

SIGMA ADVANCED SYSTEMS PRIVATE LIMITED
 (Previously SIGMA MICROSYSTEMS PRIVATE LIMITED)
BALANCE SHEET AS AT 31ST AUGUST 2024

	Particulars	Note No	As at 31.08.2024		As at 31.03.2024	
I.	EQUITY AND LIABILITIES					
1	Shareholder's funds: (a) Share capital (b) Reserves and surplus	2 3	2,94,79,190 43,00,26,605	45,95,05,795	2,94,79,190 41,71,98,995	44,66,78,185
2	Non-current liabilities (a) Long-term borrowings (b) Long-term provisions	4 6	5,46,60,669 1,06,39,251	6,52,99,920	9,16,76,801 1,07,12,363	10,23,89,164
3	Current liabilities (a) Short-term borrowings (b) Trade payables (c) Other current liabilities	7 8 9	6,52,36,541 3,16,42,602 4,14,36,365	13,83,15,508	23,06,99,920 8,06,06,518 13,42,10,731	44,55,17,168
	TOTAL			66,31,21,223		99,45,84,517
II.	ASSETS					
1	Non -Current assets (a) Property,Plant and Equipment (b) Non -Current Investments (c) Long-term loans and advances (d) Deferred tax Asset	10 11 12 5	1,94,99,982 8,35,00,000 7,70,000 40,21,288	10,77,91,271	2,02,11,534 8,35,00,000 7,70,000 40,57,848	10,85,39,382
2	Current assets (a) Inventories (b) Trade receivables (c) Cash and cash equivalents	13 14 15 16	25,14,63,875 24,64,13,247 1,02,23,272 4,72,29,558	55,53,29,952	20,41,30,710 51,96,21,677 3,22,29,689 13,00,63,057	88,60,45,135
	TOTAL			66,31,21,223		99,45,84,517
Summary of Accounting Policies						
The accompanying notes are an integral part of the financial statements						

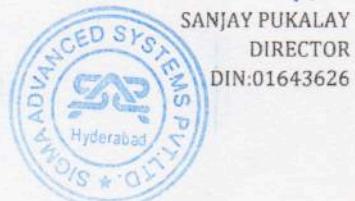
As per our report of even date
 For PAVULURI & CO
 Chartered Accountants
 Firm Reg. No: 012194S

KVN Deepthi
 CA V N DEEPTHI KONERU
 Partner
 M.No :F-228424



For and on behalf of the Board of Directors
SIGMA ADVANCED SYSTEMS PRIVATE LIMITED

D. Reddy
 C.DAMODHAR REDDY
 DIRECTOR
 DIN:01643638



Sanjay
 SANJAY PUKALAY
 DIRECTOR
 DIN:01643626

Place:Hyderabad
 Date: 11.12.2024
 UDIN: 24228424BKAVFA7955

SIGMA ADVANCED SYSTEMS PRIVATE LIMITED
(Previously SIGMA MICROSYSTEMS PRIVATE LIMITED)

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST AUGUST 2024

	Particulars	Note No	For Year ending 31.08.2024	For Year ending 31.03.2024
	INCOME :			
I	Revenue from operations	16	22,06,62,124	83,85,17,145
II	Other income	17	21,17,283	3,60,78,249
III	Total Revenue (I + II)		22,27,79,407	87,45,95,394
IV	EXPENDITURE :			
	Cost of material consumed	18	15,48,09,096	71,77,71,386
	Changes in inventories of finished goods	19	(39,99,490)	(14,58,10,693)
	Work-in-progress and Stock-in-trade			
	Employee benefits expense	20	2,65,58,801	6,45,26,802
	Finance costs	21	89,48,930	90,10,404
	Depreciation	10	14,90,626	35,02,382
	Other expenses	22	1,61,43,357	2,87,41,093
	Total expenses		20,39,51,320	67,77,41,375
V	Profit before exceptional items and tax (III - IV)		1,88,28,087	19,68,54,019
VI	Exceptional item	23	-	3,00,00,000
VII	Profit after Exceptional items and before tax(V-VI)		1,88,28,087	16,68,54,019
VI	Tax expenses:			
	(1) Current tax		59,63,925	4,88,94,032
	(2) Deferred tax		36,558	(10,56,398)
VII	Profit/(Loss) for the period (V - VI)		1,28,27,605	11,90,16,385
VIII	Earnings per equity share:			
	(1) Basic		4.35	40.37
	(2) Diluted		4.35	40.37
	Summary of Accounting Policies			
	The accompanying notes are an integral part of the financial statements			

