

**MEGASOFT LIMITED**

CIN : L24100TN1999PLC042730

8th Floor, Unit No. 801-B

Jain Sadguru Image's Capital Park

Plot No. 1, 28 &amp; 29, 98/4/1 to 13

Image Gardens Rd, Madhapur

Hyderabad, Telangana 500081

Tel: +91-40-29320407

Email: investors@megasoft.com

website : [www.megasoft.com](http://www.megasoft.com)**Date: May 17, 2025**

To,

<b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400001 <b>Scrip Code: 532408</b>	<b>National Stock Exchange of India Limited</b> Exchange Plaza, Bandra- Kurla Complex, Mumbai 400051 <b>Symbol: MEGASOFT</b>
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Dear Sir/Madam,

**Sub: Receipt of Observation Letters/ No-Objection Letter from BSE Limited and National Stock Exchange of India Limited for draft Scheme of Amalgamation between Sigma Advanced Systems Private Limited (“Transferor Company”) and Megasoft Limited (“Transferee Company”) and their respective shareholders and creditors under Section 230- 232 and other applicable provisions of the Companies Act, 2013 (Scheme).**

This is with reference to our letter dated October 18, 2024 intimating the decision of the Board of Directors approving the Scheme, subject to receipt of applicable regulatory and other approvals. In this regard, we would like to inform you that the Company has received the Observation Letters / No-Objection Letters vide letter dated May 16, 2025 from the BSE Limited and National Stock Exchange of India Limited in relation to the Scheme.

The copies of the Observation Letters / No-Objection Letters are enclosed and is also available on the website of the Company at - <https://megasoft.com/scheme-of-amalgamation.html>

The Scheme remains subject to applicable regulatory and other approvals.

We request you to take the same on record.

Thanking you,

**For Megasoft Limited**

.....  
**Thakur Vishal Singh**  
**Company Secretary & Compliance Officer**

Ref: NSE/LIST/ 45129

May 16, 2025

The Company Secretary  
Megasoft Limited

**Kind Attn.: Mr. Thakur Vishal Singh**

Dear Sir,

**Sub: Observation Letter for draft Composite Scheme of Arrangement amongst Sigma Advanced Systems Private Limited (“Amalgamating Company”) and Megasoft Limited (“Amalgamated Company”) and their respective shareholders and creditors under Section 230-232 and other applicable provisions of the Companies Act, 2013.**

We are in receipt for captioned draft Composite Scheme of Arrangement filed by Megasoft Limited

Based on our letter reference no. NSE/LIST/45129 dated February 21, 2025, submitted to SEBI pursuant to SEBI Master Circular dated June 20, 2023 read with Regulation 37 and 94(2) and 94A(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 SEBI vide its letter dated May 16 2025, has inter alia given the following comment(s) on the draft scheme of arrangement:

- a) The Company shall ensure that the proposed composite Scheme of Amalgamation and Arrangement shall be in compliance with the provisions of Regulation 11 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*
- b) The Company shall ensure to disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters, and directors, before Hon'ble NCLT and shareholders, while seeking approval of the Scheme.*
- c) The Company shall ensure that additional information, if any, submitted by the Company after filing the Scheme with the Stock Exchange, from the date of receipt of this letter, is displayed on the websites of the Listed Company and the Stock Exchanges.*
- d) The Company shall ensure compliance with the SEBI circulars issued from time to time. The entities involved in the Scheme shall duly comply with various provisions of the Master Circular(s) issued on June 20, 2023 and ensure that all the liabilities of Transferor Company are transferred to the Transferee Company.*
- e) The Company shall ensure that the information pertaining to all the Unlisted Companies, if any, involved in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval, if applicable.*

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Date: Fri, May 16, 2025 18:53:49 IST  
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May 16, 2025

- f) The Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old, if applicable.
- g) The Company shall ensure that the details of proposed scheme under consideration as provided by the Company to the Stock Exchanges shall be prominently disclosed in the notice sent to the shareholders.
- h) The Company shall ensure that the proposed equity shares, if any, to be issued in terms of the "Scheme" shall mandatorily be in demat form only.
- i) The Company shall ensure that the "Scheme" shall be acted upon subject to the Company complying with the relevant clauses mentioned in the scheme document.
- j) Entities involved in the proposed scheme shall not make any changes in the draft scheme subsequent to filing the draft scheme with SEBI by Stock Exchange(s).
- k) The Company shall ensure that no changes to the draft scheme except those mandated by the regulators/ authorities/ tribunals shall be made without specific written consent of SEBI.
- l) The Company shall ensure that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before NCLT, and the Company is obliged to bring the observations to the notice of NCLT.
- m) The Company shall ensure to comply with all applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme.
- n) The Companies shall ensure that the "Scheme" shall be acted upon subject to the Companies involved in the scheme of arrangement complying with Para 10(a) & (b) of Part I of SEBI master Circular issued on June 20, 2023, and relevant clauses mentioned in the scheme document.
- o) The Company shall ensure that the following additional disclosure to the public shareholders as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013, to enable them to take an informed decision:
  - i. In the interest of ensuring transparency and informed decision making by public shareholders, Company to prominently disclose following information on the very first page of the notice convening the shareholders meeting for approval of scheme of arrangement (in bold text and highlighted for visibility) and in all the further communications to the public shareholders regarding the scheme:

