's Response
1	Evaluation of uncertain tax positions: The Company has uncertain tax and legal positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.	<p>We obtained the list of legal cases filed by and on the Company.</p> <p>We obtained details of completed tax assessments and demands for the year ended 31st March, 2025 from the management.</p> <p>We also reviewed the Company's correspondences and appeal documents.</p> <p>We obtained status reports from the existing counsels handling each case.</p> <p>We have reviewed the GST related correspondences and the writ petitions filed by the company.</p> <p>Ascertained whether the chances of crystallization of liability are probable/ possible/ remote.</p> <p>Ensured appropriate disclosure under Notes on accounts.</p>

5. Information Other than the Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report, including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information but does not include the Consolidated Ind AS Financial Statements and our auditor's report thereon. The Other information is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the Consolidated Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Ind AS Financial Statements or our knowledge obtained in the course of our 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.

When we read the remaining other information, which we will obtain after the date of auditor's report and if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

6. Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Companies Act, 2013, that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted

in India, including the accounting Standards specified under section 133 of the Act. 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 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the Company's financial reporting process of the Group.

7. Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 Consolidated Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Ind AS Financial Statements, including the disclosures, and whether the Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Holding Company and such other entities 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 Ind AS Financial Statements of the current period 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.

8. Other Matters

The consolidated annual financial results include the audited financial results of One subsidiary, whose financial statements reflect total Assets of Rs.55.31 lakhs at 31st March 2025 and total revenues of Rs.27.84 lakhs, total after tax net loss of Rs. 2.78 Lakhs and total comprehensive loss of Rs.2.78 Lakhs for the year ended 31st March 2025, and net cash flows of (Rs. 6.32 Lakhs) for the year ended on that date, as considered in the consolidated annual financial results, which have been audited by their respective independent auditors. One associate, whose financial statements include group share of net loss of Rs 3,838.47 lakhs and Total Comprehensive loss of Rs. 4,540.83 lakhs for the year ended 31st March 2025 respectively, as considered in the statement, whose financial statements, other financial information have been audited by their respective independent auditors.

The independent auditor's report on financial statements of these entities have been furnished to us and our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

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

9. Report on Other Legal and Regulatory Requirements

- i) With respect to the matter specified in paragraphs Clause (xxi) of the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Independent Auditor's Report, according to the information and explanations given to us, and based on the Independent Auditor's Reports issued by the subsidiaries' Auditors, included in the consolidated financial statements of the Company, to which reporting under the Order is applicable, we report that there are no qualifications or adverse remarks in these reports.
- ii) 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 purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the aforesaid Consolidated Ind AS Financial Statements.
 - d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian 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 31st March, 2025, taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its subsidiary company, none of the Directors in the Group companies is disqualified as on 31st March, 2025 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 Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A."
 - g) 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, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Consolidated Ind AS Financial Statements disclose the impact of pending litigation on the consolidated financial position of the Group - Refer Note No. 4 and 28 to the Consolidated Ind AS Financial Statements.
- ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies.
- iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note No. 26(m) to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
(b) The management has represented, that, to the best of its knowledge and belief, as disclosed in the Note No. 26(m) to the accounts, no funds have been received by the Group from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014 contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Group.
- vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For N.C. Rajagopal & Co.
Chartered Accountants
Firm Reg No: 003398S

Place: Chennai
Date: 29.05.2025

Arjun S
(Partner)
Membership No. 230448
UDIN: 25230448BMIMYT1877

ANNEXURE – A TO THE AUDITORS’ 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 the Group as of and for the year ended ³¹st March, 2025, we have audited the internal financial controls over financial reporting of Megasoft Limited (hereinafter referred to as “the Holding Company”) and its subsidiary company, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding company and its subsidiary company, which are companies incorporated in India, are 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 (ICAI)”. 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 Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, 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 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 control system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 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 Holding Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2025, 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".

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to subsidiary, which is a company incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For N.C. Rajagopal & Co.
Chartered Accountants
Firm Reg No: 003398S

Place: Chennai
Date: 29.05.2025

Arjun S
(Partner)
Membership No. 230448
UDIN: 25230448BMIMYT1877

Consolidated Balance Sheet

	Note	As at 31-Mar-2025 ₹ in lakhs	As at 31-Mar-2024 ₹ in lakhs
ASSETS			
Non-Current assets			
Non-Financial Assets			
Property, Plant and Equipment	2	19,998.57	18,718.62
Goodwill			
Financial Assets	3 (i)	6,707.26	11,248.10
Investments			
Other Financial Assets	3 (ii)	608.41	608.41
Other Non Current Assets	4	3,522.17	692.50
Current Assets			
Cash And Cash Equivalents	5	916.98	1,704.85
Other Balances with Bank	6	37.59	144.33
Loans	7	1,500.00	1,000.00
Current Tax Assets (Net)	8	1,062.33	1,703.38
Other Current Assets	9	2,086.49	769.78
TOTAL ASSETS		36,439.81	36,589.97
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	10 A	7,377.00	7,377.00
Other Equity	10 B	6,991.11	10,681.53
Total Equity		14,368.11	18,058.53
Non-Current Liabilities			
Financial Liabilities			
Borrowing	11	12,871.44	13,570.69
- Lease Liabilities	12	97.67	162.93
- Other Financial Liabilities	13	2,235.47	2,193.69
Provisions	14	35.95	14.30
Current Liabilities			
Financial Liabilities			
Current Borrowings	15 A	825.91	897.87
Lease Liabilities	15 B	76.98	73.21
Trade payables	16	0.00	0.00
Other financial liabilities	17	92.90	127.94
Provisions-Current	18	63.41	150.10
Other current liabilities	19	5,771.96	1,340.70
TOTAL EQUITY & LIABILITES		36,439.81	36,589.97

Material Accounting Policies	1
Other Notes to Financial Statements	2-40

The notes referred to above form integral part of these financial statements

As per our Report of even date attached

For and on behalf of the Board of **Megasoft Limited**

for **N.C.Rajagopal & Co.**

Chartered Accountants

Firm Registration No: 003398 S

Sunil Kumar Kalidindi

Executive Director & CEO

DIN: 02344343

Kalyan Vijay Sivalenka

Independent Director

DIN: 06404449

Arjun S.

Membership No: 230448

Place: Hyderabad

Date: 29th May, 2025

Shridhar Thathachary

Chief Financial Officer

Thakur Vishal Singh

Company Secretary & Compliance
Officer

Consolidated Statement of Profit & Loss

	Note	For the year ended 31-Mar-2025 ₹ in lakhs	For the year ended 31-Mar-2024 ₹ in lakhs
Revenue from Operations			
Revenue from sale of services	20	0.00	0.00
Other Income	21	4,156.28	3,739.53
		4,156.28	3,739.53
Expenses			
Software, hardware and material cost		0.00	0.00
Employee benefits expense	22	261.29	205.55
Finance costs	23	1,821.54	1,706.30
Depreciation and amortization expense	2	446.59	318.82
Other expenses	24	782.13	686.67
TOTAL EXPENSES		3,311.55	2,917.34
Profit/(Loss) Before Exceptional item and tax		844.73	822.19
Exceptional items (Net)		0.00	0.00
Profit/(Loss) before tax		844.73	822.19
Tax expense			
Tax on Earlier Years		0.00	63.64
Current tax			
Deferred tax			
Total tax expense		0.00	63.64
Profit/(Loss) after Tax		844.73	758.55
Share of Profit or (Loss) of Associate		(3,838.47)	(2,033.21)
Profit/(Loss) for the period		(2,993.74)	(1274.67)
A Items that will not be reclassified to profit and loss			
i) Remeasurements of post-employment benefit obligations		5.68	0.20
ii) Changes in Revaluation Surplus			
B Items that will be reclassified to profit and loss			
i) Fair Value Changes in Equity Instruments through OCI		-	-
Other Comprehensive Income for the year		5.68	0.20
Share of Other Comprehensive income from Associate		(702.36)	0.00
		(3690.42)	(1274.47)
Earnings per equity share (in ₹)			
(1) Basic	25	(4.06)	(1.73)
(2) Diluted		(4.06)	(1.73)

Significant Accounting Policies	1
Other Notes to Financial Statements	2-40

The notes referred to above form integral part of these financial statements

As per our Report of even date attached

For and on behalf of the Board of **Megasoft Limited**

for **N.C.Rajagopal & Co.**

Chartered Accountants

Firm Registration No: 003398 S

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DIN: 06404449

Arjun S.

Membership No: 230448

Place: Hyderabad

Date: 29th May, 2025

Shridhar Thathachary

Chief Financial Officer

Thakur Vishal Singh

Company Secretary & Compliance
Officer

Statement of changes in equity

A. Equity Share Capital

(i) Current Reporting Period

Equity Share Capital		(Amounts in Lakhs)	
Equity shares of Rs.10 each, Issued, Subscribed and Paid up	Balance as at 1st April, 2024	Changes in equity share capital	Balance as at 31 st March 2025
Equity Shares with Voting Rights	7,377.00	-	7,377.00
Total	7,377.00	-	7,377.00

(ii) Previous Reporting Period

Equity Share Capital		(Amounts in Lakhs)	
Equity shares of Rs.10 each, Issued, Subscribed and Paid up	Balance as at 1st April, 2023	Changes in equity share capital	Balance as at 31 st March 2024
Equity Shares with Voting Rights	7,377.00	-	7,377.00
Total	7,377.00	-	7,377.00

B. Other Equity

(1) Current Reporting Period

Reserves and Surplus (Amounts in Lakhs)									
	Capital Reserve	Securities Premium	Business Reconstruction Reserve	General Reserve	Retained Earnings	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income	Total
Balance at the beginning of the current reporting period	5.59	250.66	21.38	2,546.75	6,479.09	2,773.73		18.72	12,095.91
Changes in accounting policy or prior period errors									
Restated balance at the beginning of the current reporting period	5.59	250.66	21.38	2,546.75	6,479.09	2,773.73		18.72	12,095.91
Total Comprehensive Income for the current year					-2,993.74			-696.68	-3,690.42
Dividends									
Transfer to retained earnings									-
Any other Change to be specified									
Balance at the end of the current reporting period	5.59	250.66	21.38	2,546.75	3,485.35	2,773.73		(677.96)	8,405.49

(2) Previous Reporting Period

Reserves and Surplus (Amounts in Lakhs)									
	Capital Reserve	Securities Premium	Business Reconstruction Reserve	General Reserve	Retained Earnings	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income	Total
Balance at the beginning of the Previous reporting period	5.59	250.66	21.38	2,546.75	7,753.96	2,773.73	-	18.52	13,370.59
Changes in accounting policy or prior period errors									
Restated balance at the beginning of the previous reporting period	5.59	250.66	21.38	2,546.75	7,753.96	2,773.73	-	18.52	13,370.59
Total Comprehensive Income for the previous year					(1,274.87)			0.2	(1,274.67)
Dividends									
Transfer to retained earnings					-			-	-
Any other Change to be specified									
Balance at the end of the current reporting period	5.59	250.66	21.38	2,546.75	6,479.09	2,773.73	-	18.52	12,095.92

As per our Report of even date attached

For and on behalf of the Board of **Megasoft Limited**

for **N.C.Rajagopal & Co.**

Chartered Accountants

Firm Registration No: 003398 S

Sunil Kumar Kalidindi

Executive Director & CEO

DIN: 02344343

Kalyan Vijay Sivalenka

Independent Director

DIN: 06404449

Arjun S.

Membership No: 230448

Place: Hyderabad

Date: 29th May, 2025

Shridhar Thathachary

Chief Financial Officer

Thakur Vishal Singh

Company Secretary & Compliance Officer

Consolidated Cash Flow Statement

	For the year ended 31-Mar-2025	For the year ended 31-Mar-2024
	₹ in lakhs	₹ in lakhs
A. Cash flow from Operating Activities		
Net Profit Before Tax	(2,993.74)	(1,211.03)
Adjusted for:		
Depreciation	446.59	318.82
Interest Income	(353.62)	(290.87)
Interest & Bank Charges	1,821.54	1,706.30
Changes in OCI	5.68	0.20
Share of (Profit)/Loss in Associate	3,838.47	2,033.21
Operating Profit Before Working Capital Changes	2,764.91	2,556.64
Adjusted for:		
Trade and other Receivables	747.79	(384.59)
Trade and other payables	4,309.52	53.40
Other non-current assets	(2,829.67)	(192.50)
Other Financial assets	0.00	0.00
Other Current Assets	(1,316.71)	129.49
Other noncurrent liabilities	(1.81)	150.00
Cash Generated from operations	3,674.03	2,312.43
Tax expenses	0.00	(63.64)
Net Cash from / (Used in) Operating Activities [A]	3,674.03	2,248.79
B. Cash Flow from Investing activities		
Purchase of property, plant and equipment	(1,726.55)	(1,118.61)
Loan Given	(1,500)	0.00
Loan Repaid	1,000	1,800
Interest Income Gross	353.62	290.87
Net Cash from / (Used in) Investing Activities [B]	(1,872.93)	972.26
C. Cash flow from Financial Activities		
Increase/(Decrease) on Borrowings	(767.44)	(38.51)
Interest & Bank Charges	(1,821.54)	(1,706.30)
Net Cash flow from/(Used in) Financing Activities [C]	(2,588.97)	(1,744.81)
Net Cash Flows during the year {A+B+C}	(787.87)	1,476.24
Cash & Cash Equivalents (Opening Balance)	1,704.86	228.62
Cash & Cash Equivalents (Closing Balance)	916.98	1,704.86

As per our Report of even date attached

For and on behalf of the Board of **Megasoft Limited**

for **N.C.Rajagopal & Co.**

Chartered Accountants

Firm Registration No: 003398 S

Sunil Kumar Kalidindi

Executive Director & CEO

DIN: 02344343

Kalyan Vijay Sivalenka

Independent Director

DIN: 06404449

Arjun S.

Membership No: 230448

Place: Hyderabad

Date: 29th May, 2025

Shridhar Thathachary

Chief Financial Officer

Thakur Vishal Singh

Company Secretary & Compliance
Officer

Megasoft Limited

Draft Notes forming part of Consolidated Financial Statements for the year ended March 31, 2025

Note 1A: Company information and Significant accounting policies

a. Background

Megasoft Limited, a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956, on 29 June 1999 and is registered office in Chennai. The company's shares are listed on BSE and NSE, in India.

The following are the subsidiaries/Associates of the Company:

Name of the Subsidiary/Associate Companies	Country of Incorporation	% Holding
Extrovis AG	Switzerland	36.52%
Velapan Systems Private Limited	India	100%

b. Basis of Preparation

These Financial Statements have been prepared on accrual basis of accounting in accordance with Indian Accounting Standards (IND AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended, notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

Disclosures under IND AS are made only in respect of material items and in respect of the items that will be useful to the users of Financial Statements in making economic decisions.

c. Basis of Measurement

The Financial Statements have been prepared in Going concern basis and on an accrual method of accounting. Historical cost is used in preparation of Financial Statements except for the following items which are measured at Fair value:

- i) Certain Financial assets and liabilities
- ii) Net Defined benefit (Asset)/ Liability

d. Functional and Presentation currency

The Financial Statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest Lakhs, except as stated otherwise.

e. Use of estimates and management judgement

The preparation of Financial Statements in conformity with the accounting policies requires the management to make estimates and assumption considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialize.

Note 1B Material accounting policies

A Summary of significant accounting policies applied in the preparation of Financial Statements is given below. These accounting policies have been applied consistently to all the periods presented in the Financial Statements.

a. Revenue Recognition

Revenue from software development on time and material basis is recognized based on software developed and billed to clients as per the terms of specific contracts. In the case of fixed-price contracts, revenue is recognized based on the milestones achieved as specified in the contracts or on the percentage of completion basis. Provision for estimated losses on incomplete contract is recorded in the period in which such losses become probable based on the current estimates. Revenue from product licenses and related revenue are recognized as follows:

- License fees, on delivery and subsequent milestone schedule as per the terms of the contract with the end use
- Product maintenance revenues, over the period of the maintenance contracts

b. Property, Plant and Equipment

i. Initial and Subsequent Recognition:

All items of Property, Plant and equipment (PPE) are measured at Historical cost, which includes capitalised borrowing cost less accumulated depreciation and impairment loss, if any.