As per our report of even date

For PAVULURI & CO
Chartered Accountants
Firm Reg. No: 012194S

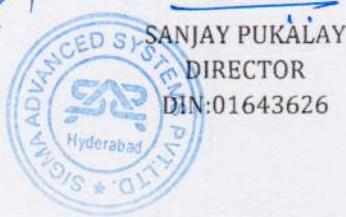
kvn Deepthi
CA V N DEEPTHI KONERU
Partner
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For and on behalf of the Board of Directors
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C.DAMODHAR REDDY
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Sanjay
SANJAY PUKALAY
DIRECTOR
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SIGMA ADVANCED SYSTEMS PRIVATE LIMITED
(Previously SIGMA MICROSYSTEMS PRIVATE LIMITED)
Notes Forming Part of the Balance sheet

2 Share Capital

Particulars	As at 31.08.2024		As at 31.03.2024	
	No. of Shares	Amount	No. of Shares	Amount
I. Authorised: Equity shares of Rs 10 each with voting rights	50,00,000	5,00,00,000	50,00,000	5,00,00,000
II. Issued,Subscribed and Paid up: Equity shares of Rs 10 each with voting rights	29,47,919	2,94,79,190	29,47,919	2,94,79,190
	29,47,919	2,94,79,190	29,47,919	2,94,79,190

a) Details of Reconciliation of Share Capital

Particulars	As at 31.08.2024		As at 31.03.2024	
	No. of Shares	Amount	No. of Shares	Amount
Equity shares with voting rights:-				
Opening Balance	29,47,919	2,94,79,190	29,47,919	2,94,79,190
Fresh Issue	-	-	-	-
Closing Balance	29,47,919	2,94,79,190	29,47,919	2,94,79,190

b) Details of shares held by each shareholder holding more than 5% shares:

Sr No	Class of shares / Name of shareholder	As at 31.08.2024		As at 31.03.2024	
		Number of shares held	% holding	Number of shares held	% holding
	Equity shares with voting rights				
1	Chintalapati Holdings Private Limited	26,53,125	90%	26,53,125	90%
2	C.Damodhar Reddy	2,94,794	10%	2,94,794	10%
	TOTAL	29,47,919	100%	29,47,919	100%

c) Details of Equity Shares Held by Promoters.

S.No	Promoters	Shares held by promoters at the end of the year		% Change during the year
		No of shares	% of total Shares	
1	Chintalapati Holdings Private Limited	26,53,125	90%	-
2	C.Damodhar Reddy	2,94,794	10%	-
Total		29,47,919	100%	



SIGMA ADVANCED SYSTEMS PRIVATE LIMITED
(Previously SIGMA MICROSYSTEMS PRIVATE LIMITED)

Provisional Notes to the financial statements for the year ended 31st August, 2024