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*The shareholding pattern of Promoter/Promoter Group and Public shareholders before and after implementation of scheme is depicted as under*

Category	Pre-Scheme Shareholding (%)	Post-Scheme Shareholding (%)	Change (%)
Promoter/ Promoter Group			
Public Shareholders			

*The shareholders may note that implementation of scheme shall result in increase in the shareholding of Promoter/Promoter Group from .....% to .. .... %. Shareholders may also note that approval of the shareholders to scheme of merger would also result in to them agreeing to increase in shareholding of promoters on implementation of the scheme. Therefore, investors should read all the scheme related documents before exercising their voting rights.*

*The above disclosure shall also be accompanied by a brief explanation regarding the reasons for the increase in shareholding of Promoter/Promoter Group and its impact on the public shareholders in terms of their rights and value of their holding in the Company.*

- ii. *Need for the merger, rationale of the scheme, synergies of business of the entities involved in the scheme, impact of the scheme on the shareholders and cost benefit analysis of the scheme*
- iii. *Details of Registered Valuer issuing Valuation Report and Merchant Banker issuing Fairness opinion, Summary of methods considered for arriving at the Share-Swap Ratio and Rationale for using above methods.*
- iv. *Details of shareholders of SASPL being categorized as promoters and/or public in ML post-scheme along with rationale for the same in the following format in compliance with SEBI ICDR Regulations, 2018 and Companies Act, 2013.*

Name of the shareholder	Classification in SASPL (Promoter/Public)	No of shares held	No of shares allotted as per share swap ratio	Classification in ML (Promoter /Public)	Rationale for the same

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- v. Latest financials of SASPL and ML not older than 6 months from the date of NOC of Stock Exchange should be updated on the Website and same also to be disclosed in the explanatory statement.
- vi. Details of new shareholders being classified as Promoter/Promoter group in ML post-merger as specified in Para 10(G) of Schedule VI to SEBI (ICDR) Regulations, 2018.
- vii. Pre and Post scheme shareholding of SASPL and ML as on the date of notice of Shareholders meeting along with rationale for changes, if any, occurred between filing of Draft Scheme to Notice to shareholders.
- viii. Rationale for undertaking Bonus issue in SASPL along with details of shareholders to whom they were issued and whether the impact of same was considered while arriving at the share-swap ratio.
- ix. Capital built-up of SASPL and ML since incorporation and last 3 years shareholding pattern filed by SASPL and ML with ROC
- x. Details of Revenue, PAT and EBIDTA of SASPL and Transferee Company (ML) for last 3 years.
- xi. Projections considered for valuation of SASPL and ML along with justification for growth rate considered for valuation of SASPL and ML.
- xii. Value of Assets and liabilities of SASPL that are being transferred to Transferee Company and post-merger balance sheet of ML.
- xiii. Details of potential benefits and risks associated with the merger, including integration challenges, market conditions and financial uncertainties.
- xiv. Financial implication of merger on Promoters, Public Shareholders and the companies involved, synergies between ML and SASPL along with inter-company transactions between them.
- xv. Disclose all actions taken and/or initiated against the entities involved in the scheme including its promoters/directors/KMPs and possible impact of the same on the Transferee Company to the shareholders along its status.

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May 16, 2025

xvi. *Disclose the impact on reserves of ML pursuant to the scheme of arrangement along with quantitative details showing the impact of both pre & post the scheme of arrangement and statement that the same is in accordance with applicable accounting standards and other applicable provisions of the Companies Act, 2013. Disclose the approval requirement of shareholders under the Companies Act, 2013 and other relevant details.*

p) *The Companies shall ensure that all the applicable additional information, if any, shall form part of disclosures to shareholders, which was submitted by the Company to the Stock Exchange as per Annexure M of Exchange checklist.*

q) *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.*

r) *The Company involved shall ensure to disclose the No-Objection letter of the Stock Exchange on its website within 24 hours of receiving the same.*

**It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ Stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/representations.**

Please note that the submission of documents/information, in accordance with the Circular to SEBI and National Stock Exchange of India (NSE), should not in any way be deemed or construed that the same has been cleared or approved by SEBI and NSE. SEBI and NSE does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the documents submitted.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our "No objection" in terms of Regulation 37 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines/ Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from May 16, 2025, within which the Scheme shall be submitted to NCLT.