Items of spare parts, standby equipment and servicing equipment which meet the definition of property, plant and equipment are capitalised. Other spare parts are carried as inventory and recognised in the Statement of Profit and Loss on consumption.

Where the cost of depreciable assets has undergone a change during the year due to increase/ decrease in long term liabilities on account of exchange fluctuation price adjustment, change in duties or similar factors, and the unamortized balance of such asset is charged off prospectively over the remaining useful life determined following the applicable accounting policies relating to depreciation/ amortization.

On transition to IND AS, the company has elected to adopt the cost model i.e., cost less accumulated depreciation for all of its Property, Plant and Equipment as at 1st April, 2016. Except for land which has been revalued to reflect the fair value.

The Property, Plant and equipment of the Company are physically verified in a phased manner to cover all the items of PPE over a period of three years, which in the Management's opinion, is reasonable having regard to the size of the Company and the nature of its assets. Property, Plant and Equipment are capitalized when the assets are ready for their intended use and when occupancy certificate is received in respect of immovable properties.

ii. Depreciation

Depreciation is recognised in Statement of Profit and Loss on a straight – line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Depreciation on additions to/ deductions from property, plant and equipment during the year is charged on pro – rata basis from/ up to the month in which the asset is available for use/ disposed.

iii. Goodwill and Other Intangible Assets:

On transition to IND AS, the Company has elected to continue with the carrying value of all its intangible assets recognised as at 1st April, 2016, measured at previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

Software which is not an integral part of related hardware, is treated as intangible asset and amortised over a period five years or its license period, whichever is less.

On Transition to IND AS the company has elected to continue with the carrying value of all intangible assets recognised as at 1st April, 2016 measured as per the previous GAAP and use the carrying value as deemed cost.

iv. Capital work – in – progress:

The cost of self – constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and borrowing costs.

Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis of the cost of related assets.

Unsettled liabilities for price variation/exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts.

v. Leases:

The company's lease assets primarily comprise of buildings. The company assesses whether a contract contains a lease at the inception of the contract. A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- i) the contract involves the use of an identified asset
- ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- iii) the Company has the right to direct the use of the asset.

Transition

Effective April 1, 2019, the Company adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on April 1, 2019 are accounted for as per the provisions of the standard. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate. Right of Use (ROU) assets have been recognized by the Company at an amount equal to the lease liability, adjusted for previously recognized prepaid or accrued lease payments.

c. Cash Flow Statement

Cash flow statement is prepared in accordance with the indirect method prescribed in IND AS 7 “Cash Flow Statement”.

d. Prior Period Errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities, and equity for the earliest period presented, are restated.

e. Income Tax

Income tax expense comprises Current and Deferred tax. Current Tax expense is recognised in Statement of Profit and Loss except to the extent that it relates to items recognised directly in Other Comprehensive Income (OCI) or Equity, in which case it is recognised in OCI or Equity.

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences.

Deferred tax assets are recognized for all temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their reliability.

Deferred Tax expense is recognised in Statement of Profit and Loss except to the extent that it relates to items recognised directly in Other Comprehensive Income (OCI) or Equity, in which case it is recognised in OCI or Equity.

f. Employee Benefits

Defined contribution plans: Contributions to defined contribution plans are recognized as expenses when employees have rendered services entitling them to such benefits.

Defined benefit plans: For defined benefit plans, the cost of providing benefits using the projected Unit Credit Method, with actuarial valuations being carried out at each Balance sheet date. Actuarial gains and losses are recognised in full in the other Comprehensive income for the period in which they occur. Past service cost both vested and unvested is recognised as expenses at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring costs or termination benefits.

The retirement benefit obligations recognised in the Balance Sheet represents the present value of the defined benefit obligations reduced by the fair value of scheme assets. Any assets resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

g. Foreign currency translation

The consolidated financial statements are prepared in Indian Rupees, which is the functional currency for Megasoftware Limited. The translation of the functional currencies into the reporting currency is performed for assets and liabilities of the foreign subsidiary company's currency exchange rates in effect at the balance sheet date, for revenue, costs and expenses using average exchange rates prevailing during the reporting periods and for share capital, using the exchange rate at the date of the transaction. The resultant translation exchange gain/loss has been disclosed as "Foreign Currency Translation Reserve" under "Reserve & Surplus".

All income and expenditure transactions of the foreign branch during the year are included in these accounts at the average rate of exchange. Monetary assets and liabilities are translated at rates prevailing on the balance sheet date. Non-monetary assets and liabilities are translated at the rate prevailing on the date of the transaction. Depreciation is translated at the rates used for the transaction of the values of the assets on which depreciation is computed. Net gain/loss on foreign currency translation is recognized in the profit & loss Account.

In case of forward exchange contract or any other financial instruments that is in substance a forward exchange contract to hedge the foreign currency risk which is on account of firm commitment and / or is a highly probable forecast transaction, the premium or discount arising at the inception of the contract is amortized as expenses or income over the life of the contract.

Gain / Losses on settlement of transaction arising on cancelled or renewal of such a forward exchange contract are recognized as income or expenses for the period. In all other cases the gain or loss on contract is computed by multiplying the foreign currency amount of the forward exchange contract by the difference between the forward rate available at the reporting date for the remaining maturity of the contract and the contracted forward rate (or the forward rate last used to measure a gain or loss on that contract for an earlier period) is recognized in the profit or loss account for the period.

h. Borrowing Cost

Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset up to the date of capitalization of such asset is added to the cost of the assets. Borrowing costs include interest, amortization of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Capitalization of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

i. Impairment of Non – Financial Assets

The carrying amount of Company's Non – financial Assets are reviewed at each reported date to determine whether there is an indication of impairment 'considering the provisions of IND AS 36 "Intangible Assets".

Impairment loss is recognised if the carrying amount of the assets or its Cash Generating Units (CGU) exceeds its estimated recoverable amount. Impairment losses are recognised in Profit and Loss. Impairment losses recognised in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Non-Financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An Impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

j. Earnings per share

Basic earnings per share are computed by dividing the net profit/loss after tax attributable to the equity shareholders of the company by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit/loss after tax attributable to the equity shareholders of the company as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

k. Provisions and Contingent Liabilities

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present values

and are determined based on the best estimate required to settle the obligations at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the Financial Statements and are disclosed in the Notes. A Contingent asset is neither recognized nor disclosed in the Financial Statements.

l. Business Combination

As part of the transition to INDAS, the company has decided to apply the INDAS 103, Business combinations, to only those business combinations that occurred on or after 1st April, 2015.

In respect of Business combinations, prior to 1st April, 2015, goodwill represents the amount recognised under the company's previous accounting framework under Indian GAAP and the same is tested annually for impairment.

m. Financial Instruments

All Financial Assets and Liabilities are recognised and measured initially at fair value adjusted by transaction cost, except for those carried at fair value through Profit or Loss which are measured initially at fair value. For the purpose of subsequent measurement, Financial Assets are classified into following categories upon initial recognition:

- Amortised cost
- Financial assets at fair value through profit or loss (FVTPL)
- Financial assets at fair value through Other Comprehensive Income (FVOCI)

➤ Financial assets

Amortised Cost

A financial asset is measured at amortised cost using effective interest rates if both of the following conditions are met:

- a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at FVTPL

Financial assets at FVTPL include financial assets that either do not meet the criteria for amortised cost classification or are equity instruments held for trading or that meet certain conditions and are designed at FVTPL upon initial recognition. All derivative financial instruments also fall into this category. Assets in this category are measured at fair value with gains or losses recognised in profit and loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at FVOCI

FVOCI financial assets are either debt instruments that are managed under hold to collect and sell business model or are non – trading equity instruments that are designated to this category. FVOCI financial assets are measured at fair value. Gains and losses are recognised in Other Comprehensive Income, except for

interest and dividend income and foreign exchange differences on monetary assets, which are recognised in statement of profit and loss.

➤ **Financial Liabilities**

Initial recognition and measurement

All financial liabilities are initially recognised at Book value and in the case of loans and borrowings and payables, net of attributable transaction costs (example: Upfront processing fees).

The company's financial liabilities include trade and other payables, loan and borrowings including bank overdrafts and financial guarantee contracts.

Classification and subsequent measurement of financial liabilities

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognised in profit or loss. All derivate financial instruments are accounted for at FVTPL.

Note No 2 : Property , Plant and Equipment & Intangible Assets														
Particulars	Gross Block						Depreciation					Net Block		
	Cost as at 1 st April, 2024	Additions	Deletions / Adjustments	Acquisitions through business combinations	Amount of change due to revaluation	Others adjustments	Cost as at 31 st March, 2025	As at 1 st April, 2024	Depreciation for the period 31 st March	Deletions / Adjustments	Impairment Losses/ Reversals	Total as at 31 st March, 2025	As at 31 st March, 2025	As at 31 st March, 2024
(A) Property,Plant & Equipment														
Land & Land Development	2,731.21	710.87	-	-	-	-	3,442.08	-			-	-	3,442.08	2,731.21
Building	15,771.60		-	-	-	-	15,771.60	961.80	249.13		-	1,210.92	14,560.68	14,809.81
Leasehold building ROU Asset	280.99		-	-	-	-	280.99	49.06	56.14		-	105.20	175.79	231.93
Plant & Machinery	833.95	830.79		-	-	-	1,664.74	2.70	92.33		-	95.03	1,569.71	831.24
Computer systems & Software	10.20	184.50	-	-	-	-	194.70	3.42	33.63		-	37.06	157.64	6.78
Furniture & Fittings	0.09	0.39	-	-	-	-	0.47	-	0.04		-	0.04	0.43	0.09
Vehicles	129.12		-	-	-	-	129.12	21.57	15.33		-	36.90	92.22	107.56
Sub Total	19,757.17	1,726.55	-	-	-	-	21,483.72	1,038.55	446.59	-	-	1,485.15	19,998.57	18,718.62
(B) Intangible Assets														
Intellectual Property Rights	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Patents	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total	-	-		-		-	-	-	-	-		-	-	-
(C) Capital WIP														
Total	19,757.17	1,726.55	-	-	-	-	21,483.72	1,038.55	446.59	-	-	1,485.15	19,998.57	18,718.62
Previous year figures	18,638.56	1,118.61		0.00	0.00	0.00	19,757.17	719.73	318.82		0.00	1,038.55	18,718.62	17,918.82

DESCRIPTION	Property, Plant and equipment	Right of Use Asset	Total
Gross Carrying Value			
As at March 31, 2024	19,476.18	280.99	19,757.17
ROU recognised on April 1, 2024	-	-	-
Reclassified on account of adoption of Ind As 116	-	-	-
Additions	1,726.55	-	1,726.55
Disposals			-
As at March 31, 2025	21,202.73	280.99	21,483.72
Accumulated Depreciation		-	-
As at March 31, 2024	989.49	49.06	1,038.55
ROU recognised on April 1, 2024		-	-
Reclassified on account of adoption of Ind AS 116			-
Charge for the year	390.46	56.14	446.59
Adjustment for disposal			-
As at March 31, 2024	1,379.95	105.20	1,485.15
Net Block as at March 31, 2024	18,486.68	231.93	18,718.61
Net Block as at March 31, 2025	19,822.78	175.79	19,998.57

Summary of Depreciation charged In P&L account	
On account of ROU assets	56.14
On account of Others (incl. Building)	390.46
	446.60

	As at 31-Mar-2025 ₹ in lakhs	As at 31-Mar-2024 ₹ in lakhs
3 Investments		
(i) Investment Measured at Cost		
<u>Associate:</u>		
Extrovis AG	11,248.10	13,281.31
Share of Profit or (Loss)	(4,540.83)	(2,033.21)
Total	6,707.26	11,248.10
(ii) Financial Asset		
Bank Deposit for more than 12 months (DSRA)	525.00	525.00
Security deposit	83.41	83.41
Total	608.41	608.41
4 Other Non-Current asset		
Capital advances	1,840.67	192.50
Other advances	-	-
Others	1,681.50	500.00
Total	3,522.17	692.50
<p>Note: The company has filed multiple writ petitions before the Honourable High Court of Telangana, in the ongoing dispute with the GST department, challenging notifications relating to taxation of Joint Development Agreement transactions. The company has paid Rs 16.81 crores under protest. The management strongly believes that there is no GST liability on the said transactions and that there is merit in its court case / WP and is hopeful of a positive outcome. The matter is subjudice.</p>		
5 Cash And Cash Equivalents		
(A) Balances with Banks:		
- Current accounts	916.74	1,702.63
- Cash on hand	0.23	2.22
Total	916.98	1,704.85
6 Other Bank balances		
Deposits held as Margin Money	37.59	144.33
Total	37.59	144.33

7 Loans

Others-

Loans receivable considered good-Unsecured 1,500.00 1,000.00

Total 1,500.00 1,000.00

8 Current Tax (Liabilities)/Asset

Advance Tax (Net off Provision for Taxation) 1,062.33 1,703.38

Total 1,062.33 1,703.38

9 Other Current Assets

Prepaid Expenses 189.91 129.53

Security Deposits 142.98 141.30

Accrued Interest Receivable 241.91 98.28

Balance with Government authorities 55.51 191.41

Other Advances

-Staff Advances 31.34 11.36

-Others 1424.84 197.90

Total 2086.49 769.78

10A : Share Capital

a) Authorised Capital 20,000.00 20,000.00

20,00,00,000 Equity shares of ₹ 10 each

(PYs: 20,00,00,000 Equity shares of ₹ 10 each)

Issued, Subscribed and Fully Paid up Capital

7,37,70,041 Equity Shares of ₹ 10/- each, Fully paid up 7,377.00 7377.00

(PY : 7,37,70,041 Equity shares of ₹ 10/- each, fully paid up)

b. Reconciliation of number of shares outstanding at the beginning and end of reporting period

Particulars	Equity Shares		Equity Shares	
	As at 31 st March, 2025		As at 31 st March, 2024	
	Number	Amount (in lakhs)	Number	Amount (in lakhs)
Shares outstanding at the beginning of the year	7,37,70,041	7,377.00	7,37,70,041	7,377.00
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	7,37,70,041	7,377.00	7,37,70,041	7,377.00

c. (i) Rights and Preferences attached to equity shares

Every shareholder is entitled to such rights as to attend and vote at the meeting of the shareholders, to receive dividends distributed and also has a right in the residual interest of the assets of the Company. Every shareholder is also entitled to right of inspection of documents as provided in the Companies Act, 2013.

(ii) There are no restrictions attached to equity shares.