Note No	Particulars	As at 31.08.2024	As at 31.03.2024
3	Reserves and Surplus Share Premium Account As at Commencement of the Year	92,50,000	92,50,000
		92,50,000	92,50,000
	Profit & Loss Account As at Commencement of the year	40,79,49,000	28,89,32,610
	Add : Transferred from Profit and Loss statement	1,28,27,605	11,90,16,385
		42,07,76,605	40,79,48,995
	Total	43,00,26,605	41,71,98,995
4	Long Term Borrowings		
	Long Term Loans - Others		
	Unsecured		
	From Directors	1,95,33,455	85,54,510
	Inter Corporate deposit	-	3,05,60,218
	Vehicle Loan	35,28,344	25,62,073
	From Others	3,15,98,870	
	Secured		
	Inter Corporate deposit	-	5,00,00,000
	Total	5,46,60,669	9,16,76,801
5	Deferred Tax Liability(Asset)		
	Opening Balance	(40,57,846)	(30,01,448)
	Add: Provision during the Year	36,558	(10,56,398)
	Total	(40,21,288)	(40,57,846)
6	Long Term Provisions		
	Provision for Gratuity	1,06,39,251	1,07,12,363
	Total	1,06,39,251	1,07,12,363
7	Short Term Borrowings		
	Current maturities of Long term Borrowings	-	19,35,601
	Credit cards credit balances	6,52,36,541	15,26,424
	ICICI CC A/c	-	11,37,71,350
	Documentary Credit with ICICI	-	11,34,66,544
	Total	6,52,36,541	23,06,99,920
8	Trade Payables		
	Payables for Material	3,16,42,602	8,03,76,323
	Payables for Services	-	2,30,195
	Total	3,16,42,602	8,06,06,518
9	Other Current Liabilities		
	Statutory remittances	12,90,174	2,98,63,289
	Advance from customers	3,00,30,177	2,70,00,362
	Payable for expenses	17,52,289	2,53,11,966
	Salaries, Bonus,EL Payable	22,69,722	3,51,078
	Audit Fees Payable	90,000	90,000
	Provision for Income Tax	60,04,003	4,88,94,032
	Provision for Bonus	-	27,00,000
	Total	4,14,36,365	13,42,10,727
11	Non Current Investment		
	Investment in Indrajaal Drone Defence India Pvt Ltd	8,35,00,000	8,35,00,000
	1250000 Unquoted shares of RS 2/- each in Indrajaal Drone Defence India Pvt Ltd	8,35,00,000	8,35,00,000
12	Long-Term Loans and advances (Unsecured Considered Good)		
	Cylinder Deposit	10,000	10,000
	Deposit for Rent	7,60,000	7,60,000
	Total	7,70,000	7,70,000



SIGMA ADVANCED SYSTEMS PRIVATE LIMITED
(Previously SIGMA MICROSYSTEMS PRIVATE LIMITED)

Provisional Notes to the financial statements for the year ended 31st August, 2024

Note No	Particulars	As at 31.08.2024	As at 31.03.2024
13	Inventories Raw Material Work-in-Progress Total	9,53,43,875 15,61,20,000 25,14,63,875	5,20,10,200 15,21,20,510 20,41,30,710
14	Trade Receivables Unsecured, Considered Good Debts outstanding for a period not exceeding six months Unsecured, Considered Good Debts outstanding for a period exceeding six months Total	24,64,13,247 - 24,64,13,247	8,31,79,494 43,64,42,183 51,96,21,677
15	Cash & Bank Balances Cash in Hand Balance with Banks : ICICI Bank State Bank of India HDFC Bank Limited (working capital loan) Fixed Deposits - 100% against BG Fixed Deposits - against LC Fixed Deposits - 20% against Bank Gurantee Total	3,168 15,05,566 11,910 - 53,39,844 - 33,62,784 1,02,23,272	195 180 11,910 104 56,74,352 2,33,33,859 32,09,088 3,22,29,689
16	Short-term Loans & Advances A) Unsecured Advances (i) Loans and advances to employees (ii) Accrued Interest (iii) TDS & Advance Tax (iv) Income tax receivable for fy 20-21 (v) Gst Input - Advance for Materials & Expenses (Vi) Advance to suppliers - Imported B) Prepaid Insurance Total	6,15,105 15,719 1,54,945 2,54,904 1,11,29,295 3,27,72,597 20,80,293 2,06,701 4,72,29,558	2,26,225 - 51,61,615 2,54,904 1,15,48,294 11,26,80,095 97,366 94,558 13,00,63,056
In the opinion of the management, the Current Assets, Loans and Advances are expected to realise at least the amount at which they are stated, if realised in the ordinary course of business and provision for all known liabilities have been adequately made in the accounts.			



