

**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	
<b>I.</b>	<b><u>EQUITY AND LIABILITIES</u></b>					
<b>1</b>	<b>Shareholder's funds:</b>					
	(a) Share capital	2	2,94,79,190		2,94,79,190	
	(b) Reserves and surplus	3	43,00,26,605		41,71,98,995	
				45,95,05,795		44,66,78,185
<b>2</b>	<b>Non-current liabilities</b>					
	(a) Long-term borrowings	4	5,46,60,669		9,16,76,801	
	(b) Long-term provisions	6	1,06,39,251		1,07,12,363	
				6,52,99,920		10,23,89,164
<b>3</b>	<b>Current liabilities</b>					
	(a) Short-term borrowings	7	6,52,36,541		23,06,99,920	
	(b) Trade payables	8	3,16,42,602		8,06,06,518	
	(c) Other current liabilities	9	4,14,36,365		13,42,10,731	
				13,83,15,508		44,55,17,168
	<b>TOTAL</b>			<b>66,31,21,223</b>		<b>99,45,84,517</b>
<b>II.</b>	<b><u>ASSETS</u></b>					
<b>1</b>	<b>Non -Current assets</b>					
	(a) Property, Plant and Equipment	10	1,94,99,982		2,02,11,534	
	(b) Non -Current Investments	11	8,35,00,000		8,35,00,000	
	(c) Long-term loans and advances	12	7,70,000		7,70,000	
	(d) Deferred tax Asset	5	40,21,288		40,57,848	
				10,77,91,271		10,85,39,382
<b>2</b>	<b>Current assets</b>					
	(a) Inventories	13	25,14,63,875		20,41,30,710	
	(b) Trade receivables	14	24,64,13,247		51,96,21,677	
	(c) Cash and cash equivalents	15	1,02,23,272		3,22,29,689	
		16	4,72,29,558		13,00,63,057	
				55,53,29,952		88,60,45,135
	<b>TOTAL</b>			<b>66,31,21,223</b>		<b>99,45,84,517</b>

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

Place:Hyderabad  
Date: 11.12.2024  
UDIN: 24228424BKAVFA7955

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

*C. Damodhar Reddy*  
C.DAMODHAR REDDY  
DIRECTOR  
DIN:01643638

*Sanjay Pukalay*  
SANJAY PUKALAY  
DIRECTOR  
DIN:01643626





**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
	<b>INCOME :</b>			
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	<b>Total Revenue (I + II)</b>		22,27,79,407	87,45,95,394
IV	<b>EXPENDITURE :</b>			
	Cost of material consumed	18	15,48,09,096	71,77,71,386
	Changes in inventories of finished goods Work-in-progress and Stock-in-trade	19	(39,99,490)	(14,58,10,693)
	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	<b>Profit/(Loss) for the period (V - VI)</b>		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

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



Place:Hyderabad  
Date: 11.12.2024  
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C.DAMODHAR REDDY  
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SANJAY PUKALAY  
DIRECTOR  
DIN:01643626



**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
<b>I. Authorised:</b>					
Equity shares of Rs 10 each with voting rights		50,00,000	5,00,00,000	50,00,000	5,00,00,000
<b>II. Issued,Subscribed and Paid up:</b>					
Equity shares of Rs 10 each with voting rights		29,47,919	2,94,79,190	29,47,919	2,94,79,190
		<b>29,47,919</b>	<b>2,94,79,190</b>	<b>29,47,919</b>	<b>2,94,79,190</b>
<b>a) Details of Reconciliation of Share Capital</b>					
Particulars		As at 31.08.2024		As at 31.03.2024	
		No. of Shares	Amount	No. of Shares	Amount
<b>Equity shares with voting rights:-</b>					
Opening Balance		29,47,919	2,94,79,190	29,47,919	2,94,79,190
Fresh Issue		-	-	-	-
Closing Balance		<b>29,47,919</b>	<b>2,94,79,190</b>	<b>29,47,919</b>	<b>2,94,79,190</b>
<b>b) Details of shares held by each shareholder holding more than 5% shares:</b>					
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
	<b>Equity shares with voting rights</b>				
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%
	<b>TOTAL</b>	<b>29,47,919</b>	<b>100%</b>	<b>29,47,919</b>	<b>100%</b>
<b>C) Details of Equity Shares Held by Promoters.</b>					
Shares held by promoters at the end of the year				% Change during the year	
S.No	Promoters	No of shares	% of total Shares		
1	Chintalapati Holdings Private Limited	26,53,125	90%	-	
2	C.Damodhar Reddy	2,94,794	10%	-	
	<b>Total</b>	<b>29,47,919</b>	<b>100%</b>		