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

Particulars	As at 31 st March, 2025		As at 31 st March, 2024	
	No. of shares	%	No. of shares	%
Ramanagram Enterprises Private Limited	2,58,73,115	35.07%	3,21,21,126	43.54%

e. During the period of five years immediately preceding the reporting date including the current year, there were no shares issued for consideration other than cash, no issue of bonus shares and no shares bought back.

f. Shares held by promoter at the end of the year

	No. of shares	% of Total Shares	%Change during the year
Ramanagaram Enterprises Private Limited	2,58,73,115	35.07%	(8.47%)

10B Other Equity

		As at 31 st March, 2025 ₹ in lakhs	As at 31 st March, 2024 ₹ in lakhs
A	Securities Premium Account		
	Opening balance	250.66	250.66
	Closing balance	250.66	250.66
B	Capital Reserve	5.59	5.59
	Closing balance	5.59	5.59
C	Foreign Currency Translation Reserve	(1,414.38)	(1,414.38)
	Changes during the year		
	Closing balance	(1,414.38)	(1,414.38)
D	Business Reconstruction Reserve	21.38	21.38
	Closing balance	21.38	21.38
E	General Reserve	2,546.75	2,546.75
	Closing balance	2,546.75	2,546.75
F	Retained Earnings		
	Opening balance	6,479.09	7,753.96
	Net Profit/ (Loss) for the year	(2,993.74)	(1,274.87)
	Closing balance	3,485.35	6,479.09

G	Revaluation Surplus		
	Opening balance	2,773.73	2,773.73
	Changes during the year	-	-
	Closing balance	2,773.73	2,773.73
H	Other Comprehensive Income		
	As per Last Balance Sheet	18.72	18.52
	Add: Movement in OCI during the year (net)	(696.68)	0.20
	Less: Transfer to retained earnings		
	Total Other Comprehensive Income	(677.96)	18.72
	Total	6,991.11	10,681.53
11	Borrowing non-current		
	Borrowings		
	Secured		
	a) Term loan:		
	(i) From Banks	56.61	75.44
	(ii) From other parties (NBFC)	13,640.74	14,393.12
	Less: Current maturities of long term borrowings	(825.91)	(897.87)
	Total	12,871.44	13,570.69
	Security Details:		
	(i) Exclusive charges on the Company's share of Commercial Property at Nanakramguda Village, Gachibowli, Hyderabad, Telangana along with the Car Parkings.		
	(ii) Escrow & Hypothecation on rental income		
	Rate of Interest at 10.00% - 10.50% pa (floating rate)		
	Default - Nil (PY : Nil)		
	Term loans were deployed for the purpose for which they were obtained		
	Vehicle Loan:		
	Secured by Hypothecation of Vehicle. Repayable in 60		
	Monthly installments of Rs 203800 each		
12	Lease Liabilities		
	Finance Lease obligation (Ind AS)	174.66	236.14
	Less: Current maturities of finance lease obligations	(76.98)	(73.21)
	Total	97.67	162.93
13	Other Financial Liability - Non Current		
	Security Deposit-JDA	2,164.21	2,029.52
	Deferred Premium Translation of financial Liabilities	71.26	164.18
	Total	2,235.47	2,193.69
14	Provisions - Non Current		
	Provision for Employee Benefits	35.95	14.30
	Total	35.95	14.30

15A	Borrowings – Current		
	Secured		
	Current Maturities on Long Term Borrowings	825.91	897.87
	Total	825.91	897.87
15B	Lease Liabilities		
	Current Maturities Finance Lease Obligations	76.98	73.21
	Total	76.98	73.21
16	Trade Payables		
	Total outstanding dues of Micro Enterprises & small enterprises*	-	-
	Total outstanding dues of Creditors other than micro enterprises & small enterprises	-	-
	Total Schedule to be inserted below	0	0
*As per the information available with the company, there are no outstanding dues that are required to be furnished under Section 22 of Micro, Small and Medium Enterprise Development Act, 2006.			
17	Other Financial Liabilities		
	Deferred premium translation of Financial Liabilities	92.90	127.94
	Total	92.90	127.94
18	Provisions – Current		
	Provision for Employee Benefits	4.50	25.74
	Provision for Outstanding Expenses	58.91	124.36
	Total	63.41	150.10
19	Other current liabilities		
	Statutory Dues Payable		-
	Salary Payable	15.64	11.62
	Other Payables*	5,756.32	1,329.09
	* Includes amounts on JDA.		
	Total	5,771.96	1,340.70
20	Revenue From Operation		
	Revenue from sale of services	0.00	0.00
	Total	0.00	0.00
21	Other Income		
	Interest Income – Rent IndAS	1.70	1.34
	Amortization Income - JDA Land	127.93	128.39
	Other non-operating income		
	Rental Income	3,673.04	3,318.92
	Interest Received	353.62	290.87
	Sub Total	4,156.28	3,739.53

22	Employee benefit expense		
	Salaries and Wages	246.14	191.66
	Contribution to Provident Fund and other funds	9.74	7.18
	Staff Welfare	5.41	6.71
	Total	261.29	205.55
23	Finance costs		
	Interest expenses	1,819.14	1,692.73
	Bank Charges	2.40	13.57
	Total	1,821.54	1,706.30
24	Other expenses		
	Services Rendered by business associates and Others	0.00	6.60
	Electricity Charges	1.56	0.76
	Insurance Expenses	41.67	30.46
	Travelling and conveyance	12.62	11.20
	Legal and professional charges	474.39	342.68
	Rates and taxes	46.38	38.00
	Rent	8.25	8.68
	Repairs and Maintenance	68.88	19.89
	Security charges	11.86	9.26
	Communication costs	6.13	4.20
	Advertisement & Business promotion expenses	10.62	2.38
	Printing and stationery	4.05	1.75
	Audit fees (Excluding Taxes)		
	- For Statutory Audit Fees	16.35	16.50
	Sitting fees paid	14.50	13.75
	Commission (Brokerage Services)	-	148.71
	Exchange Loss on Foreign Exchange Transactions	37.92	0.19
	CSR Expenses	15.39	10.81
	Miscellaneous expenses	11.54	20.84
	Total	782.13	686.67
25	Earnings Per Share		
	Net Profit /(Loss) attributable to Equity Shareholders (A)	(29,93,74,471)	(12,74,66,665)
	Weighted average number of equity shares outstanding during the period (B) (In Nos.)	7,37,70,041	7,37,70,041
	Basic & Diluted EPS (A/B) (in ₹)	(4.06)	(1.73)

26. Additional Regulatory Requirement

- There are no Immovable properties whose title deeds are not held in the name of the company
- The company does not have any investment property
- The company has not revalued its Property, Plant and Equipment (including Right of Use Assets or Intangible assets)

- d) The company has not granted any loans or advances in the nature of loans to promoters, Directors, KMPs and related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, either repayable on demand or without specifying any terms or period of repayment.
- e) The Company does not have any Capital-Work-in Progress (CWIP).
- f) The Company does not have any Intangible Assets under Development.
- g) There have been no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder
- h) In respect of borrowings from a bank on the basis of security of current assets, the periodic returns / statements of current assets filed by the Company with the bank are in agreement with the books of accounts. The Company does not have any borrowings from financial institutions on the basis of security of current assets.
- i) The Company has not been declared as willful defaulter by any bank or financial institution or other lender.
- j) The company had no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- k) There are no charges or satisfactions yet to be registered with the Registrar of Companies beyond the statutory period.
- l) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- m) Utilization of Borrowed Funds and Share Premium
No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity (ies), including foreign entities (“Intermediaries”) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- n) Undisclosed Income
No tax assessments under the Income Tax Act, 1961 (43 of 1961) have been received during the year and hence, there have been no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year. There has also not been any previously unrecorded income or related assets.
- o) The Company is not covered under the provisions of Section 135 of the Companies Act, 2013.
- p) The Company has neither traded nor invested in Crypto currency or Virtual Currency during the financial year.

27. Note on Merger:

Megasoft Limited (Transferee) has entered into a Scheme of Amalgamation with Sigma Advanced Systems Private Limited (Transferor) and has been approved by the respective Boards. The company will make necessary filings before the Honourable NCLT, Chennai in due course. The necessary entries will be passed in the financial statements after obtaining the required Regulatory Approvals.

28. Note on Sale of Landed Property:

The company has sold its share in the constructed property at Nanakramguda in Hyderabad on 4th April, 2025 and the necessary entries have been passed in the financial year 2025-26.

29. Related Party Transactions

A.

Subsidiary companies	% of Holding	
	As at 31.03.2025	As at 31.03.2024
Velapan Systems Private Limited	100%	100%
Extrovis AG	36.52%	40%

B. Key Managerial Personnel

Sunil Kumar Kalidindi – Executive Director and Chief Executive Officer

Shridhar Thathachary – Chief Financial Officer / Director of Subsidiary Company

Manda Srivalli - – Company Secretary (Part period)

Thakur Vishal Singh – Company Secretary (Part Period)

Related Party Transactions during the year:		
Particulars	For Year Ended 31 st March, 2025 (in Rs Lakhs)	For year ended 31 st March, 2024 (in Rs Lakhs)
Key Managerial personnel:		
1. Remuneration to KMP's	146.75	138.88

30. Commitments & Contingencies

i) Bank guarantees 32.69 119.51

ii) Income Tax

a) The Company has received a demand order from Income Tax u/s 156 to pay a tax liability amounting to Rs.24.98 crores. The company has appealed against the order to CIT(A) u/s 220(6) of the Income Tax Act,1961, against which the company has paid 20% of the demand, i.e ₹ 4.96 crores in order to file an appeal.

b) Income Tax amounting to Rs. 2.46 crores pertaining to Assessment Year 2012-13 (FY2011-12) is pending before The High Court, Madras due to an appeal filed by the IT Department against the order passed by ITAT dated 21.09.2022

c) The Company has filed an appeal before the CIT for the Assessment Year 2021-22 (FY 2020-21) against the levy of additional income tax on refund of 0.57 crores while passing order u/s 154 of the Income tax since the refund was not issued at the time of passing the order.

31. Payment to Auditors

Statutory Audit Fees 16.35 16.50

32. Segmental Information

The company has no reporting segment for FY 24-25

33. Employee benefits:

Gratuity Plan (defined benefit plan): Every employee is entitled to the benefit equivalent to 15 days of total basic salary last drawn for each completed year of service. Gratuity is payable to all eligible employees of the Company on retirement or separation or death or permanent disablement in terms of the provisions of the Payment of Gratuity Act, 1972.

Based on actuarial valuation necessary provisions have been created in the books to meet the liability as per IndAS 19 - Employee Benefits. Following table presents the disclosure requirements in respect of employee benefit pursuant to IndAS 19 - Employee Benefits:

Reconciliation of balances of the present value of the defined benefit obligation

Particulars	Gratuity	
	31-03-2025	31-03-2024
Present Obligation at period beginning	31.10	27.06
Service cost	2.86	2.24
Interest on defined benefit obligation	2.24	2.00
Past Service Cost	-	-
Liability Transferred Out/Divestments	-	-
Actuarial (gain) / Loss	-	-
Benefit Directly Paid by the Employer	(0.50)	-
Current Liability (within 12 months)	-	-
Actuarial (gain) / Loss-Due to Change in Demographic Assumptions	-	-
Actuarial (gain) / Loss- Due to Change In Financial Assumptions	(2.03)	0.16
Actuarial (gain) / Loss- Due to Change In Financial Experience	(3.65)	(0.37)
Present Value of Benefit Obligation at the End of the Period	30.02	31.10

Amount Recognized in Balance Sheet

Particulars	31 st March 2025	31 st March 2024
(Present Value of Benefit Obligation at the end of the Period)	(30.02)	(31.10)
Fair Value of Plan assets at the end of the period	-	-
Funded Status (Surplus / Deficit)	(30.02)	(31.10)
Net (Liability)/Asset Recognized in the Balance Sheet	(30.02)	(31.10)

Expenses recognized in statement of profit and loss account

Particulars	31 st March 2025	31 st March 2024
Current Service Cost	2.86	2.24
Net Interest Cost	2.24	2.00
Past Service Cost		-
(Expected Contributions by the Employees)		-
(Gains)/Losses on Curtailments and Settlements		-
Net Effects of Changes in Foreign Exchange Rates		-
Expenses Recognized	5.10	4.24

Expenses Recognized in Other Comprehensive Income (OCI) for Current Period

Particulars	31 st March, 2025	31 st March, 2024
Actuarial (Gains)/Losses on Obligation for the period	(5.68)	(0.20)
Return on Plan Assets, Excluding Interest Income	-	-
Change in Asset Ceiling	-	-
Net(Income)/Expense for the period recognized in OCI	(5.68)	(0.20)

Sensitivity Analysis

Particulars	31 st March, 2025	31 st March, 2024
Projected Benefit Obligation on Current Assumptions	30.02	31.10
Delta Effect of +1% Change in Rate of Discounting	(1.27)	(0.79)
Delta Effect of -1% Change in Rate of Discounting	1.39	0.89
Delta Effect of +1% Change in Rate of Salary Increase	0.92	0.80
Delta Effect of -1% Change in Rate of Salary Increase	(0.84)	(0.79)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.02)	(0.19)
Delta Effect of -1% Change in Rate of Employee Turnover	(0.03)	0.20

The sensitivity analysis has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the Defined benefit obligation as it is unlikely that the change in the assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the Defined benefit obligation as recognized in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

34. Leases

Information on leases as per Indian Accounting Standards (Ind As) 116 on ‘Leases’

a) Lease Income

Company as a Lessor

Other Income includes ₹ 3673.04 lakhs pertaining to Lease rentals received by the Company arising out of capitalization of a Property that had been given on Joint Development by the Company.

b) Lease Expense

Company as a Lessee

(i) Future minimum lease payments

As at year end, the future minimum lease payments to be made under non-cancellable operating leases as follows:

	March,31 2025	March,31 2024
Payable within one year	76.98	73.21
Payable between one and five years	97.67	162.93
Payable after five years	-	-
Total	174.65	236.14

(ii) Amount recognized in profit or loss

	March,31 2025	March,31 2024
Lease expense-minimum lease payments	67.98	53.70
Total	67.98	53.70

(iii) Impact of adoption of Ind AS 116

Effective 1st April 2019, the company has adopted Ind AS 116 “Leases “ and applied the standard to all lease contracts existing on 1st April 2019 according to the provisions of standard.

On the transition date, the application of new accounting standard resulted in recognition of “Right of use asset” and corresponding “Lease Liability” to the extent of ₹ 214.82 Lakhs.

Particulars	Apr-Mar’25	Apr-Mar’24
Reclassified on account of adoption of Ind AS 116	-	-
Opening Lease Liability	236.14	0
Additions	-	280.99
Repayments(a)	73.32	49.49
Interest Expenses in Finance cost(b)	11.84	4.64
Closing Lease Liability	174.66	236.14
Depreciation on Right of Use Assets(d)	56.14	49.06
Impact of adoption of Ind AS 116 in profit and Loss Account (d+b-c)	(5.35)	4.21

Particulars	March,31 2025	March,31 2024
Carrying value of Right of Use Assets	175.79	231.93

35. Assets Pledged as Security:

Particulars	31 st March 2025	31 st March 2024
Non-current assets		
First Charge		
Non - Financial Assets		
Property, Plant and Equipment (Land & Building)	18,002.76	17,541.02
Vehicle	92.22	107.56
Total Non-current assets pledged as security	18,094.99	17,648.57
Current assets		
First Charge		
Financial assets		
Trade receivable	0	0
Cash and cash equivalents		
Other bank balances		
Total Current assets pledged as security	0	0
Total assets pledged as security	18,094.99	17,648.57

36. Fair Value Measurements:

a) Financial Instruments by Category and their Fair Values:

Particulars	As at 31 st March 2025		As at 31 st March 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets:				
Investment	6,707.26	6,707.26	11,250.33	11,250.33
Security Deposits	608.41	608.41	608.41	608.41
Trade Receivables	0	0	0	0
Cash and Cash Equivalents	916.98	916.98	1,704.85	1,704.85
Other Bank balances	37.59	37.59	144.33	144.33
Loans	1,500.00	1500.00	1,000.00	1,000.00
Total Financial Assets	9,770.25	9,770.25	14,707.93	14,707.93

Financial Liabilities:				
Borrowings	13,697.35	13,697.35	14,468.56	14,468.56
Lease Liabilities	174.66	174.66	236.14	236.14
Trade Payables	-	-	-	-
Other Financial Liabilities	2,328.37	2,328.37	2,321.63	2,321.63
Total Financial Liabilities	16,200.38	16,200.38	17,026.33	17,026.33

b) Fair Value Hierarchy:

The Company has estimated all its financial assets and liabilities under Level 3 prescribed under the Indian Accounting Standards.

c) Valuation Techniques:

The discount rates considered is the borrowing rate charged by the lead lender of the Company after giving effect to the applicable tax rate. The carrying amount of current financial assets and liabilities are considered to be the same as their fair values due to their short-term nature. For financial assets and liabilities that are measured at fair value, the carrying amount is equal to their fair values.

37. Capital Management:

The Company monitors capital on the basis of total equity on periodic basis. Equity comprises of all components of equity including fair value impact and debt includes both long-term and short-term loans.