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SIGMA ADVANCED SYSTEMS PRIVATE LIMITED
(Previously SIGMA MICROSYSTEMS PRIVATE LIMITED)

Provisional Notes to the financial statements for the period ended 31st August, 2024

Note. No	Particulars	For the Year Period 31.08.2024	For the Year Ended 31.03.2024
16	Revenue from Operations		
	Sale of Goods	22,06,62,124	61,47,85,624
	Sale of Services	-	2,26,42,593
	Total	22,06,62,124	63,74,28,217
17	Other Income		
	Discount received	16,800	3,000
	Interest Income on FDR	1,61,797	7,65,568
	Foreign Exchange Gain	19,38,687	4,79,789
	Recovery of Late Delivery Charges		3,48,29,892
	Total	21,17,283	3,60,78,249
18	Cost of Materials Consumed		
	A) Material Consumed		
	Opening Stock	5,20,10,200	11,54,36,880
	Purchases	19,37,42,882	63,45,76,012
	Jobwork & Testing Charges	28,60,134	1,26,03,851
	customs clearance charges	1,55,453	1,34,184
	Packing & Calibration charges	39,330	2,67,573
	Insurance related to stock	1,61,570	1,31,070
	Factory Power & Fuel	7,03,456	14,47,814
	Freight & Carriage Inward	4,79,945	51,84,203
		25,01,52,971	76,97,81,586
	Less : Closing Stock	9,53,43,875	5,20,10,200
	Raw Material Consumed	15,48,09,096	71,77,71,386
19	Changes in Inventory		
	Closing Stock of :		
	Work-in-Progress (A)	15,61,20,000	15,21,20,510
	Opening Stock of :		
	Work-in-Progress (B)	15,21,20,510	63,09,817
	(Increase)/Decrease in Stock (B-A)	(39,99,490)	(14,58,10,693)
20	Employee Benefits Expense		
	Salary,Wages,Allowances & other Benefits	2,21,38,112	5,46,91,402
	Contribution to Provident Fund & Others	4,06,231	8,04,069
	Insurance related to employees	4,34,946	5,50,280
	Directors Remuneration	34,16,310	81,99,144
	Staff Welfare Expenses	1,63,202	2,81,907
	Total	2,65,58,801	6,45,26,802



SIGMA ADVANCED SYSTEMS PRIVATE LIMITED
(Previously SIGMA MICROSYSTEMS PRIVATE LIMITED)

Provisional Notes to the financial statements for the period ended 31st August, 2024

Note. No	Particulars	For the Year Period 31.08.2024	For the Year Ended 31.03.2024
22	Other Expenses		
	A) Selling & Distribution Expenses		
	Sales Promotion Expenses	2,76,573	14,58,391
	Late Delivery Charges	46,68,849	-
	Travelling Expenses	9,56,050	22,55,653
	Foreign Travel Expenses	3,84,991	20,74,454
	Total	62,86,464	57,88,498
	B) Operating, Administrative & Other Expenses		
	Conveyance Expenses	5,76,468	15,83,220
	Insurance Charges		2,02,605
	Legal & Professional Charges, Consultancy	7,11,486	55,62,796
	Office & General Expenses	1,32,214	10,16,762
	Postage and courier	75,240	2,31,683
	Printing & Stationary	1,53,331	4,32,931
	Rent	13,89,150	32,14,890
	<i>Payment to Auditors :</i>		
	For Statutory Audit	-	70,000
	For Tax Audit	-	30,000
	Duties, Rates & Taxes	750	2,90,193
	Professional Tax	7,500	7,500
	Repairs & Maintenance	2,75,895	21,50,181
	Telephone & Telex Charges	41,534	71,990
	Training charges	80,000	65,711
	Transport charges	22,592	1,30,645
	Security Charges	1,40,000	4,20,000
	Building Maintenance	5,60,651	30,00,000
	Vehicle Maintenance	5,55,534	9,16,679
	House keeping charges	3,60,000	11,82,158
	Computer Maintenance	1,16,955	33,408
	Corporate social responsibility	7,82,000	18,77,120
	Debit Balances Written off	4,697	3,55,487
	Interest on IT	37,64,530	
	Miscellaneous expenses	1,06,365	1,06,637
	Total of B	98,56,894	2,29,52,595
	Total	1,61,43,357	2,87,41,093
23	Exceptional items		
	Political contribution	-	3,00,00,000
	Total	-	3,00,00,000