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Kindly note, this Exchange letter should not be construed as approval under any other Act /Regulation/rule/bye laws (except as referred above) for which the Company may be required to obtain approval from other department(s) of the Exchange. The Company is requested to separately take up matter with the concerned departments for approval, if any.

**The Company shall ensure filing of compliance status report stating the compliance with each point of Observation Letter on draft scheme of arrangement on the following path: NEAPS > Issue > Scheme of arrangement > Reg 37 of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.**

Yours faithfully,  
For National Stock Exchange of India Limited

Saili Kamble  
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL:<https://www.nseindia.com/companies-listing/raising-capital-further-issues-main-sme-checklist>

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DCS/AMAL/TS/R37/3630/2025-26

May 16, 2025

To,  
The Company Secretary,  
Megasoft Limited  
85, Kutchery Road, Mylapore,  
Chennai, Tamil Nadu, 600004

**Sub: Scheme of Arrangement between Sigma Advanced Systems Private Limited ("Transferor Company" or "SASPL") and Megasoft Limited ("Transferee Company" or "ML") and its Shareholders & creditors**

We refer to your application for the Scheme of Amalgamation among Sigma Advanced Systems Private Limited ("Transferor Company" or "SASPL") and Megasoft Limited ("Transferee Company" or "ML") pursuant to Section 66 read with Section 230 to 232 read with other applicable provisions of the filed with the Exchange under Regulation 37 of SEBI LODR Regulations, 2015, read with SEBI Master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, and Reg. 94(2) of SEBI LODR Regulations, 2015.

In this regard, SEBI vide its Letter dated May 16, 2025, has inter alia given the following comment(s) on the said Scheme of Arrangement:

1. "The proposed composite Scheme of Amalgamation and Arrangement shall be in compliance with the provisions of Regulation 11 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. "
2. "The Entity shall ensure that the Company discloses all details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the scheme."
3. "The Entity shall ensure that additional information, if any, submitted by the Company after filing the scheme with the stock exchange, from the date of receipt of this letter, is displayed on the websites of the listed company and the stock exchanges.
4. "The Entity shall ensure compliance with the SEBI circulars issued from time to time. The entities involved in the Scheme shall duly comply with various provisions of the Master Circular(s) issued on June 20, 2023 and ensure that all the liabilities of Transferor Company are transferred to the Transferee Company."
5. "The Entity is advised that the information pertaining to all the Unlisted Companies, if any, involved in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval, if applicable."
6. "The Entity shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old, if applicable."
7. "The Entity is advised that the details of the proposed scheme under consideration as provided by the Company to the Stock Exchange shall be prominently disclosed in the notice sent to the Shareholders."



8. "The Entity is advised that the proposed equity shares, if any, to be issued in terms of the "Scheme" shall mandatorily be in demat form only."
9. "The Entity is advised that the "Scheme" shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document."
10. "The entities involved in the proposed scheme shall not make any changes in the draft scheme subsequent to filing the draft scheme with SEBI by the Stock Exchange(s)."
11. "No changes to the draft scheme except those mandated by the regulators/ authorities / tribunals shall be made without specific written consent of SEBI."
12. "The Entity is advised that the observations of SEBI/Stock exchanges shall be incorporated in the petition to be filed before NCLT and the company is obliged to bring the observations to the notice of NCLT."
13. "The Entity is advised to comply with the all applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme."
14. "The Entity is advised that the "Scheme" shall be acted upon subject to the companies involved in the scheme of arrangement complying with the Para 10 (a) & (b) of Part I of SEBI Master Circular issued on June 20, 2023 and relevant clauses mentioned in the scheme document."
15. "The entity is advised to ensure that the following additional disclosure to the public shareholders as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013, to enable them to take an informed decision: -
  - i. In the interest of ensuring transparency and informed decision making by public shareholders, transferee company to prominently disclose following information on the very first page of the notice convening the shareholders meeting for approval of scheme of arrangement (in bold text and highlighted for visibility) and in all the further communications to the public shareholders:

*"The shareholding pattern of Promoter/Promoter Group and Public shareholders before and after implementation of scheme is depicted as under:*

Category	Pre-Scheme Shareholding (%)	Post-Scheme Shareholding (%)	Change (%)
<b>Promoter / Promoter Group</b>			
<b>Public Shareholders</b>			




The shareholders may note that implementation of scheme shall result in increase in the shareholding of Promoter/Promoter Group from ...% to ...%. Shareholders may also note that approval of the shareholders to scheme of merger would also result in to them agreeing to increase in shareholding of promoters on implementation of the scheme. Therefore, investors should read all the scheme related documents before exercising their voting rights.