Particulars	As at 31 st March 2025	As at 31 st March 2024
Equity	14,368.11	18,058.53
Debt	13,697.35	14,468.56
Total	28,065.46	32,527.09

38. Income Taxes:

The major components of Income Tax expense for the years ended 31st March, 2025 and 31st March, 2024 are as under:

a) Income Tax recognized in Statement of Profit and Loss:

(₹ in lakhs)

Particulars	Year ended 31 st March, 2025	Year ended 31 st March, 2024
Current Tax	-	-
Deferred Tax	-	-
Total	-	-

Deferred Tax asset as at 31st March, 2025 and 31st March, 2024 is recognized to the extent of Deferred tax liability arising out of temporary differences between accounting as per books and accounting as per IT Act, 1961

b) Reconciliation of Tax expense and the accounting profit multiplied by the tax rate:

Particulars	Year ended 31 st March 2025	Year ended 31 st March 2024
Profit before tax	844.73	822.19
Tax on the above	212.60	206.93
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income and adjustment of bought forward losses	(212.60)	(206.93)
Adjustments to profit as per previous year GAAP under Ind AS	-	-
Income Tax expense	0	0

c) Tax assets / liabilities

Particulars	As at 31 st March 2025	As at 31 st March 2024
Opening tax (asset) / liability	(1,703.38)	(1,317.78)
Add : Taxes Paid	200.00	-
Add : Credit availed	1366.27	(385.59)
Less : Refund	925.22	-
Less: Current tax payable	-	-
Closing tax (asset) / liability	(1,062.33)	(1,703.38)

d) Deferred Tax

Particulars	As at 31 st March 2025	As at 31 st March 2024
Deferred Tax Liability:		
On account of Depreciation differences	(83.53)	(13.8)
On account of Employee Benefits	-	-
Total Deferred Tax Liability	(83.53)	(13.8)
Deferred Tax Asset:		
On account of Depreciation differences	-	-
On account of Employee benefits	7.83	7.83
On account of carry forward losses	279.01	279.01
Total Deferred Tax assets available	286.83	286.83
Recognition of Deferred Tax Asset /(Liability)0(Net)	-	-
Unused Deferred Tax asset (Not recognized)	203.3	273.03

39. Financial Risk Management:

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables and financial assets measured at amortized cost.	Ageing analysis	Diversification of bank deposits and LCs
Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Recognized financial assets and liabilities not denominated in Indian rupee	Sensitivity analysis	Un hedged
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Un hedged

a. Credit Risk:

The Company is exposed to credit risk, which is the risk that counter party will default on its contractual obligation resulting in a financial loss to the Company. Credit risk arises from cash and cash equivalents, financial assets carried at amortized cost and deposits with banks and financial institutions, as well as credit exposures to trade customers including outstanding receivables.

(i) Credit risk management

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

Trade Receivable

The Company closely monitors the credit-worthiness of the debtors and only sells goods to credit-worthy parties. The Company's internal systems are configured to define credit limits of customers, thereby limiting the credit risk to pre-calculated amounts.

(ii) Expected Credit Loss

(ECL)

FY 2024-25

Particulars	0-180 days	180-365 days	More than 365 days	Total
Gross Carrying amount	-	-	-	-
Expected credit loss provisioning	-	-	-	-
Carrying amount of Trade receivables (Net of Provisions)	-	-	-	-

FY 2023-24

Particulars	0-180 days	180-365 days	More than 365 days	Total
Gross Carrying amount	-	-	-	-
Expected credit loss provisioning	-	-	-	-
Carrying amount of Trade receivables (Net of Provisions)	-	-	-	-

b. Liquidity risk:

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

The Company's objective in relation to its existing operating business is to maintain sufficient funding to operate at an optimal level.

Maturities of Financial Liabilities:

31st March, 2025:

Financial Liabilities	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	825.91	4,119.84	8,751.60	13,697.35
Lease Liabilities	76.98	97.67	-	174.66
Trade Payables	-	-	-	-
Other Financial Liabilities	92.90	2235.47	-	2,328.37
Total Financial Liabilities	995.79	6,452.99	8,751.60	16,200.38

31st March, 2024:

Financial Liabilities	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	897.87	5,756.87	7,813.82	14,468.56
Lease Liabilities	73.21	162.93	-	236.14
Trade Payables	-	-	-	-
Other Financial Liabilities	127.94	2,193.69	-	2,321.63
Total Financial Liabilities	1,099.02	8,113.49	7,813.82	17,026.33

C. Market Risk:

Market risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of volatility of prices in the financial markets. Market risk can be further segregated as:

i) Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has exposure foreign currency risk in case of Trade and other payables.

ii) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During March 31, 2022 the Company's borrowings at variable rate were mainly denominated in Rupees. The Company's fixed rate borrowings are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS -107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Variable rate borrowings	13,640.74	14,393.12

Interest Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	Impact of Profit before tax	
	31 st March, 2025	31 st March, 2024
Interest cost – increase by 5% on existing Interest cost*	90.96	84.64
Interest cost – decrease by 5% on existing Interest cost*	(90.96)	(84.64)

*Holding all other variables constant.

40. Previous Years Figures have been regrouped/reclassified wherever necessary to confirm to current years classification.

As per our Report of even date attached

For and on behalf of the Board of **Megasoft Limited**

for **N.C.Rajagopal & Co.**

Chartered Accountants

Firm Registration No: 003398 S

Sunil Kumar Kalidindi

Executive Director & CEO

DIN: 02344343

Kalyan Vijay Sivalenka

Independent Director

DIN: 06404449

Arjun S.

Membership No: 230448

Place: Hyderabad

Date: 29th May, 2025

Shridhar Thathachary

Chief Financial Officer

Thakur Vishal Singh

Company Secretary & Compliance Officer

INDEPENDENT AUDITOR'S REPORT

To the Members of Megasoftware Limited

Report on the Audit of the Standalone Ind AS Financial Statements

1. Opinion

We have audited the Standalone Ind AS Financial Statements of MEGASOFT LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2025, and the Statement of Profit and Loss, (including the Statement of Other Comprehensive Income), the Statement of Cash Flows, Notes to Standalone Ind AS Financial Statements and the Statement of Changes in Equity for the year then ended, and a summary of material 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 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 31st March, 2025, and profit, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS 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 Standalone Ind AS Financial Statements under the provisions of the Companies Act, 2013 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 opinion.

3. Emphasis of Matter

- a) We draw attention to Note No. 4 of the Standalone Financial Statements regarding the proceedings with the GST department and multiple Writ petitions filed by the company in that connection.
- b) We draw attention to Note No. 33 of the Standalone Financial Statements regarding the scheme of amalgamation with Sigma Advanced Systems Private Limited.

Our opinion is not modified in respect of the above matters.

4. Key Audit Matters

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

Sl.No.	Key Audit Matter	Auditor's Response
1	Evaluation of uncertain tax positions: The Company has uncertain tax and legal positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.	We obtained the list of legal cases filed by and on the Company. We obtained details of completed tax assessments and demands for the year ended 31st March, 2025 from the management. We also reviewed the Company's correspondences and appeal documents. We obtained status reports from the existing counsels handling each case. We have reviewed the GST related correspondences and the writ petitions filed by the company. Ascertained whether the chances of crystallization of liability are probable/ possible/ remote. Ensured appropriate disclosure under Notes on accounts.

5. Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises information included in the Board's report, including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information but does not include the Standalone Ind AS Financial Statements and our auditor's report thereon. The Other information is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the Standalone Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Ind AS Financial Statements, our responsibility is to read the other information identified above when it becomes available and in doing so, consider whether the other information is materially inconsistent with the Standalone Ind AS Financial Statements or our knowledge obtained in the course of our 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.

When we read the remaining other information, which we will obtain after the date of auditor's report and if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

6. Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

7. Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 Standalone Ind AS 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 Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS Financial Statements of the current period 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.

8. Report on Other Legal and Regulatory Requirements

- i) As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure-A** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- ii) 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 purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it 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 Statement of Cash Flows, Notes to the Standalone Ind AS Financial Statements and the 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 Indian 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 as on 31st March, 2025 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2025 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 and the operating effectiveness of such controls, refer to our separate Report in “Annexure B.”
- g) With respect to the matter to be included in the Auditors’ Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of Section 197 of 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, 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 litigation on its financial position in its Standalone Ind AS Financial Statements – Refer Note No. 4 and 34 to the Financial Statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - a) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note No. 29(n) to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented, that, to the best of its knowledge and belief, as disclosed in the Note No. 29(n) to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014 contain any material misstatement.
 - v. No dividend has been declared or paid during the year by the Company.

vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For N.C. Rajagopal & Co.,
Chartered Accountants
Firm Reg No: 003398S

Place: Chennai
Date: 29.05.2025

Arjun S
(Partner)
Membership No. 230448
UDIN: 25230448BMIMYU6177

ANNEXURE - A TO THE AUDITOR'S REPORT

[Referred to in Para 8(I) of our report of even date]

- i)
- a) (A) The Company is maintaining proper records showing full particulars including quantitative details and situation of its property, plant, and equipment.
(B) The Company is maintaining proper records showing full particulars of intangible assets.
 - b) The Property, plant and equipment and right-of-use assets have been physically verified by the Management at reasonable intervals and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment
 - c) The title deeds of all immovable properties disclosed in the financial statements are held in the name of the Company.
 - d) According to the information given to us, the company has not revalued its Property, Plant and Equipment (including right of use assets) or intangible assets during the year.
 - e) According to the information and explanations given to us, there have been no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- ii)
- a) The Company does not have any inventory. Hence, reporting under Clause (ii) (a) of the Companies (Auditor's Report) Order, 2020 does not arise.
 - b) The Company has not been sanctioned working capital limits at any point of time of the year. Hence, reporting under Clause (ii) (b) of the Companies (Auditor's Report) Order, 2020 does not arise.
- iii) Based on the examination of records of the Company and information and explanation given to us, during the year the Company has not made investments in, or provided any guarantee or security, to companies, firms, Limited Liability Partnerships or any other parties. The Company has provided loans during the year.

a) Details as required under by clause (A) & (B)

Particulars	Loans
Aggregate amount granted/ provided during the year	156,58,60,843
Subsidiaries	141,58,60,843
Joint Ventures	Nil
Associates	Nil
Others	15,00,00,000
Balance outstanding as at balance sheet date in respect of:	
Subsidiaries	Nil
Joint Ventures	Nil

Associates	Nil
Others	15,00,00,000

- b) The loans granted by the Company are not prejudicial to the interests of the Company.
- c) In respect of loans given, the schedule of repayment of principal and interest has been stipulated, and repayment and receipts are regular in line with the terms of sanction.
- d) Based on our verification of the records of the Company, no amount of loan is overdue for more than 90 days.
- e) Based on the information and explanations given to us, no loan granted which has fallen due during the year has been renewed, extended, or fresh loans granted to settle the over dues of existing loans.
- f) The Company has not granted any loan or advance in the nature of loan either repayable on demand or without specifying any terms or period of repayment.
- iv) In our opinion and according to the information and explanations given to us, the Company has not provided any guarantee or security as envisaged under Section 185 and Section 186 of the Companies Act 2013. With respect to loans granted and Investments made, the Company has complied with the provisions of section 186 of the Companies Act, 2013.
- v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under or under the directives of the Reserve Bank of India. Hence, reporting under clause (v) of the Companies (Auditor's Report) Order, 2020 does not arise.
- vi) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost record under Section 148(1) of the Companies Act, 2013 in respect of the company.
- vii)
 - a) According to the information and explanations given to us and as per our verification of the records of the Company, in our opinion, the company is generally regular in depositing undisputed statutory dues including Income Tax, Goods and Services Tax, Employees Provident Fund, Employees State Insurance, Customs Duty, Excise Duty and other statutory dues applicable to it and there are no statutory dues outstanding for a period of more than six months from the date they become payable as on the last day of the financial year.
 - b) According to the information and explanations given to us following are the disputed dues payable in respect of Income Tax as on 31st March, 2025: (1) Income tax and Interest amounting to Rs 2,498.11 lakhs pertaining to the Assessment Year 2022-23 (FY2021-22) is pending before the CIT(A). The company has appealed against the order to CIT(A) u/s 220(6) of the Income Tax Act, 1961, against which the company has paid 20% of the demand, i.e ₹ 4.96 crores in order to file an appeal. (2) Income Tax amounting to Rs. 2.46 crores pertaining to Assessment Year 2012-13 (FY2011-12) is pending before The High Court, Madras due to an appeal filed by the IT Department against the order passed by ITAT dated 21.09.2022. (3) The Company has filed an appeal before the CIT for the Assessment Year 2021-22 (FY 2020-21) against the levy of additional income tax on refund of 0.57 crores while passing order u/s 154 of the Income tax since the refund was not issued at the time of passing the order.

- viii) According to the information and explanations given to us and as per the records of the Company, there have been no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year.
- ix)
- a) Based on the records verified by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
 - b) The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender.
 - c) Based on our verification of the books and records, the Company has applied the Term Loans for the purpose which they were obtained.
 - d) In our opinion and according to the information and explanations given to us, the funds raised on a short-term basis have not been utilised for long term purposes.
 - e) Based on our verification of the books of account, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary and associate and the Company does not have any joint ventures.
 - f) Based on the audit procedures performed by us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiary or associate, and the Company does not have any joint ventures.
- x)
- a) Based on the information and explanations given to us, the Company has not raised moneys by way of Further Public Offer or Initial Public Offer (including debt instruments) during the year.
 - b) According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, or optionally convertible) during the year. Hence, reporting under clause (x) (b) of the Companies (Auditor's Report) Order, 2020 does not arise.
- xi)
- a) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year;
 - b) No report under section 143 (12) of the Companies Act, 2013 has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
 - c) According to the information and explanation given to us, there have been no whistle blower complaints received by the Company during the year. Hence, reporting under clause (xi) (c) of the Companies (Auditor's Report) Order, 2020 does not arise.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Hence, reporting under clauses (xii) (a) to (c) of the Companies (Auditor's Report) Order, 2020 does not arise.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements etc., as required by the applicable accounting standards.

xiv)

- a) Based on the information and explanations given to us and in our opinion, the Company has an internal audit system commensurate with the size and nature of its business;
- b) The reports of the Internal Auditor for the period under Audit were considered by us.

xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them. Hence, reporting under Clause (xv) of the Companies (Auditor's Report) Order, 2020 does not arise.

xvi)

- a) According to the information and explanations given to us and in our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- b) Based on the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance Activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- c) In our opinion, the Company is not a Core Investment Company (CIC) and hence, reporting under Clause (xvi) (c) of the Companies (Auditor's Report) Order, 2020 does not arise.
- d) According to the information and explanations given to us, the Group does not any CIC as part of the Group.

xvii) According to the information and explanations given to us and in our opinion, the company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii) Based on the information and explanations given to us, there has been no resignation of the statutory auditors during the year. Hence, reporting under Clause (xviii) of the Companies (Auditor's Report) Order, 2020 does not arise.

xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, in our opinion, no material uncertainty exists as on the date of the audit report that the Company is capable of meeting its liabilities existing on the balance sheet date as and when they fall due within a period of one year from the balance sheet date.

xx) According to the information and explanations given to us and based on our examination of the records of the Company, the provisions of section 135(5) of the Companies Act, 2013 relating to Corporate Social Responsibility are applicable to the Company. Details of contributions made are as under:

(a) Gross amount required to be spent during the year	15.39
(b) Amount Spent during the year:	
(i) Education	9.00
(ii) Others	6.39
(c) Shortfall at the end of the year	-
(d) Total of previous year shortfall	
(e) Reason for Shortfall	
(f) Details of Related party Transactions	

(g) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	
Total	15.39

xxii) There have not been any qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order, 2020 Reports of the Companies included in the consolidated financial statements of the Company. This reporting requirement has also been covered in our Independent Auditor's Report on the Consolidated Financial Statements of the Company.