SIGMA ADVANCED SYSTEMS PRIVATE LIMITED
(Previously SIGMA MICROSYSTEMS PRIVATE LIMITED)

Notes to financial statements for the year ended 31st March 2024

(All Amounts are in Rupees except as otherwise stated)

24 Corporate information

Sigma Advanced Systems Private limited(Previously known as Sigma Micro Systems Private Limited) has been incorporated on 2nd February 1996. At present the company is engaged in the business of manufacturing of electronic products and solutions used in Aerospace, Defence, Power and Transport sectors. The major products that are being manufactured by Sigma are : Solid State Flight Data Recorders for IJT and ALH, Incom Controller for MIG-27, Auxiliary Display Unit, Servo Controller for Akash Missile, Sigma BUS, PCI Add-on Cards, Hand-held Terminals, COTS Solutions Etc.

25 Disclosure under MSMED Act, 2006

i) Disclosure of Sundry Creditors under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" and relied upon by the Auditors.

ii) Details of total outstanding dues to Micro and Small Enterprises as per "Micro, Small and Medium Enterprises Development Act, 2006" -NIL

26 Contingent Liabilities :

The following contingent liabilities are not provided for.

(i) On account of Bank Guarantees (net of margin monies) amounting to Rs. 2,54,44,870 /- as on 31.03.2024

A provision is recognised 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 value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

27 Auditors Remuneration: Rs 100000(Previous year: Rs.100000)

28 Provision for Gratuity

The Company has defined benefit gratuity plan. Every employee gets a gratuity on departure at 15 days salary (based on last drawn basic salary) for each completed year of service. The Company is providing for gratuity but has not obtained Actuarial Certificate.

29 Related party disclosures :

a) Name of the related parties:

Key Management Personnel :

Name	Nature of Relationship
Cheemarla Damodhar Reddy PV Sanjay	Director Director
Companies	Nature of Relationship
Ramanagram Enterprises pvt ltd Chinthalapati Holdings Pvt Ltd	Subsidiary of Chinthalapati Holdings Pvt Ltd Holding Company

Related Party Transactions:

Nature of Transaction	Transactions during the Year		Closing Balance	
	Key management personnel	Fellow Subsidiary	As At 31.03.2023	As At 31.03.2022
Remuneration	34,16,310.00			-
Interest on Unsecured Loan	54,510	5,60,218	3,05,60,218	-
Unsecured Loan	1,62,79,510	3,00,00,000	85,54,510	-
			3,91,14,728	-



SIGMA MICROSYSTEMS PRIVATE LIMITED**Notes to financial statements for the year ended 31st March 2024**

(All Amounts are in Rupees except as otherwise stated)

30 Calculation of earnings per share :

Particulars	For the Year 31st March, 2023	For the Year 31st March, 2022
Profit attributable to Share Holders	1,28,27,604.95	11,90,16,385.33
No. of Equity Shares Outstanding	29,47,919	28,50,000
Weighted No. of Equity Shares	29,47,919	28,50,000
Nominal Value of Equity Share	10.00	10.00
Basic and diluted EPS	4.35	41.76

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

31 Segment Information

The company is operating in only one segment business of Defense Electronics and there is no geographical segment to be reported.