**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
<b>3</b>	<b>Reserves and Surplus</b>			
	<b>Share Premium Account</b>			
	As at Commencement of the Year		92,50,000	92,50,000
			92,50,000	92,50,000
	<b>Profit &amp; Loss Account</b>			
	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
	<b>Total</b>		<b>43,00,26,605</b>	<b>41,71,98,995</b>
<b>4</b>	<b>Long Term Borrowings</b>			
	<b>Long Term Loans - Others</b>			
	<b>Unsecured</b>			
	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	
	<b>Secured</b>			
	Inter Corporate deposit		-	5,00,00,000
	<b>Total</b>		<b>5,46,60,669</b>	<b>9,16,76,801</b>
<b>5</b>	<b>Deferred Tax Liability(Asset)</b>			
	Opening Balance		(40,57,846)	(30,01,448)
	Add: Provision during the Year		36,558	(10,56,398)
	<b>Total</b>		<b>(40,21,288)</b>	<b>(40,57,846)</b>
<b>6</b>	<b>Long Term Provisions</b>			
	Provision for Gratuity		1,06,39,251	1,07,12,363
	<b>Total</b>		<b>1,06,39,251</b>	<b>1,07,12,363</b>
<b>7</b>	<b>Short Term Borrowings</b>			
	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
	<b>Total</b>		<b>6,52,36,541</b>	<b>23,06,99,920</b>
<b>8</b>	<b>Trade Payables</b>			
	Payables for Material		3,16,42,602	8,03,76,323
	Payables for Services		-	2,30,195
	<b>Total</b>		<b>3,16,42,602</b>	<b>8,06,06,518</b>
<b>9</b>	<b>Other Current Liabilities</b>			
	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
	<b>Total</b>		<b>4,14,36,365</b>	<b>13,42,10,727</b>
<b>11</b>	<b>Non Current Investment</b>			
	Investment in Indrajaaal Drone Defence India Pvt Ltd		8,35,00,000	8,35,00,000
	1250000 Unquoted shares of RS 2/- each in Indrajaaal Drone Defence India Pvt Ltd		<b>8,35,00,000</b>	<b>8,35,00,000</b>
<b>12</b>	<b>Long-Term Loans and advances (Unsecured Considered Good)</b>			
	Cylinder Deposit		10,000	10,000
	Deposit for Rent		7,60,000	7,60,000
	<b>Total</b>		<b>7,70,000</b>	<b>7,70,000</b>