For N.C. Rajagopal & Co.,
Chartered Accountants.,
Firm Reg No: 003398S

Place: Chennai
Date: 29-05-2025

Arjun S
(Partner)
Membership No. 230448
UDIN: 25230448BMIMYU6177

ANNEXURE - B TO THE AUDITORS' REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

[Referred to in Para 8(II)(f) of our report of even date]

We have audited the internal financial controls over financial reporting of Megasoft Limited ("the Company") as of 31st March, 2025 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, 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 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 control system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 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 and such internal financial controls over financial reporting were operating effectively as at 31st March, 2025, 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 N.C. Rajagopal & Co.,
Chartered Accountants.,
Firm Reg No: 003398S

Place: Chennai
Date: 29.05.2025

Arjun S
(Partner)
Membership No. 230448
UDIN: 25230448BMIMYU6177

Balance Sheet

	Note	As at 31 st March, 2025 ₹ in lakhs	As at 31 st March, 2024 ₹ in lakhs
ASSETS			
Non-Current assets			
Non-Financial assets			
Property, Plant and Equipment	2	19,998.57	18,718.62
Financial Assets			
-Investments	3(i)	13,601.67	13,601.67
-Other Financial Assets	3(ii)	608.41	608.41
Other Non Current Assets	4	3,522.17	692.50
Current Assets			
Financial Assets			
-Cash And Bank Balances	5	864.89	1,646.44
-Other Balances with Bank	6	37.59	144.33
-Loans	7	1,500.00	1,000.00
Current Tax Assets (Net)	8	1,062.33	1,703.38
Other Current Assets	9	2,083.26	768.89
Total Assets		43,278.90	38,884.25
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	10 A	7,377.00	7,377.00
Other Equity	10 B	13,831.10	12,977.91
Total Equity		21,208.10	20,354.91
Non-Current Liabilities			
Financial Liabilities			
Borrowings	11	12,871.44	13,570.69
Lease Liabilities	12	97.67	162.93
-Other Financial Liabilities	13	2,235.47	2,193.69
Provisions	14	35.95	14.30
Current Liabilities			
Financial Liabilities			
- Borrowings	15	825.91	897.87
-Lease Liabilities	16	76.98	73.21
- Trade payables	17	0.00	0
- Other financial liabilities	18	92.90	127.94
Provisions-Current	19	63.41	150.10
Other current liabilities	20	5,771.07	1,338.61
TOTAL EQUITY & LIABILITIES		43,278.90	38,884.25

Material accounting policies	1
Other notes to Financial Statements	2-47

The notes referred to above form integral part of these financial statements

As per our Report of even date attached

For and on behalf of the Board of **Megasoft Limited**

for **N.C.Rajagopal & Co.**
Chartered Accountants
Firm Registration No: 003398 S

Sunil Kumar Kalidindi
Executive Director & CEO
DIN: 02344343

Kalyan Vijay Sivalenka
Independent Director
DIN: 06404449

Arjun S.
Membership No: 230448
Place: Hyderabad
Date: 29th May, 2025

Shridhar Thathachary
Chief Financial Officer

Thakur Vishal Singh
Company Secretary & Compliance
Officer

Statement of Profit & Loss

	Note	For the year ended 31 st March, 2025 ₹ in lakhs	For the year ended 31 st March, 2024 ₹ in lakhs
Revenue from Operations			
Revenue from sale of services	21	-	0
Other Income	22	4,128.44	3,734.65
		4,128.44	3,734.65
Expenses			
Software, hardware and material cost	23	-	0.00
Employee benefits expense	24	261.29	205.55
Finance costs	25	1,821.49	1,706.30
Depreciation and amortisation expense	2	446.59	318.82
Other expenses	26	751.56	684.28
		3,280.93	2,914.95
Profit/(Loss) Before Exceptional item and tax Exceptional Items(Net)	27	847.51	819.71
Profit/(Loss) Before Exceptional item		847.51	819.71
Tax expense			
Current tax			
Deferred tax Tax on earlier years		0.00	63.64
Total tax expense		0.00	63.64
Profit/(Loss) for the year		847.51	756.06
Other Comprehensive Income/(Loss)			
A Items that will not be reclassified to profit and loss			
i) Remeasurements of post employment benefit obligations		5.68	0.20
ii) Changes in Revaluation Surplus		-	-
B Items that will be reclassified to profit and loss			
i) Fair Value Changes in Equity Instruments through OCI		-	-
Other Comprehensive Income for the year		5.68	0.20
Total Comprehensive Income for the year		853.19	756.26
Earnings per equity share (in `)			
(1) Basic	28	1.15	1.02
(2) Diluted	28	1.15	1.02
Material accounting policies	1		
Other notes to Financial Statements	2-47		

The notes referred to above form integral part of these financial statements



As per our Report of even date attached

For and on behalf of the Board of **Megasoft Limited**

for **N.C.Rajagopal & Co.**
Chartered Accountants
Firm Registration No: 003398 S

Sunil Kumar Kalidindi
Executive Director & CEO
DIN: 02344343

Kalyan Vijay Sivalenka
Independent Director
DIN: 06404449

Arjun S.
Membership No: 230448
Place: Hyderabad
Date: 29th May, 2025

Shridhar Thathachary
Chief Financial Officer

Thakur Vishal Singh
Company Secretary & Compliance
Officer

Statement of changes in equity

A. Equity Share Capital

(1) Current Reporting Period

Amount (₹ in Lakhs)				
Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
7,377.00	-	-	-	7,377.00

(2) Previous Reporting Period

Amount (₹ in Lakhs)				
Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
7,377.00	-	-	-	7,377.00

B. Other Equity

(1) Current Reporting Period

Reserves and Surplus Amount (₹ in Lakhs)									
	Capital Reserve	Securities Premium	Business Reconstruction Reserve	General Reserve	Retained Earnings	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income	Total
Balance at the beginning of the current reporting period	5.59	250.66	21.38	2,546.75	7,361.09	2,773.73		18.72	12,977.91
Changes in accounting policy or prior period errors									
Restated balance at the beginning of the current reporting period	5.59	250.66	21.38	2,546.75	7,361.09	2,773.73		18.72	12,977.91
Total Comprehensive Income for the current year					847.51			5.68	
Dividends									
Transfer to retained earnings									-
Any other Change to be specified									
Balance at the end of the current reporting period	5.59	250.66	21.38	2,546.75	8,208.6	2,773.73		24.40	13,831.10

(2) Previous Reporting Period

Reserves and Surplus Amount (₹ in Lakhs)									
	Capital Reserve	Securities Premium	Business Reconstruction Reserve	General Reserve	Retained Earnings	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income	Total
Balance at the beginning of the Previous reporting period	5.59	250.66	21.38	2,546.75	6,605.23	2,773.73		18.52	12,221.85
Changes in accounting policy or prior period errors									
Restated balance at the beginning of the previous reporting period	5.59	250.66	21.38	2,546.75	6,605.23	2,773.73		18.52	12,221.85
Total Comprehensive Income for the previous year					755.86			0.20	
Dividends									
Transfer to retained earnings									
Any other Change to be specified									
Balance at the end of the current reporting period	5.59	250.66	21.38	2,546.75	7,361.09	2,773.73		18.72	12,977.91

As per our Report of even date attached

For and on behalf of the Board of **Megasoft Limited**

for **N.C.Rajagopal & Co.**
Chartered Accountants
Firm Registration No: 003398 S

Sunil Kumar Kalidindi
Executive Director & CEO
DIN: 02344343

Kalyan Vijay Sivalenka
Independent Director
DIN: 06404449

Arjun S.
Membership No: 230448
Place: Hyderabad
Date: 29th May, 2025

Shridhar Thathachary
Chief Financial Officer

Thakur Vishal Singh
Company Secretary & Compliance Officer

Cash Flow Statement

	For the year ended 31 st March, 2025 ₹ in lakhs	For the year ended 31 st March, 2024 ₹ in lakhs
A. Cash flow from Operating Activities		
Net Profit Before Tax	847.51	819.71
Adjusted for:		
Depreciation	446.59	318.82
Gratuity-Actuarial(Losses)/Gains	5.68	-
Interest Income	(325.79)	(285.99)
Interest & Bank Charges	1,821.49	1,706.3
Operating Profit Before Working Capital Changes	2,795.49	2,558.84
Adjusted for:		
Trade and other Receivables and other Assets	747.79	(384.59)
Trade and other payables	4,310.72	52.29
Other Non Current Assets	(2,829.66)	(192.50)
Other Financial Assets	0.00	0.00
Other Current Assets	(1,314.37)	130.87
Other non - current liabilities	(1.82)	150.00
Cash Generated from operations	3,708.15	2,314.90
Tax on earlier years	0.00	(63.64)
Current Tax (Current and relating to Previous years)	0.00	0.00
Deferred Tax	0.00	0.00
Net Cash from / (Used in) Operating Activities [A]	3,708.15	2,251.24
B. Cash Flow from Investing activities		
Purchase of Property Plant & Equipment	(1,726.55)	(1,118.62)
Loans Given	(1,500.00)	1,800.00
Loans Repaid	1,000.00	0.00
Interest Income (Gross)	325.79	285.99
Net Cash flow from/(Used in) Financing Activities [B]	(1,900.77)	967.37
C. Cash flow from Financial Activities		
Increase/Decrease on Borrowings	(767.44)	(38.52)
Interest & Bank Charges	(1,821.49)	(1,706.30)
Net Cash flow from/(Used in) Financing Activities [C]	(2,588.92)	(1,744.82)
Net Cash Flows during the year {A+B+C}	(781.54)	(1,473.79)
Cash & Cash Equivalents(Opening Balance)	1,646.44	172.65
Cash & Cash Equivalents (Closing Balance)	864.89	1,646.44



As per our Report of even date attached

For and on behalf of the Board of **Megasoft Limited**

for **N.C.Rajagopal & Co.**

Chartered Accountants

Firm Registration No: 003398 S

Sunil Kumar Kalidindi

Executive Director & CEO

DIN: 02344343

Kalyan Vijay Sivalenka

Independent Director

DIN: 06404449

Arjun S.

Membership No: 230448

Place: Hyderabad

Date: 29th May, 2025

Shridhar Thathachary

Chief Financial Officer

Thakur Vishal Singh

Company Secretary & Compliance
Officer

Megasoft Limited

Notes forming part of Financial Statements for the year ended 31st March, 2025

Note 1A: Company information and Material accounting policies

a. Background

Megasoft Limited, a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956, on 29 June 1999 and is registered office in Chennai. The company's shares are listed on BSE and NSE, in India.

b. Basis of Preparation

These Financial Statements have been prepared on accrual basis of accounting in accordance with Indian Accounting Standards (IND AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended, notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

Disclosures under IND AS are made only in respect of material items and in respect of the items that will be useful to the users of Financial Statements in making economic decisions.

c. Basis of Measurement

The Financial Statements have been prepared in Going concern basis and on an accrual method of accounting. Historical cost is used in preparation of Financial Statements except for the following items which are measured at Fair value:

- i) Certain Financial assets and liabilities
- ii) Net Defined benefit (Asset)/ Liability

d. Functional and Presentation currency

The Financial Statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest Lakhs, except as stated otherwise.

e. Use of estimates and management judgement

The preparation of Financial Statements in conformity with the accounting policies requires the management to make estimates and assumption considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialize.

Note 1B: Material accounting policies

A Summary of significant accounting policies applied in the preparation of Financial Statements is given below. These accounting policies have been applied consistently to all the periods presented in the Financial Statements.

a. Revenue Recognition

Revenue from software development on time and material basis is recognized based on software developed and billed to clients as per the terms of specific contracts. In the case of fixed-price contracts, revenue is

recognized based on the milestones achieved as specified in the contracts or on the percentage of completion basis. Provision for estimated losses on incomplete contract is recorded in the period in which such losses become probable based on the current estimates. Revenue from product licenses and related revenue are recognized as follows:

- License fees, on delivery and subsequent milestone schedule as per the terms of the contract with the end use
- Product maintenance revenues, over the period of the maintenance contract

b. Property, Plant and Equipment

i) Initial and Subsequent Recognition:

All items of Property, Plant and equipment (PPE) are measured at Historical cost, which includes capitalised borrowing cost less accumulated depreciation and impairment loss, if any.

Items of spare parts, standby equipment and servicing equipment which meet the definition of property, plant and equipment are capitalised. Other spare parts are carried as inventory and recognised in the Statement of Profit and Loss on consumption.

Where the cost of depreciable assets has undergone a change during the year due to increase/ decrease in long term liabilities on account of exchange fluctuation price adjustment, change in duties or similar factors, and the unamortized balance of such asset is charged off prospectively over the remaining useful life determined following the applicable accounting policies relating to depreciation/ amortization.

On transition to IND AS, the company has elected to adopt the cost model i.e., cost less accumulated depreciation for all of its Property, Plant and Equipment as at 1st April, 2016. Except for land which has been revalued to reflect the fair value.

The Property, Plant and equipment of the Company are physically verified in a phased manner to cover all the items of PPE over a period of three years, which in the Management's opinion, is reasonable having regard to the size of the Company and the nature of its assets. Property, Plant and Equipment are capitalized when the assets are ready for their intended use and when occupancy certificate is received in respect of immovable properties.

ii) Depreciation

Depreciation is recognised in Statement of Profit and Loss on a straight – line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Depreciation on additions to/ deductions from property, plant and equipment during the year is charged on pro – rata basis from/ up to the month in which the asset is available for use/ disposed.

iii) Goodwill and Other Intangible Assets:

On transition to IND AS, the Company has elected to continue with the carrying value of all its intangible assets recognised as at 1st April, 2016, measured at previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

Software which is not an integral part of related hardware, is treated as intangible asset and amortised over a period five years or its license period, whichever is less.

On Transition to IND AS the company has elected to continue with the carrying value of all intangible assets recognised as at 1st April, 2016 measured as per the previous GAAP and use the carrying value as deemed cost.

iv) Capital work – in – progress:

The cost of self-constructed assets include the cost of materials and direct labour, and any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and borrowing costs.

Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis of the cost of related assets.

Unsettled liabilities for price variation/exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts.

v) Leases:

The company's lease assets primarily comprise of buildings. The company assesses whether a contract contains a lease at the inception of the contract. A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- i) the contract involves the use of an identified asset
- ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- iii) the Company has the right to direct the use of the asset.

Transition

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 are accounted for as per the provisions of the standard. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate. Right of Use (ROU) assets have been recognized by the Company at an amount equal to the lease liability, adjusted for previously recognized prepaid or accrued lease payments.

c. Cash Flow Statement

Cash flow statement is prepared in accordance with the indirect method prescribed in IND AS 7 "Cash Flow Statement".

d. Prior Period Errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities, and equity for the earliest period presented, are restated.

e. Income Tax

Income tax expense comprises Current and Deferred tax. Current Tax expense is recognised in Statement of Profit and Loss except to the extent that it relates to items recognised directly in Other Comprehensive Income (OCI) or Equity, in which case it is recognised in OCI or Equity.

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences.

Deferred tax assets are recognized for all temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their reliability.

Deferred Tax expense is recognised in Statement of Profit and Loss except to the extent that it relates to items recognised directly in Other Comprehensive Income (OCI) or Equity, in which case it is recognised in OCI or Equity.

f. Employee Benefits

Defined contribution plans: Contributions to defined contribution plans are recognized as expenses when employees have rendered services entitling them to such benefits.

Defined benefit plans: For defined benefit plans, the cost of providing benefits using the projected Unit Credit Method, with actuarial valuations being carried out at each Balance sheet date. Actuarial gains and losses are recognised in full in the other Comprehensive income for the period in which they occur. Past service cost both vested and unvested is recognised as expenses at the earlier of (a) when the plan amendment or curtailment occurs: and (b) when the entity recognises related restructuring costs or termination benefits.

The retirement benefit obligations recognised in the Balance Sheet represents the present value of the defined benefit obligations reduced by the fair value of scheme assets. Any assets resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

g. Foreign currency translation

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that are closely approximate to the rate at the date of the transaction. Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates. Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognized as income or expense in the Statement of Profit and Loss except in cases of exchange differences on account of depreciable assets are adjusted in cost of depreciable asset and would be depreciated over the balance life of asset.

h. Borrowing Cost

Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset up to the date of capitalization of such asset is added to the cost of the assets. Borrowing costs include interest, amortization of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Capitalization of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

i. Impairment of Non-Financial Assets

The carrying amount of Company's Non – financial Assets are reviewed at each reported date to determine whether there is an indication of impairment 'considering the provisions of IND AS 36 "Intangible Assets". Impairment loss is recognised if the carrying amount of the assets or its Cash Generating Units (CGU) exceeds its estimated recoverable amount. Impairment losses are recognised in Profit and Loss. Impairment losses recognised in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Non-Financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An Impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

j. Earnings per share

Basic earnings per share are computed by dividing the net profit/loss after tax attributable to the equity shareholders of the company by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit/loss after tax attributable to the equity shareholders of the company as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

k. Provisions and Contingent Liabilities

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present values and are determined based on the best estimate required to settle the obligations at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the Financial Statements and are disclosed in the Notes. A Contingent asset is neither recognized nor disclosed in the Financial Statements.

l. Business Combination

As part of the transition to INDAS, the company has decided to apply the INDAS 103, Business combinations, to only those business combinations that occurred on or after 1st April, 2015.