The above disclosure shall also be accompanied by a brief explanation regarding the reasons for the increase in shareholding of Promoter/Promoter Group and its impact on the public shareholders in terms of their rights and value of their holding in the Company.

- ii. Need for the merger, Rationale of the scheme, Synergies of business of the entities involved in the scheme, Impact of the scheme on the shareholders and cost benefit analysis of the scheme.
- iii. Details of Registered Valuer issuing Valuation Report and Merchant Banker issuing Fairness opinion, Summary of methods considered for arriving at the Share-Swap Ratio and Rationale for using above methods.
- iv. Details of shareholders of SASPL being categorized as promoters and public in ML post-scheme along with rationale for the same in the following format in compliance with SEBI ICDR Regulations, 2018 and Companies Act, 2013.

Name of the shareholder	Classification in SASPL (Promoter/Public)	Number of shares held	Number of shares allotted as per share swap ratio	Classification in ML (Promoter/Public)	Rationale for the same

- v. Latest financials of SASPL and ML not older than 6 months from the date of NOC of Stock Exchange should be updated on the Website and same also to be disclosed in the explanatory statement.
- vi. Details of new shareholders being classified as Promoter/Promoter group in ML post-merger as specified in Para 10(G) of Schedule VI to SEBI (ICDR) Regulations, 2018.
- vii. Pre and Post scheme shareholding of SASPL and ML as on the date of notice of Shareholders meeting along with rationale for changes, if any, occurred between filing of Draft Scheme to Notice to shareholders.
- viii. Rationale for undertaking Bonus issue in SASPL along with details of shareholders to whom they were issued and whether they impact of same was considered while arriving at the share-swap ratio.
- ix. Capital built-up of SASPL and ML since incorporation and last 3 years shareholding pattern filed by SASPL and ML with ROC.
- x. Details of Revenue, PAT and EBIDTA of SASPL and Transferee Company (ML) for last 3 years.
- xi. Projections considered for valuation of SASPL and ML along with justification for growth rate considered for valuation of SASPL and ML.
- xii. Value of Assets and liabilities of SASPL that are being transferred to Transferee Company and post-merger balance sheet of ML.
- xiii. Details of potential benefits and risks associated with the merger, including integration challenges, market conditions and financial uncertainties.
- xiv. Financial implication of merger on Promoters, Public Shareholders and the companies involved, synergies between ML and SASPL along with inter-company transactions between them.




- xv. Disclose all actions taken and/or initiated against the entities involved in the scheme including its promoters/directors/KMPs and possible impact of the same on the Transferee Company to the shareholders along with its status.
- xvi. "Disclose the impact on reserves of ML pursuant to the scheme of arrangement along with quantitative details showing the impact of both pre & post the scheme of arrangement and statement that the same is in accordance with applicable accounting standards and other applicable provisions of the Companies Act, 2013. Disclose the approval requirement of shareholders under the Companies Act, 2013 and other relevant details."
- 16. "The Entity shall ensure that information submitted to Stock Exchanges and SEBI, as advised by SEBI through email dated May 16, 2025, shall form part of disclosures to the shareholders."
- 17. "The listed entity involved in the proposed scheme shall disclose the No-Objection letter of the Stock Exchange(s) on its website within 24 hours of receiving the same."
- 18. "It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments / observations on draft scheme by SEBI / stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013, to SEBI again for its comments / observations / representations."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- i. To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- ii. To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- iii. To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Please note that the submission of documents / information, in accordance with the circular to SEBI / Exchange should not any way be deemed or construed that the same has been cleared or approved by SEBI / Exchange. SEBI / Exchange does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the document submitted.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted company involved in the format prescribed for abridged prospectus as specified in the Master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023.

Kindly note that as required under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.



Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be is required to be served upon the Exchange seeking representations or objections if any.

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, would be accepted and processed through the Listing Centre only and no physical filings would be accepted. You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,



Ashok Kumar Singh  
Additional General Manager



Jayanti Pradhan  
Assistant Manager