**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	<b>Inventories</b>			
	Raw Material		9,53,43,875	5,20,10,200
	Work-in-Progress		15,61,20,000	15,21,20,510
	Total		<b>25,14,63,875</b>	<b>20,41,30,710</b>
14	<b>Trade Receivables</b>			
	Unsecured, Considered Good Debtors outstanding for a period not exceeding six months		24,64,13,247	8,31,79,494
	Unsecured, Considered Good Debtors outstanding for a period exceeding six months		-	43,64,42,183
	Total		24,64,13,247	51,96,21,677
15	<b>Cash &amp; Bank Balances</b>			
	Cash in Hand		3,168	195
	<b>Balance with Banks :</b>			
	ICICI Bank		15,05,566	180
	State Bank of India		11,910	11,910
	HDFC Bank Limited ( working capital loan)		-	104
	Fixed Deposits - 100% against BG		53,39,844	56,74,352
	Fixed Deposits - against LC		-	2,33,33,859
	Fixed Deposits - 20% against Bank Guarantee		33,62,784	32,09,088
	Total		<b>1,02,23,272</b>	<b>3,22,29,689</b>
16	<b>Short-term Loans &amp; Advances</b>			
	<b>A) Unsecured Advances</b>			
	(i) Loans and advances to employees		6,15,105	2,26,225
	(ii) Accrued Interest		15,719	-
	(iii) TDS & Advance Tax		1,54,945	51,61,615
	(iv) Income tax receivable for fy 20-21		2,54,904	2,54,904
	(v) Gst Input		1,11,29,295	1,15,48,294
	- Advance for Materials & Expenses		3,27,72,597	11,26,80,095
	(vi) Advance to suppliers - Imported		20,80,293	97,366
	B) Prepaid Insurance		2,06,701	94,558
	Total		<b>4,72,29,558</b>	<b>13,00,63,056</b>
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.				





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
<b>16</b>	<b>Revenue from Operations</b>		
	Sale of Goods	22,06,62,124	61,47,85,624
	Sale of Services	-	2,26,42,593
	Total	<b>22,06,62,124</b>	<b>63,74,28,217</b>
<b>17</b>	<b>Other Income</b>		
	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	<b>21,17,283</b>	<b>3,60,78,249</b>
<b>18</b>	<b>Cost of Materials Consumed</b>		
	<b>A) Material Consumed</b>		
	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
		<b>25,01,52,971</b>	<b>76,97,81,586</b>
	Less : Closing Stock	9,53,43,875	5,20,10,200
	Raw Material Consumed	15,48,09,096	71,77,71,386
<b>19</b>	<b>Changes in Inventory</b>		
	<b>Closing Stock of :</b>		
	Work-in-Progress (A)	15,61,20,000	15,21,20,510
	<b>Opening Stock of :</b>		
	Work-in-Progress (B)	15,21,20,510	63,09,817
	<b>(Increase)/Decrease in Stock (B-A)</b>	<b>(39,99,490)</b>	<b>(14,58,10,693)</b>
<b>20</b>	<b>Employee Benefits Expense</b>		
	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	<b>2,65,58,801</b>	<b>6,45,26,802</b>





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	<b>Other Expenses</b>		
	<b>A) Selling &amp; Distribution Expenses</b>		
	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
	<b>Total</b>	<b>62,86,464</b>	<b>57,88,498</b>
	<b>B) Operating, Administrative &amp; Other Expenses</b>		
	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
	<b>Total of B</b>	<b>98,56,894</b>	<b>2,29,52,595</b>
	<b>Total</b>	<b>1,61,43,357</b>	<b>2,87,41,093</b>
23	<b>Exceptional items</b>		
	Political contribution	-	3,00,00,000
	<b>Total</b>	<b>-</b>	<b>3,00,00,000</b>





**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, 2022	
	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
<b>Total</b>	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
<b>Value of Imports on CIF Basis</b>		
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*  
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.







## PAVULURI & Co.

### CHARTERED ACCOUNTANTS

Plot No.48, Flat No.301,  
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Hyderabad - 500 033.  
Ph : 040-2970 2638 / 2639  
Email : mail@pavuluriandco.com

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.

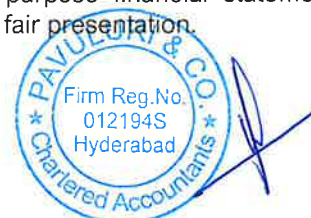
#### **Auditor's Responsibilities for the Audit of the Interim Special Purpose Financial Statements**

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.



#### **Branches :**

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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.

Date:11.12.2024  
Place: Hyderabad



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

*K. N. Deepthi*  
CA V N DEEPTHI KONERU  
Partner

M.No: F-228424  
UDIN: 24228424BKAVFA7955

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