In respect of Business combinations, prior to 1st April, 2015, goodwill represents the amount recognised under the company's previous accounting framework under Indian GAAP and the same is tested annually for impairment.

m. Financial Instruments

All Financial Assets and Liabilities are recognised and measured initially at fair value adjusted by transaction cost, except for those carried at fair value through Profit or Loss which are measured initially at fair value. For the purpose of subsequent measurement, Financial Assets are classified into following categories upon initial recognition:

Amortised cost

Financial assets at fair value through profit or loss (FVTPL)

Financial assets at fair value through Other Comprehensive Income (FVOCI)

➤ **Financial assets**

Amortised Cost

A financial asset is measured at amortised cost using effective interest rates if both of the following conditions are met:

the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at FVTPL

Financial assets at FVTPL include financial assets that either do not meet the criteria for amortised cost classification or are equity instruments held for trading or that meet certain conditions and are designed at FVTPL upon initial recognition. All derivative financial instruments also fall into this category. Assets in this category are measured at fair value with gains or losses recognised in profit and loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at FVOCI

FVOCI financial assets are either debt instruments that are managed under hold to collect and sell business model or are non – trading equity instruments that are designated to this category. FVOCI financial assets are measured at fair value. Gains and losses are recognised in Other Comprehensive Income, except for interest and dividend income and foreign exchange differences on monetary assets, which are recognised in statement of profit and loss.

➤ **Financial Liabilities**

Initial recognition and measurement

All financial liabilities are initially recognised at Book value and in the case of loans and borrowings and payables, net of attributable transaction costs (example: Upfront processing fees).

The company's financial liabilities include trade and other payables, loan and borrowings including bank overdrafts and financial guarantee contracts.

Classification and subsequent measurement of financial liabilities

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognised in profit or loss. All derivative financial instruments are accounted for at FVTPL.

Note No 2 : Property , Plant and Equipment & Intangible Assets														
Particulars	Gross Block							Depreciation				Net Block		
	Cost as at 1 st April, 2024	Additions	Deletions / Adjustments	Acquisitions through business combinations	Amount of change due to revaluation	Others adjustments	Cost as at 31 st March, 2025	As at 1 st April, 2024	Depreciation for the period 31 st March	Deletions / Adjustments	Impairment Losses/ Reversals	Total as at 31 st March, 2025	As at 31 st March, 2025	As at 31 st March, 2024
(A) Property,Plant & Equipment														
Land & Land Development	2,731.21	710.87	-	-	-	-	3,442.08	-			-	-	3,442.08	2,731.21
Building	15,771.60		-	-	-	-	15,771.60	961.80	249.13		-	1,210.92	14,560.68	14,809.81
Leasehold building ROU Asset	280.99		-	-	-	-	280.99	49.06	56.14		-	105.20	175.79	231.93
Plant & Machinery	833.95	830.79		-	-	-	1,664.74	2.70	92.33		-	95.03	1,569.71	831.24
Computer systems & Software	10.20	184.50	-	-	-	-	194.70	3.42	33.63		-	37.06	157.64	6.78
Furniture & Fittings	0.09	0.39	-	-	-	-	0.47	-	0.04		-	0.04	0.43	0.09
Vehicles	129.12		-	-	-	-	129.12	21.57	15.33		-	36.90	92.22	107.56
Sub Total	19,757.17	1,726.55	-	-	-	-	21,483.72	1,038.55	446.59	-	-	1,485.15	19,998.57	18,718.62
(B) Intangible Assets														
Intellectual Property Rights	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Patents	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total	-	-		-	-	-	-	-	-	-	-	-	-	-
(C) Capital WIP														
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	19,757.17	1,726.55	-	-	-	-	21,483.72	1,038.55	446.59	-	-	1,485.15	19,998.57	18,718.62
Previous year figures	18,638.56	1,118.61		0.00	0.00	0.00	19,757.17	719.73	318.82		0.00	1,038.55	18,718.62	17,918.82

Description	Property Plant and Equipment	Rights of Use Asset	Total
Gross Carrying Value			
As at March 31, 2024	19,476.18	280.99	19,757.17
ROU recognised on April 1, 2024	-	-	-
Reclassified on account of adoption of Ind As 116	-	-	-
Additions	1,726.55	-	1,726.55
Disposals	0	0	0
As at March 31, 2025	21,202.73	280.99	21,483.72
Accumulated Depreciation		-	-
As at March 31, 2024	989.49	49.06	1,038.55
ROU recognised on April 1, 2024	-	-	-
Reclassified on account of adoption of Ind AS 116	-	-	-
Charge for the year	390.46	56.14	446.59
Adjustment for disposal	0	0	0
As at March 31, 2024	1,379.95	105.20	1,485.15
Net Block as at March 31, 2024	18,486.68	231.93	18,718.61
Net Block as at March 31, 2025	19,822.78	175.79	19,998.57

Summary of Depreciation charged in P & L account	
On account of ROU assets (Ind AS 116)	56.14
On account of others (incl. Building)	390.46
	446.60

	As at 31-Mar-2025 ₹ in lakhs	As at 31-Mar-2024 ₹ in lakhs
3 Financial Asset		
(i) Investment Measured at Cost		
Extrovis AG 80,000(PY:80,000) Equity shares	13,535.67	13,535.67
Sub Total	13,535.67	13,535.67
Investment Measured at Fair Value through OCI		
Velapan Systems Private Limited 660000 (PY: 660,000) equity shares of 10 each	66.00	66.00
Sub Total	66.00	66.00
Total	13,601.67	13,601.67
(ii) Bank Deposit for more than 12 months (DSRA)	525.00	525.00
Security Deposit	83.41	83.41
Sub Total	608.41	608.41
Total	14,210.08	14,210.08
4 Other Non Current asset		
Capital Advances	1,840.67	192.50
Other Advances		
Others	1,681.50	500.00
Total	3,522.17	692.50
<p>Note: The company has filed multiple writ petitions before the Honourable High Court of Telangana, in the ongoing dispute with the GST department, challenging notifications relating to taxation of Joint Development Agreement transactions. The company has paid Rs 16.81 crores under protest. The management strongly believes that there is no GST liability on the said transactions and that there is merit in its court case / WP and is hopeful of a positive outcome. The matter is subjudice.</p>		
5 Cash And Cash Equivalents		
(A) Balances with Banks:		
- Current accounts	864.67	1,645.18
- Cash on hand	0.23	1.27
Total	864.89	1,646.44

6	Bank balances other than cash & cash equivalents		
	Deposits held as Margin Money	37.59	144.33
	Total	37.59	144.33
7	Loans		
	Others -Loans receivables considered Good- Unsecured	1,500.00	1,000.00
	Total	1,500.00	1,000.00
8	Current Tax (Liabilities)/Asset		
	Advance Tax (Net off Provision For Taxation)	1,062.33	1,703.38
	Total	1,062.33	1,703.38
9	Other Current Assets		
	Prepaid Expenses	189.91	129.53
	Security Deposits	142.98	141.30
	Accrued Interest Receivable	241.91	98.28
	Balance with Government Authorities	52.28	191.41
	Other Advances		
	-Staff Advances	31.34	11.36
	-Others	1,424.84	197.01
	Total	2,083.26	768.89
10A : Share Capital			
	a) Authorised Capital	20,000.00	20,000.00
	20,00,00,000 Equity shares of ₹ 10 each		
	(PYs: 20,00,00,000 Equity shares of ₹ 10 each)		
	Issued, Subscribed and Fully Paid up Capital		
	7,37,70,041 Equity Shares of ₹ 10/- each, Fully paid up	7,377.00	7,377.00
	(PY : 7,37,70,041 Equity shares of ₹ 10/- each, fully paid up)		

b) Reconciliation of number of shares outstanding at the beginning and end of reporting period

	Equity Shares		Equity Shares	
	As at 31 st March, 2025		As at 31 st March, 2024	
	Number	Amount (in lakhs)	Number	Amount (in lakhs)
Shares outstanding at the beginning of the year	7,37,70,041	7,377.00	7,37,70,041	7,377.00
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	7,37,70,041	7,377.00	7,37,70,041	7,377.00

c) (i) Rights and Preferences attached to equity shares

Every shareholder is entitled to such rights as to attend and vote at the meeting of the shareholders, to receive dividends distributed and also has a right in the residual interest of the assets of the Company. Every shareholder is also entitled to right of inspection of documents as provided in the Companies Act, 2013.

(ii) There are no restrictions attached to equity shares.

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

Particulars	As at 31 st March, 2025		As at 31 st March, 2024	
	No. of shares	%	No. of shares	%
Ramanagram Enterprises Private Limited	2,58,73,115	35.07%	3,21,21,126	43.54%

e) During the period of five years immediately preceding the reporting date including the current year, the company has neither bought back nor issued any bonus shares.

f) Shares held by promoter at the end of the year

	No. of shares	% of Total Shares	%Change during the year
Ramanagram Enterprises Private Limited	2,58,73,115	35.07%	(8.47)

	As at 31 st March, 2025 ₹ in lakhs	As at 31 st March, 2024 ₹ in lakhs
10 B Other Equity		
a Securities premium account		
Opening balance	250.66	250.66
Closing balance	250.66	250.66
b Capital Reserve	5.59	5.59
Closing balance	5.59	5.59
c Business Reconstruction Reserve	21.38	21.38
Closing balance	21.38	21.38
d General Reserve	2,546.75	2,546.75
Closing balance	2,546.75	2,546.75
e Retained earnings		
Opening balance	7,361.09	6,605.23
Net Profit/ (Loss) for the year	847.51	755.86
Less: Transfer from Other Comprehensive Income		
Closing balance	8,208.60	7,361.09

f. Revaluation Surplus	2,773.73	2,773.73
g. Other Comprehensive Income		
As per Last Balance Sheet	18.72	18.52
Add: Movement in OCI during the year (net)	568	0.20
Less: Transfer to Retained Earnings		
Total Other Comprehensive Income	24.40	18.72
Total Other Equity	13,831.10	12,977.91

	As at 31 st March, 2025 ₹ in lakhs	As at 31 st March, 2024 ₹ in lakhs
11 Borrowing –Non Current		
Borrowings		
Secured	-	-
Term Loan:		
(i) From Banks	56.61	75.44
(ii) From Other Parties (NBFC)	13,640.74	14,393.12
Less: Current Maturities of long term borrowing	(825.91)	(897.87)
Total	12,871.44	13,570.69

Security Details:

(i) Exclusive charges on the Company's share of Commercial Property at Nanakramguda Village, Gachibowli, Hyderabad, Telangana along with the Car Parkings.

(ii) Escrow & Hypothecation on rental

Rate of Interest at 10.00% - 10.50% pa (floating rate)

Default - Nil (PY : Nil)

Term loans were deployed for the purpose for which they were obtained

Vehicle Loan

Secured by Hypothecation of Vehicle . Repayable in 60 Monthly Installments of Rs 2,03,800 each

12 Lease Liabilities

Financial Lease Obligations	174.66	236.14
Less:Current maturites of finance lease obligations	(76.98)	(73.21)
Total	97.67	162.93

13 Other Financial Liability - Non Current

Security Deposit-JDA	2,164.21	2,029.52
Deferred Premium Translation of financial Liabilities	71.26	164.18
Total	2,235.47	2,193.69

14 Provisions - Non Current		
Provision for Employee Benefits	35.95	14.30
Total	35.95	14.30
15 Borrowings – Current		
Current Maturities on Long Term Borrowings	825.91	897.87
Total	825.91	897.87
16 Lease Liabilities		
Current Maturities of finance lease Obligations	76.98	73.21
Total	76.98	73.21
17 Trade Payables		
Total Outstanding dues of Micro Enterprises & Small Enterprises*	-	-
Total Outstanding dues of Creditors other than Micro Enterprises & Small Enterprises	0.00	0.00
Total	0.00	0.00

Ageing Schedule Fy 2024-2025					
Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
1) MSME	-	-	-	-	-
2) Others	-	-			
3) Disputed Dues-MSME					
4) Disputed Dues-others					
Ageing Schedule Fy 2023-2024					
Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
1) MSME					
2) Others					
3) Disputed Dues-MSME					
4) Disputed Dues-others					
*As per the information available with the company, there are no outstanding dues that are required to be furnished under Section 22 of Micro, Small and Medium Enterprise Development Act, 2006.					

18 Other Financial Liabilities		
Interest Accrued and due on Borrowings		
Deferred premium translation of Financial Liabilities	92.90	127.94
Total	92.90	127.94

19 Provisions – Current		
Provision for Employee Benefit	4.50	25.74
Provision for Outstanding Expenses	58.91	124.36
Total	63.41	150.10
20 Other current liabilities		
Statutory Dues Payable		
Salary Payable	15.64	11.62
Other Payables*	5,755.42	1,327.00
* Includes amounts on JDA		
Total	5,771.06	1,338.61
21 Revenue From Operation		
Revenue from sale of services	0.00	0.00
Total	0.00	0.00
22 Other Income		
Interest Income on Rent IndAS	1.70	1.34
Amortization Income - JDA Land	127.93	128.39
Other non-operating income		
Rental Income	3,673.04	3,318.92
Interest Received	325.79	285.99
Fair Value Adjustment on termination of lease	-	-
Sub Total	3,998.82	3,604.92
Total	4,128.44	3,734.65
23 Software ,Hardware and Material Cost		
Hardware & Software(New Projects)	-	0.00
Total	-	0.00
24 Employee Benefit expense		
Salaries and Wages	246.14	191.66
Contribution to Provident Fund and other funds	9.74	7.18
Staff Welfare	5.41	6.71
Total	261.29	205.55
25 Finance costs		
Interest expenses	1,819.14	1,692.73
Bank Charges	2.35	13.57
Processing Fees	-	-
Total	1,821.49	1,706.30

26 Other expenses

Services Rendered by business associates and Others		6.60
Electricity Charges	1.56	0.76
Insurance Expenses	41.67	30.46
Travelling and conveyance	12.62	11.2
Legal and professional charges	447.19	342.68
Rates and taxes	46.29	38.00
Rent	5.37	8.68
Repairs and Maintenance	68.88	19.89
Security charges	11.86	9.26
Communication costs	6.13	4.20
Business promotion expenses	10.62	2.38
Printing and stationery	4.05	1.75
Audit fees (Excluding Taxes)		
For Statutory Audit	16.00	16.00
Sitting fees paid	14.50	13.75
Commission (Brokerage services)	-	148.71
Exchange Loss on Foreign Exchange Transaction	37.92	0.19
Miscellaneous expenses	11.50	18.96
CSR Expenses	15.39	10.81
Total	751.56	684.28

27 Exceptional Items (Net)

Gain Transfer of Land out of JDA	-	-
Loss on Subsidiaries' disinvestment	-	-
Profit on sale of IT(SPD) Division	-	-
Total	-	-

28 Earnings Per Share

Net Profit /(Loss) attributable to Equity Shareholders (A)	8,47,50,956.00	7,56,06,234.00
Weighted average number of equity shares outstanding during the period (B) (In Nos.)	7,37,70,041.00	7,37,70,041
Basic & Diluted EPS (A/B) (in ₹)	1.15	1.02

29 Additional Requirement

- There are no Immovable properties whose title deeds are not held in the name of the Company.
- The Company does not have any investment property.
- The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets) or intangible assets.