32 Value of Imported and Indigeneous Materials and their Percentage :

Particulars	As at 31st March, 2023		As at 31st March, 2023	
	Value	%	Value	%
Imported	23,54,46,513.00	37.10	10,45,77,906.00	23.68
Indigeneous	39,91,28,598.00	62.90	33,69,74,532.00	76.32
Total	63,45,75,111.00	100%	44,15,52,438.00	100%

33 Foreign Currency / Exchange Transactions :

Particulars	For the Year 31st March, 2023	For the Year 31st March, 2022
Value of Imports on CIF Basis		
Import of Raw Materials	23,54,46,513.00	10,45,77,906.00

All the Foreign Exchange transactions entered into during the current financial year are accounted at the exchange rate prevailing on the date of documentation/invoicing. Foreign Exchange Fluctuation on transactions entered into during the current financial year and received/paid during the year are accounted in the current financial year.

34 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.**35 In the opinion of the Board of Directors the Current Assets, Loans & Advances are approximately of the value stated in the accounts, if realized in the ordinary course of business****36 Other Statutory Information:**

- i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- ii) The Company does not have any transactions with struck off companies.
- iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.



IV) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

V) The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) during the year with the understanding that the Intermediary shall

a) 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

b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

VI) The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall

a) 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

b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

VII) The Company has not entered in to any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

VIII) The Company has not been declared as willful defaulter by any bank or financial institution or other lender.

IX) 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.

X) The Company has not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year.

As per our report of even date

For PAVULURI & CO

Chartered Accountants

Firm Reg. No: 012194S



kvn Deepthi
CA V N DEEPTHI KONERU

Partner

M.No : 228424

Place : Hyderabad.

Date: 11.12.2024

UDIN: 24228424BKAVFA7955

For and on behalf of the Board of Directors

SANJAY PUKALAY

DIRECTOR

DIN:01643626

Sanjay

C. Damodhar Reddy

DIRECTOR

DIN:01643638





INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF SIGMA ADVANCED SYSTEMS PRIVATE LIMITED

Report on the Audit of the Interim Special Purpose Financial Statements

Opinion

We have audited the accompanying interim special purpose financial statements of **SIGMA ADVANCED SYSTEMS PRIVATE LIMITED** (the "Company"), which comprise the Balance Sheet as at August 31, 2024, the Statement of Profit and Loss, and the Statement of Cash Flows for the five months ended on that date, and notes to the financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "interim special purpose financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid interim special purpose financial statements give a true and fair view in conformity with Indian Accounting Standard 25 "Interim Financial Reporting" ("AS 25") prescribed under section 133 of the Companies Act, 2013 (the "Act"), read with relevant rules issued thereunder and other accounting principles generally accepted in India, of the state of affairs of the Company as at August 31, 2024 its profit and its cash flows for the five months ended on that date.

Basis for Opinion

We conducted our audit of the interim special purpose financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Interim Special Purpose 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the interim special purpose financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the interim special purpose financial statements.

Responsibilities of Management and Those Charged with Governance for the Interim Special Purpose Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these interim special purpose financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with AS 25 and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting 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 interim special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.





In preparing the interim special purpose financial statements, Board of Directors 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 Board of Directors either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Interim Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the interim special purpose 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 interim special purpose 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 interim special purpose 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on 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 interim special purpose 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 interim special purpose financial statements, including the disclosures, and whether the interim special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.





PAVULURI & Co.

CHARTERED ACCOUNTANTS

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Materiality is the magnitude of misstatements in the interim special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the interim special purpose 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 interim special purpose financial statements.

We also 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.

This report on the Statement has been issued solely for the internal use of the management of the Company and in connection with its Draft Scheme of Amalgamation between Megasoft Limited and Sigma Advanced Systems Private Limited. Accordingly, this report should not be used, referred to or distributed for any other purpose.

For PAVULURI & Co.,
Chartered Accountants
Firm Reg No:012194S



Date:11.12.2024

Place: Hyderabad