



MEGASOFT LIMITED

CIN : L24100TN1999PLC042730
8th Floor, Unit No. 801-B
Jain Sadguru Image's Capital Park
Plot No. 1, 28 & 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

Date: September 5, 2024

To

BSE Limited

Phiroze JeeJee Bhoy Towers
Dalal Street, Fort
Mumbai 400001
Scrip Code: 532408

National Stock Exchange of India Limited

Exchange Plaza
Bandra-Kurla Complex, Bandra(E)
Mumbai 400051
Symbol: MEGASOFT

Sub: Notice of the 24th Annual General Meeting (“AGM”) and Annual Report for the Financial Year 2023-24 pursuant to Regulation 30 and 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 30 and 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Notice convening the 24th AGM of the Members of Megasoft Limited (“the Company”) and the Annual Report for Financial Year 2023-24, which is being circulated to the members through electronic mode, who have registered their e-mail addresses with the Company/ Depository(ies). The 24th AGM is scheduled to be held on Friday, the 27th day of September, 2024, at 10:00 A.M (IST) through Video Conference/ Other Audio-Visual Means (“VC/OAVM”).

The Annual Report containing the Notice of the AGM has been uploaded on the website of the Company at <https://www.megasoft.com/reports.html>. The Notice is also accessible 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.

You are requested to kindly take the above information on record.

Thanking you,

Yours faithfully,

For Megasoft Limited

.....
Shridhar Thathachary
Chief Financial Officer (CFO)



Annual Report 2023-24

MEGASOFT LIMITED





Corporate Information:

Board of Directors

Mr. Sunil Kumar Kalidindi, Executive Director & Chief Executive Officer
 Mr. Anish Mathew, Independent 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

Ms. Srivalli Susarla

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
24th 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 31st March, 2024.

FINANCIAL HIGHLIGHTS:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Revenues from operations	0.00	197.10	0.00	197.10
Other income	3734.65	4186.13	3739.53	4186.21
Expenditure	889.83	1966.72	892.22	1967.25
Finance cost	1706.30	1089.62	1706.30	1089.63
Depreciation	318.82	284.05	318.82	284.05
Operating profit/ (loss)	(2914.95)	(3143.30)	(2917.34)	(3143.83)
Profit before Exceptional items and Tax	819.71	1042.83	822.19	1042.38
Exceptional Items	0.00	105.01	0.00	94.91
Profit before tax	819.71	1147.84	822.19	1137.29
Less: Taxes	63.64	0.00	63.24	0.00
Profit after tax	756.06	1147.84	758.55	1137.29
Share of Profit /(Loss) of Associate	0.00	0.00	(2033.21)	(254.36)
Profit/(Loss) for the period	756.06	1147.84	(1274.67)	882.93
Other Comprehensive Income/ (Loss)	0.20	(2.67)	0.20	(2.67)
Total Comprehensive Income	756.26	1145.17	(1274.47)	880.26
Earnings per share				
(equity shares, par value Rs. 10 each)				
Basic (Rs.)	1.02	1.56	(1.73)	1.20
Diluted (Rs.)	1.02	1.56	(1.73)	1.20

OVERVIEW:

During the financial year ended 31st March, 2024, your company did not have revenue. The consolidated loss was ₹ (1274.47) lakhs during the current year as compared to ₹ 880.26 lakhs profit in the previous year.

In response to the evolving market conditions and the need for sustainable growth, your company made a strategic decision in 2022-23 to transition from IT business to exploring opportunities in other high-potential sectors. Having made an investment in Extrovis AG, in addition to pharmaceuticals, your company is making strategic inroads into the defence sector.

Your company has been actively working to establish a strong foothold in the defence sector, recognizing the opportunities that can be leveraged in defence technologies. Over the coming years, we anticipate that our efforts in the defence sector will begin to bear fruit, contributing to overall growth and success.

Your company's financial performance for the year ended 31st March, 2024, reflects the transitional phase we are undergoing. Despite the current consolidated losses, we remain confident in our strategic direction and in potential defence sector. By focusing on the emerging opportunities in the defence area, we are poised to deliver sustained growth and create significant value for our stakeholders.

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 31st March, 2024 the Company transferred ₹ (1274.47) lakhs to Reserves & Surplus.

DIVIDEND:

As the Company is intending to ploughing back of standalone 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 31st March, 2024 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 31st March, 2024 was ₹73,77,00,410 (Rupees Seventy Three Crores Seventy Seven lakhs Four Hundred Ten only) comprising of 7,37,70,041 (Seven



Crores Thirty Seven Lakhs Seventy Thousand and Forty one only), 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.

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 Six (6) 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 31st March, 2024, the applicable accounting standards had been followed along with proper explanations relating to material departures;
- ii) the Directors had selected such accounting policies and applied them consistently and made judgements 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 2023-24 your Board of Directors took your approval, through a postal ballot, for the sale of the company's property situated at Knowledge Capital, Nanakramguda, Hyderabad.

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:

- a) **Conservation of Energy:** Your company remains dedicated to the continuous improvement of resource utilization, striving to minimize the consumption of energy, water, and natural resources. We rely on electric energy for operating equipment such as air conditioners, computer terminals,

lighting, and utilities within our work premises. To conserve energy, we have implemented several measures:

- Conducting periodic energy audits to identify potential areas for savings
- Incorporating energy-efficient equipment
- Automating processes with timers, automatic level controllers, and more

We are committed to sustainable business practices, actively contributing to environmental protection, and view energy conservation as a crucial pillar in preserving natural resources.

- b) **Technology Absorption:** 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.

Through successful technology absorption, your company improves its operational efficiency and maintains a technological edge over potential adversaries. However, some of the challenges are high costs, complex integration with existing systems, and ensuring the security and reliability of new technologies. Your company is equipped to deal with such challenges in an efficient and timely manner.