- d) The company has not granted any loans or advances in the nature of loans to promoters, Directors, KMPs and related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, either repayable on demand or without specifying any terms or period of repayment.
- e) The Company does not have any Capital-Work-in Progress (CWIP).
- f) The Company does not have any Intangible Assets under Development.
- g) There have been no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- h) In respect of borrowings from a bank on the basis of security of current assets, the periodic returns / statements of current assets filed by the Company with the bank are in agreement with the books of accounts. The Company does not have any borrowings from financial institutions on the basis of security of current assets.
- i) The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.
- j) The company had no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- k) There are no charges or satisfactions yet to be registered with the Registrar of Companies beyond the statutory period.
- l) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- m) Ratios

Particulars	Items included in the Numerator / Denominator	Ratio		Diff	Reason for Change in ratio (Wherever it is more than 25%)
		2024-25	2023-24		
(i) Current ratio	Current Assets/ Current Liabilities	0.81	2.03	-60%	Variance due to an increase in other current liabilities.
(ii) Debt-Equity ratio	Total Outside Debt/ Equity Share Holder's Funds	0.64	0.71	-9%	
(iii) Return on Equity ratio	Net Profit After Taxes / Equity Shareholder's Funds	4.02%	3.72%	8%	
(iv) Trade Receivables turnover ratio	Net Sales/ Average Receivables	0	0	0	

(v) Trade payables turnover ratio	Net Purchases / Average Payables	0	0	0	
(vi) Net capital turnover ratio	Revenue from Operations / Average Working Capital	0	0	0	
(vii) Net profit ratio	Net Profit After Taxes / Revenue from Operations	0	0	0	
(viii) Return on Capital employed	Earnings before Interest & Taxes/ Capital Employed	7.65%	7.25%	5%	
(ix) Return on investment	Net Profit After Taxes / Capital Employed	2.43%	2.17%	12%	
(x) Debt service coverage ratio	EBITDA/ (Interest+Principal)	1.19	1.14	5%	

n) Utilisation of Borrowed funds and share premium:

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

30. Undisclosed Income:

There have been no transactions recorded in the books of account which have been surrendered or disclosed as income during the year. There has also not been any previously unrecorded income or related assets.

31. The Company is covered under the provisions of Section 135 of the Companies Act, 2013.

Note on CSR Expenditure:

	(Rs.in Lakhs)
a) Gross amount required to be spent during the year	15.39
b) Amount Spent during the year:	
(i) Education	9.00
(ii) Others	6.39
c) Shortfall at the end of the year	-
d) Total of previous year shortfall	
e) Reason for Shortfall	
f) Details of Related party Transactions	

g) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	
Total	15.39

32. The Company has neither traded nor invested in Crypto currency or Virtual Currency during the financial year.

33. Note on Merger:

Megasoft Limited (Transferee) has entered into a Scheme of Amalgamation with Sigma Advanced Systems Private Limited (Transferor) and has been approved by the respective Boards. The company will make necessary filings before the Honourable NCLT, Chennai in due course. The necessary entries will be passed in the financial statements after obtaining the required Regulatory Approvals.

34. Note on Sale of Landed Property:

The company has sold its share in the constructed property at Nanakramguda in Hyderabad on 4th April, 2025 and the necessary entries have been passed in the financial year 2025-26.

35. Related party transactions

A. Wholly owned Subsidiary companies

Subsidiary companies	% of Holding	
	As at 31 st March, 2025	As at 31 st March, 2024
Velapan Systems Private Limited	100.00%	100%
Extrovis AG	36.52%	40%

B. Key Managerial Personnel

Sunil Kumar Kalidindi - Executive Director and Chief Executive Officer

Shridhar Thathachary - Chief Financial Officer

Thakur Vishal Singh - Company Secretary & Compliance Officer

Related Party Transactions during the year:

Particulars	For Year Ended 31 st March, 2025	For year ended 31 st March, 2024
Subsidiary Companies		
Sale of Services during the year :	-	
1. Velapan Systems Private Limited	-	-
Advance/Loan Given and Received during the year:		-
1. Velapan Systems Private Limited	14,158.61	2,629.08
Investment made during the year:	-	-
1. Velapan Systems Private Limited	-	-
2. Extrovis AG	-	-
Disinvestment made during the year:	-	-
1. Velapan Systems Private Limited		
2. Extrovis AG	-	-

Corporate Guarantees for Foreign Currency Loan from Bank :	-	-
Key Managerial Personnel		
1. Remuneration to KMP's	146.75	138.88
Balance at the end of the year :		
A. Trade Receivables :		
	-	-
	-	-
B. Loans and Advances		
	-	-
Maximum amount Outstanding during the year	-	-
1. Extrovis AG	-	-
2. Velapan Systems Private Limited	3,017.75	659.94

Note: Advance/ Loan given and received to/ from Velapan Systems Private Limited as on 31st March, 2025 was Nil

36. Commitments & Contingencies

i) Bank guarantees 32.69 119.51

ii) Income Tax

a) The Company has received a demand order from Income Tax u/s 156 to pay a tax liability amounting to R.24.98 crores. The company has appealed against the order to CIT(A) u/s 220(6) of the Income Tax Act,1961. The company has appealed against the order to CIT(A) u/s 220(6) of the Income Tax Act,1961, against which the company has paid 20% of the demand, i.e ₹ 4.96 crores in order to file an appeal.

b) Income Tax amounting to Rs. 2.46 crores pertaining to Assessment Year 2012-13 (FY2011-12) is pending before The High Court, Madras due to an appeal filed by the IT Department against the order passed by ITAT dated 21.09.2022

c) The Company has filed an appeal before the CIT for the Assessment Year 2021-22 (FY 2020-21) against the levy of additional income tax on refund of 0.57 crores while passing order u/s 154 of the Income tax since the refund was not issued at the time of passing the order.

37. Payment to Auditors

Statutory Audit Fees 16.00 16.00

38. Expenditure in foreign currency

Travel expenses 26.38 26.78

Professional Service 87.26 3.71

39. Employee benefits:

Gratuity Plan (defined benefit plan): Every employee is entitled to the benefit equivalent to 15 days of total basic salary last drawn for each completed year of service. Gratuity is payable to all eligible employees of the

Company on retirement or separation or death or permanent disablement in terms of the provisions of the Payment of Gratuity Act, 1972.

Based on actuarial valuation necessary provisions have been created in the books to meet the liability as per IndAS 19 - Employee Benefits. Following table presents the disclosure requirements in respect of employee benefit pursuant to IndAS 19 - Employee Benefits:

Reconciliation of balances of the present value of the defined benefit obligation

Particulars	Gratuity	
	31-03-2025	31-03-2024
Present Obligation at period beginning	31.10	27.07
Service cost	2.86	2.24
Interest on defined benefit obligation	2.24	2.00
Past Service Cost	-	-
Actuarial (gain) / Loss	-	-
Benefit Directly Paid by the Employer	(0.50)	-
Current Liability (within 12 months)	-	-
Actuarial (gain) / Loss-Due to Change in Demographic Assumptions	-	-
Actuarial (gain) / Loss- Due to Change In Financial Assumptions	(2.03)	0.17
Actuarial (gain) / Loss- Due to Change In Financial Experience	(3.65)	(0.37)
Present Value of Benefit Obligation at the End of the Period	30.02	(31.10)

Amount Recognized in Balance Sheet

Particulars	31 st March 2025	31 st March 2024
(Present Value of Benefit Obligation at the end of the Period)	(30.02)	(31.1)
Fair Value of Plan assets at the end of the period	-	-
Funded Status (Surplus / Deficit)	(30.02)	(31.1)
Net (Liability)/Asset Recognized in the Balance Sheet	(30.02)	(31.1)

Expenses recognized in statement of profit and loss account

Particulars	31 st March 2025	31 st March 2024
Current Service Cost	2.86	2.24
Net Interest Cost	2.24	2.00
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments and Settlements	-	-
Net Effects of Changes in Foreign Exchange Rates	-	-
Expenses Recognized	5.10	4.24

Expenses Recognized in Other Comprehensive Income (OCI) for Current Period

Particulars	31 st March 2025	31 st March 2024
Actuarial (Gains)/Losses on Obligation for the period	(5.68)	(0.2)
Return on Plan Assets, Excluding Interest Income	-	-
Change in Asset Ceiling	-	-
Net(Income)/Expense for the period recognized in OCI	(5.68)	(0.2)

Sensitivity Analysis

Particulars	31 st March 2025	31 st March 2024
Projected Benefit Obligation on Current Assumptions	30.02	31.10
Delta Effect of +1% Change in Rate of Discounting	(1.27)	(0.79)
Delta Effect of -1% Change in Rate of Discounting	1.39	0.89
Delta Effect of +1% Change in Rate of Salary Increase	0.92	0.80
Delta Effect of -1% Change in Rate of Salary Increase	(0.84)	(0.79)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.02)	(0.19)
Delta Effect of -1% Change in Rate of Employee Turnover	(0.03)	0.20

The sensitivity analysis has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in the assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognized in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

40. Segment Reporting

The Company prepares consolidated financial statements, hence as per INDAS 108 on Segment Reporting, segment information has not been provided in the standalone financial statements.

41. Leases

Information on leases as per Indian Accounting Standards (Ind As) 116 on 'Leases'

(a) Lease Income

Company as a Lessor

Other Income includes ₹ 3,673.04 lakhs pertaining to Lease rentals received by the Company arising out of capitalization of a Property that had been given on Joint Development by the Company.

(b) Lease Expense

Company as a Lessee

(i) Future minimum lease payments*

As at year end, the future minimum lease payments to be made under non-cancellable operating leases as follows:

Particulars	31 st March, 2025	31 st March, 2024
Payable within one year	76.98	73.21
Payable between one and five years	97.67	162.93
Payable after five years		-
Total	174.65	236.14

(ii) Amount recognized in profit or loss

Particulars	31 st March, 2025	31 st March, 2024
Lease expense - Minimum lease payments	67.98	53.70
Total	67.98	53.70

(iii) Impact of adoption of Ind AS 116

Effective 1st April 2019, the company has adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on 1st April 2019 according to the provisions of the standard.

On the transition date, the application of new accounting standard resulted in recognition of “Right of use asset” and corresponding “Lease Liability” to the extent of ₹ 214.82 Lakhs.

Particulars	31 st March, 2025	31 st March, 2024
Reclassified on account of adoption of Ind AS 116		
Opening Lease Liability	236.14	-
Additions	-	280.99
Repayments (a)	73.32	49.49
Interest Expenses in Finance Cost (b)	11.84	4.64
Closing Lease Liability	174.66	236.14
Depreciation on Right of Use Assets (d)	56.14	49.06
Impact of adoption of Ind AS 116 in Profit and Loss account (d+b-a)	(5.35)	4.21

Particulars	31 st March, 2025	31 st March, 2024
Carrying value of Right of Use Assets	175.79	231.93

42. Assets Pledged as Security:

Particulars	31 st March, 2025	31 st March, 2024
Non-current assets		
First Charge	-	-
Non - Financial Assets		
Property, Plant and Equipment (Land & Building)	18,002.76	17,541.02
Vehicle	92.22	107.56
Total Non-current assets pledged as security	18,094.99	17,648.57
Current assets		
First Charge	-	-
Financial assets	-	-
Trade receivable	-	-
Cash and cash equivalents	-	-
Other bank balances	-	-
Total Current assets pledged as security	-	-
Total assets pledged as security	18,094.99	17,648.57

43. Fair Value Measurements:

a) Financial Instruments by Category and their Fair Values:

Particulars	As at 31 st March, 2025		As at 31 st March, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets:				
Investment	13,601.67	13,601.67	13,601.67	13,601.67
Security Deposits	608.41	608.41	608.41	608.41
Trade Receivables	0.00	0.00	0.00	0.00
Cash and Cash Equivalents	864.89	864.89	1,646.44	1,646.44
Other Bank balances	37.59	37.59	144.33	144.33
Loans	1,500.00	1,500.00	1,000.00	1,000.00
Total Financial Assets	16,612.56	16,612.56	17,000.85	17,000.85
Financial Liabilities:				
Borrowings	13,697.35	13,697.35	14,468.56	14,468.56
Lease Liabilities	174.66	174.66	236.14	236.14

Trade Payables	-	-	-	-
Other Financial Liabilities	2,328.37	2,328.37	2,321.63	2,321.63
Total Financial Liabilities	16,200.38	16,200.38	17,026.33	17,026.33

b) Fair Value Hierarchy:

The Company has estimated all its financial assets and liabilities under Level 3 prescribed under the Indian Accounting Standards.

c) Valuation Techniques:

The discount rates considered is the borrowing rate charged by the lead lender of the Company after giving effect to the applicable tax rate. The carrying amount of current financial assets and liabilities are considered to be the same as their fair values due to their short-term nature. For financial assets and liabilities that are measured at fair value, the carrying amount is equal to their fair values.

44. Capital Management:

The Company monitors capital on the basis of total equity on periodic basis. Equity comprises of all components of equity including fair value impact and debt includes both long-term and short-term loans.

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Equity	21,208.11	20,354.91
Debt	13,697.35	14,468.56
Total	34,905.46	34,823.47

45. Income Taxes:

The major components of Income Tax expense for the years ended 31st March, 2025 and 31st March, 2024 are as under:

a) Income Tax recognized in Statement of Profit and Loss: (₹ in lakhs)

Particulars	Year ended 31 st March, 2025	Year ended 31 st March, 2024
Current Tax	0.00	0.00
Deferred Tax	0.00	0.00

Deferred Tax asset as at 31st March, 2025 and 31st March, 2024 is recognized to the extent of Deferred tax liability arising out of temporary differences between accounting as per books and accounting as per IT Act, 1961

b) Reconciliation of Tax expense and the accounting profit multiplied by the tax rate:

Particulars	Year ended 31 st March, 2025	Year ended 31 st March, 2024
Profit before tax	847.51	819.71

Tax on the above	213.30	206.30
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income and adjustment of bought forward losses	(213.30)	(206.30)
Adjustments to profit as per previous year GAAP under Ind AS	-	-
Income Tax expense	0.00	0.00

c) Tax assets / liabilities

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Opening tax (asset) / liability	(1,703.38)	(1,317.78)
Add : Taxes Paid	200.00	0.00
Add : Credit availed	1,366.27	(385.59)
Less : Refund	(925.22)	-
Less: Current tax payable	-	-
Closing tax (asset) / liability	(1,062.33)	(1,703.38)

d) Deferred Tax

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Deferred Tax Liability:		
On account of Depreciation differences	(83.53)	(13.80)
On account of Employee Benefits	0.00	0.00
Total Deferred Tax Liability	(83.53)	(13.80)
Deferred Tax Asset:		
On account of Depreciation differences	-	-
On account of Employee benefits	7.83	7.83
On account of carry forward losses	279.01	279.01
Total Deferred Tax assets available	286.83	286.83
Recognition of Deferred Tax Asset /(Liability)(Net)	0.00	0.00
Unused Deferred Tax asset (Not recognized)	203.30	273.03

46. Financial Risk Management:

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables and financial assets measured at amortized cost.	Ageing analysis	Diversification of bank deposits and LCs
Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Recognized financial assets and liabilities not denominated in Indian rupee	Sensitivity analysis	Un hedged
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Un hedged

a. Credit Risk:

The Company is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the Company. Credit risk arises from cash and cash equivalents, financial assets carried at amortized cost and deposits with banks and financial institutions, as well as credit exposures to trade customers including outstanding receivables.

(i) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

Trade Receivable

The Company closely monitors the credit-worthiness of the debtors and only sells goods to credit-worthy parties. The Company's internal systems are configured to define credit limits of customers, thereby limiting the credit risk to pre-calculated amounts.

(ii) Expected Credit Loss (ECL)

FY 2024-25

Particulars	0 -180 Days	180 - 365 Days	More than 365 Days	Total
Gross carrying amount	-	-	-	-
Expected credit loss provisioning	-	-	-	-
Carrying amount of Trade receivables (Net of Provisions)	-	-	-	-

FY 2023-24

Particulars	0 -180 Days	180 - 365 Days	More than 365 Days	Total
Gross carrying amount	-	-	-	-
Expected credit loss provisioning	-	-	-	-
Carrying amount of Trade receivables (Net of Provisions)	-	-	-	-

b. Liquidity risk:

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

The Company's objective in relation to its existing operating business is to maintain sufficient funding to operate at an optimal level.

Maturities of Financial Liabilities:

31st March, 2025:

Financial Liabilities	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	825.91	4,119.84	8,751.60	13,697.35
Lease Liabilities	76.98	97.67	-	174.66
Trade Payables	-	-	-	-
Other Financial Liabilities	92.9	2,235.47	-	2,328.37
Total Financial Liabilities	995.79	6,452.99	8,751.60	16,200.38

31st March, 2024:

Financial Liabilities	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	897.87	5,756.87	7,813.82	14,468.56
Lease Liabilities	73.21	162.93	-	236.14
Trade Payables	-	-	-	-
Other Financial Liabilities	127.94	2,193.69	-	2,321.63
Total Financial Liabilities	1,099.02	8,113.49	7,813.82	17,026.33

c. Market Risk:

Market risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of volatility of prices in the financial markets. Market risk can be further segregated as:

i) Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has exposure foreign currency risk in case of Trade and other payables.

ii) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During March 31, 2022 the Company's borrowings at variable rate are denominated in Rupees. The Company's fixed rate

borrowings are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS -107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at 31 st March, 2025	As at 31 st March, 2025
Variable rate borrowings	13,640.74	14,393.12

Interest Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	Impact of Profit before tax	
	31 st March, 2025	31 st March, 2024
Interest cost – increase by 5% on existing Interest cost*	90.96	84.64
Interest cost – decrease by 5% on existing Interest cost*	(90.96)	(84.64)

*Holding all other variables constant.

47. Previous Years Figures have been regrouped/reclassified wherever necessary to confirm to current years classification.

As per our Report of even date attached

For and on behalf of the Board of **Megasoft Limited**

for **N.C.Rajagopal & Co.**
Chartered Accountants
Firm Registration No: 003398 S

Sunil Kumar Kalidindi
Executive Director & CEO
DIN: 02344343

Kalyan Vijay Sivalenka
Independent Director
DIN: 06404449

Arjun S.
Membership No: 230448
Place: Hyderabad
Date: 29th May, 2025

Shridhar Thathachary
Chief Financial Officer

Thakur Vishal Singh
Company Secretary & Compliance
Officer



MEGASOFT LIMITED

CIN: L24100TN1999PLC0427320

85, Kutchery Road, Mylapore, Chennai 600004, Tamil Nadu, India.

Email- investors@megasoft.com,

www.megasoft.com

Notice of the 25th Annual General Meeting

Notice is hereby given that the **25th Annual General Meeting (AGM)** of the Members of **MEGASOFT LIMITED** will be held on Saturday, 27th September, 2025, at 10.00 a.m. IST through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) to transact the following businesses:-

Ordinary Business:

1. Adoption of Financial Statements

To receive, consider and adopt:

- i) The Audited Financial Statements of the Company for the year ended March 31, 2025, the report of the Auditors thereon and the Directors’ Report.
- ii) The Audited Consolidated Financial Statements of the Company for the year ended March 31, 2025 and the report of the Auditors thereon.

2. Re-appointment of Director

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

To appoint a Director in place of Mr. Sunil Kumar Kalidindi (DIN- 02344343), who retires by rotation and, being eligible, offers himself for re-appointment.

Special Business

3. Appointment of Branch Auditor

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

“RESOLVED THAT pursuant to the provisions of section 143(8) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, and the Rules framed thereunder, the Board be and is hereby authorized to appoint from time to time Branch Auditors of any Branch office of the Company, whether existing or which may be opened/acquired hereafter outside India, based on the recommendation of the Audit/ Risk & Compliance Committee, in consultation with the Company’s Auditors, any person(s) qualified to act as Branch Auditor within meaning of section 143(8) of the Companies Act, 2013 and to fix their remuneration.”

4. Appointment of M/s. M. Damodaran & Associates Secretarial Auditors of the Company for a period of five years i.e., from FY 2025-26 To FY 2029-30.

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

“RESOLVED THAT pursuant to provisions of section 179, 204 (1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, of the said Act (including any statutory modifications, re-enactments for the time being in force) consent of the members of the Company be and is hereby accorded to appoint M/s. M. Damodaran & Associates LLP, Chennai, Tamil Nadu as Secretarial Auditors of the Company for a period of Five Years i.e., from FY 2025-26 to FY 2029-30 at a remuneration as may be decided by the Executive Director of the Company in consultation with Secretarial Auditors in addition to the reimbursement of out-of-pocket expenses for carrying the Secretarial Audit.”

“FURTHER RESOLVED THAT the Board of Directors (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

By order of the Board of Directors
For **Megasoft Limited**

.....
Sunil Kumar Kalidindi
(DIN: 02344343)
Executive Director & CEO

Place: Hyderabad

Date: September 2, 2025

NOTES:

1. The Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 2/2022 dated May 05, 2022, Circular No. 10/2022 and Circular No. 11/2022 dated December 28, 2022, Circular No. 02/2021 dated January, 13, 2021 and General Circular No. 09/2023 dated September 25, 2023 and General Circular No. 09/2024 dated September 19, 2024 issued by the Ministry of Corporate Affairs (MCA Circulars) and Securities and Exchange Board of India (SEBI) vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January, 15, 2021, Circular No. SEBI/HO/DDHS/DDHS_Div2/P/CIR/2022/079 dated June 03, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023, SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023, SEBI and SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 03, 2024 had permitted Companies to conduct Annual General Meeting (AGM) during the year 2025 through video conferencing (VC) or Other Audio Visual Means (OAVM), without the physical presence of the members at common venue. In compliance with the above circulars and applicable provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 25th AGM of the Company is being convened and conducted through VC/ OAVM. The deemed venue of the AGM shall be the Registered Office of the Company.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. 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 AGM will be provided by CDSL.
3. A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to certain ordinary business and the special businesses to be transacted at the 25th AGM is annexed hereto. All documents referred to in the accompanying Notice and the Explanatory Statement shall be available for inspection electronically. Members seeking to inspect such documents can send an email to investors@megasoft.com.
4. Since the 25th AGM is being held through VC/ OAVM, the route map of the venue of the Meeting is not annexed to this Notice.
5. As per the provisions under the MCA Circulars, Members attending the 25th AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013. The Company has appointed M/s. M Damodaran & Associates, LLP, to act as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner.
6. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, Circular No. 2/2022 dated May 05, 2022 and Circular No. SEBI/HO/DDHS/DDHS_Div2/P/CIR/2022/079 dated June 03, 2022, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. 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 through VC/OAVM and cast their votes through e-voting.

7. The Scrutinizer will, after the conclusion of e-voting at the Meeting, scrutinize the votes cast at the Meeting and votes cast through remote e-voting, make a consolidated Scrutinizer's Report and submit the same to the Chairman. The result of e-voting will be declared within Two Working days of the conclusion of the Meeting and the same, along with the consolidated scrutinizer's Report will be placed on the website of the company www.megasoft.com and on the website of CDSL at <https://evoting.india.com>. The results will simultaneously be communicated to the stock exchanges.
8. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on Saturday, September 20, 2025, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. The voting right of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.
9. Members may note that pursuant to the General Circular No. 20/2020 dated May 5, 2020 Circular No. 2/2022 dated May 05, 2022 issued by the MCA and and Circular No. SEBI/HO/DDHS/DDHS_Div2/P/CIR/2022/079 dated June 03, 2022 issued by SEBI, the Company has enabled a process for the limited purpose of receiving the Company's Annual Report and Notice for the Annual General Meeting (including remote e-voting instructions) electronically, and Members may temporarily update their email address by sending email at investor@cameoindia.com.
10. After due verification and receipt of email address updation request, the Company will send the annual report at your registered email address.
11. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending further communication(s).
12. Members who are holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or its Registrar and Share Transfer Agent the details of such folios together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to the Members after making requisite changes, thereon. Members are requested to use the share transfer form SH-4 for this purpose.
13. In accordance with the proviso to Regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from April 1, 2019, transfers of securities of the Company shall not be processed unless the securities are held in the dematerialized form with a depository. Accordingly, members holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in corporate actions.
14. Non-resident Indian members are requested to inform about the following immediately to the Company or its Registrar and Share Transfer Agent or the concerned Depository Participant, as the case may be:
 - a) the change in the residential status on return to India for permanent settlement, and
 - b) the particulars of the NRE account with a Bank in India, if not furnished earlier.
15. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH-13 prescribed by the Government can be obtained from the Registrar and Share Transfer Agent or the Secretarial Department of the Company at its registered office.

16. The following documents will be available for inspection by the Members electronically during the 25th AGM: Register of Directors and Key Managerial Personnel and their shareholding, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under the Companies Act, 2013. Members seeking to inspect such documents can send an email to investors@megasoft.com.
17. In case of any queries regarding the Annual Report, the Members may write to investors@megasoft.com to receive an email response.
18. The Members can join the 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 AGM through VC/OAVM will be made available to at least 1000 members on a first come first served basis. This will not include large members (members 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. who are allowed to attend the AGM without restriction on account of first come first served basis.
19. In line with the Ministry of Corporate Affairs (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.megasoft.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

I. DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:

1. In compliance with the MCA Circulars and SEBI Circulars aforementioned the notice of the 25th AGM along with the Annual Report 2024-25 are being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members may please note that this Notice and Annual Report 2024-25 will also be available on the Company's website at <http://www.megasoft.com/reports.html>, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.
2. Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent, Cameo Corporate Services Limited, Subramanian Building" No.1 Club House Road Chennai-600002, Tamilnadu at investor@cameoindia.com

CDSL e-Voting System – For e-voting and Joining Virtual meetings.

1. 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 and General Circular No. 09/2023 dated September 25, 2023 and General Circular No. 09/2024 dated September 19, 2024 issued by the Ministry of Corporate Affairs and SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 and SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 03, 2024. The forthcoming AGM will thus be held through video conferencing (VC) or other audio-visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM 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. 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 AGM will be provided by CDSL.
3. The Members can join the 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 AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the GM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM 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. 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 through VC/OAVM and cast their votes through e-voting.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at <https://www.megasoft.com>. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
7. The AGM 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.
8. In continuation to this Ministry's General Circular No. 20/2020 dated 05.05.2020, General Circular No. 02/2022 dated 05.05.2022 and General Circular No. 10/2022 dated 28.12.2022, General Circular No. 09/2024 dated September 19, 2024 and after due examination, it has been decided to allow companies whose AGMs are due in the Year 2025, to conduct their AGMs through VC or OAVM on or before 30th September, 2025 in accordance with the requirements laid down in Para 3 and Para 4 of the General Circular No. 20/2020 dated 05.05.2020.

THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

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

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

- i) The voting period begins on Tuesday, September 23, 2025 from 9:00 a.m. (IST) and ends on Friday, September 26, 2025 and will end at 5:00 p.m. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Saturday, September 20, 2025 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would

be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

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

- i) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<p>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsi website www.cdsiindia.com and click on login icon & New System Myeasi Tab.</p> <p>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</p> <p>If the user is not registered for Easi/Easiest, option to register is available at cdsi website www.cdsiindia.com and click on login & New System Myeasi Tab and then click on registration option.</p> <p>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdsiindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with NSDL Depository	<p>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services.</p>

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

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

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

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

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

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

1. The shareholders should log on to the e-voting website www.evotingindia.com.
2. Click on “Shareholders” module.
3. Now enter your User ID
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
6. If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> 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.

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

- vii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- viii) 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.
- ix) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- x) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xi) If a 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.
- xii) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- xiii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively, Non-Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investors@megasoft.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

6. 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.
7. 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 atleast **7 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 **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM 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 available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

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

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

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 21 09911.

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

Annexed to the Notice convening the 25th Annual General Meeting to be held on Saturday, September 27, 2025.

Item No.3 – Appointment of Branch Auditor

The Company has branches outside India and may also open/ acquire new branches outside India in future. It may be necessary to appoint branch auditors for carrying out the audit of the accounts of such branches to meet the compliance of laws applicable in those countries. The Members are requested to authorize the Board of Directors of the Company to appoint branch auditors in consultation with the Company's Auditors and fix their remuneration.

None of the Directors or Key Managerial Personnel or their relatives is concerned or interested in the Resolution.

Your Directors, therefore, recommend the resolution for your approval as Ordinary Resolution.

Item No. 4 - Appointment of Secretarial Auditor

This explanatory statement is provided in accordance with Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

In accordance with the provisions of Section 204 and other applicable provisions of the Companies Act, 2013, read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) ("the Act"), every listed company and certain other prescribed categories of companies are required to annex a Secretarial Audit Report, issued by a Practicing Company Secretary, to their Board's report, prepared under Section 134(3) of the Act.

Furthermore, pursuant to recent amendments to Regulation 24A of the SEBI Listing Regulations, every listed entity is required to conduct a Secretarial Audit and annex the Secretarial Compliance Report to its Board's Report. Additionally, a listed entity must appoint a Secretarial Audit firm for a maximum of two terms of five consecutive years, with shareholder approval to be obtained at the Annual General Meeting. Mr. Sunil Kumar Kalidindi is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

Accordingly, the Board of Directors has approved the appointment of M/s. M. Damodaran & Associates LLP, Chennai, Tamil Nadu as Secretarial Auditors of the Company for a period of Five Years i.e., from FY 2025-26 to FY 2029-30 at its Board Meeting dated 29th May, 2025. The appointment is subject to shareholders' approval at the Annual General Meeting.

While recommending M/s. M. Damodaran & Associates LLP for appointment, the Board evaluated various factors, including the firm's capability to handle a diverse and complex business environment, its existing experience in the Company's business segments, its industry standing, the clientele it serves, and its technical expertise. M. Damodaran & Associates LLP was found to be well-equipped to manage the scale, diversity, and complexity associated with the Secretarial Audit of the Company.

M. Damodaran & Associates LLP is a peer reviewed and a well-established firm of Practicing Company Secretaries, registered with the Institute of Company Secretaries of India, New Delhi. The firm is led by experienced partners, all of whom are distinguished professionals in the field of corporate governance and compliance. Their collective expertise spans corporate advisory, transactional services, litigation, advocacy, and legal due diligence. The firm also has associate partners with strong professional credentials who align with its core values of character, competence, and commitment. M. Damodaran & Associates LLP specializes in compliance audit and assurance services, advisory and representation services, and transactional services.

The terms and conditions of M. Damodaran & Associates LLP appointment include a tenure of five years, i.e., from FY 2025-26 to FY 2029-30. The fixed remuneration for the Secretarial Audit for the year 2025 is set at Rs. 1,44,000/- (Rupees One Lakh Forty-Four Thousand only), plus applicable taxes and other out-of-pocket costs incurred in connection with the audit. The proposed fees are determined based on the scope of work, team size, industry experience, and the time and expertise required by M. Damodaran & Associates LLP to conduct the audit effectively.

Additional fees for statutory certifications and other professional services will be determined separately by the management, in consultation with M. Damodaran & Associates LLP, and will be subject to approval by the Board of Directors. The remuneration for the subsequent years from 2027 to 2030 will also be approved by the Board.

M. Damodaran & Associates LLP has provided its consent to act as the Secretarial Auditors of the Company and has confirmed that the proposed appointment, if made, will be in compliance with the provisions of the Act and the SEBI Listing Regulations. Accordingly, the consent of the shareholders is sought for the appointment of M. Damodaran & Associates LLP as the Secretarial Auditors of the Company.

The Board of Directors recommends the resolution for approval by the Members as Ordinary Resolution, as set out at Item No. 4 of the Notice.

None of the Directors, Key Managerial Personnel (KMP), or their relatives have any financial or other interest in the proposed resolution.

By order of the Board of Directors
For **Megasoft Limited**

.....
Sunil Kumar Kalidindi
(DIN: 02344343)
Executive Director & CEO

Place: Hyderabad

Date: September 2, 2025

OUR OFFICES

85, Kutchery Road,
Mylapore, Chennai - 600004
Tamilnadu, India

8th Floor, Unit No. 801B,
Jain Sadguru Image's Capital Park,
Plot No. 1, 28 & 29, 98/4/1 to 13,
Image Gardens Road, Madhapur,
Hyderabad - 500081
Telangana, India

Disclaimer

In this annual report, we have disclosed forward-looking information to enable investors to comprehend prospects and take informed investment decisions. This report and other statements - written and oral - that periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



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Mylapore, Chennai, 600004