- c) **Foreign exchange earnings and outgo:** The details of foreign exchange earnings and outgo are given in note no. 34 and 35 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. 3, 4 and 32 of the Notes forming part of the standalone financial statements of the company.

RISK MANAGEMENT:

Your company has a comprehensive Risk Management framework designed to identify, assess, and mitigate risks effectively. These risks are prioritized based on their significance and likelihood.

Historically, the company has adhered to the principle of risk minimization, a standard practice across industries. However, it has now become imperative to formalize this approach.

In line with Section 134(3)(n) of the Companies Act, 2013, and Regulation 17(9) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board members have formally adopted steps to frame, implement, and monitor the company's risk management policy.

A disciplined approach to risk is crucial for a diversified organization like ours to ensure alignment with our strategic objectives and to accept only those risks for which we are adequately compensated. We assess risk at the individual transaction level and evaluate aggregated risk across customers, industries, geographies, and collateral types where applicable.

The primary objective of our risk management policy is to ensure sustainable business growth with stability and to encourage a proactive approach in reporting, evaluating, and resolving business-related risks. To achieve this objective, the policy establishes a structured and disciplined approach to risk management, guiding decisions on risk-related issues. The risk governance structure is led by the Audit/Risk Compliance Committee, chaired by Mr. Kalyan Vijay Sivalenka.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit (IA) function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit/Risk Compliance Committee of the Board.

The Internal Audit monitors and evaluates the efficacy and adequacy of internal control system in the company, its compliance with operating systems, accounting procedures and policies at all locations of the company and its subsidiaries. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit/Risk Compliance Committee of the Board. The details on Internal Control Systems and their adequacy are provided in the Management's Discussion and Analysis which forms part of this Report.

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 is committed to fostering a culture of integrity, safety, and ethical behavior across all its business activities. To this end, the Company has implemented a mechanism for reporting any instances of illegal or unethical conduct. Therefore, the Company has a Vigil Mechanism/Whistle Blower Policy under which the employees are encouraged to report any violations of applicable laws and regulations without fear and to promote a culture of accountability, transparency, and ethical conduct. This policy aims to ensure that

the company's activities and the actions of its employees are carried out in a fair and transparent manner, adhering to the highest standards of professionalism, honesty, integrity, and ethical behavior. This policy is explained in the corporate governance report and also posted on the website of the company which can be accessed at <https://www.megasoft.com/corporate-governance.html>.

ENHANCING SHAREHOLDER VALUE:

Your company considers its shareholders among its most important stakeholders. Consequently, Company's operations are dedicated to achieve high levels of performance and cost competitiveness, fostering growth, and enhancing corporate reputation. Enhancing shareholder value is the core principle guiding all our activities, from innovating new products to successful restructuring efforts and improving working capital.

Delivering value to our shareholders has always been and will continue to be a top priority as we manage business. However, in recent years, declining revenues and performance have prevented the Company from declaring dividends. Company's corporate actions are primarily focused on creating value for all stakeholders. Additionally, we are committed to considering socio-economic and environmental factors, contributing to sustainable growth and development.

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., 31st March, 2024. 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 31st March, 2024 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 <https://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 23rd September, 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 31st March, 2024 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 31st March, 2024. 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 year 2022-23, the GST authorities made a demand in respect of TDR in relation to JDA, in respect of company property at Nanakramguda, Hyderabad. The officials of the Company had acted in accordance with law and had submitted the requisite documents, and cooperated with the agency. The Company preferred a writ petition in the Hon'ble High Court of Telangana challenging the above action and basis of demand by the GST department. The case is on going and the Company has been regularly filing disclosures with the exchanges in this matter.

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

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

HUMAN RESOURCES DEVELOPMENT:

Human Assets play a critical role in the success of any organization. As one of the foundational pillars, a strong HR department ensures that a company can achieve its desired results and growth. By supporting employees in their professional development, HR contributes significantly to both individual and organizational success. Your company's commitment to providing a healthy work-life balance is a key strategy to optimize each employee's contribution, recognizing that balanced employees are more productive and engaged.

Rewarding and motivating employees is another essential aspect of your company's HR strategy. The organization firmly believes in recognizing the hard work and achievements of its staff. By offering rewards and incentives, the company not only acknowledges employee contributions but also encourages continuous high performance and dedication.

Understanding the importance of employee well-being, your company is committed to supporting its staff and their families during challenging times. This commitment is reflected in the provision of comprehensive medical health and life insurance policies. These benefits ensure that employees and their families have adequate financial support in the event of health issues or other difficulties, providing peace of mind and security.

In addition to financial support, the company prioritizes regular health awareness programs. These initiatives help employees manage their lifestyles and reduce workplace stress, contributing to their overall well-being. By promoting health awareness, the company fosters a culture of care and proactive health management.

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

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE:

Your Company has obtained a certificate relating to compliance of conditions of Corporate Governance for the year ended 31st March, 2024, 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 2022-23. The Company had incurred CSR expenditure of Rs 10.81 lakhs during the financial year 2023-24. 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.



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), NSE [MEGASOFT]</p> <p>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 2024-25.

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 record their appreciation of the customers, bankers, Government of India and of other countries, Government of Telangana, Government of Tamil Nadu, 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**

Place: Hyderabad
Date: 15th May, 2024

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

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

“Annexure-1”

Particulars of contracts/arrangements entered with Related Parties

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013, read with Rule 8(2) of the Companies (Accounts) Rules, 2014 – in Form AOC-2)

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 arm’s length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm’s length basis: NIL

During the year ended 31st March, 2024, no contracts or arrangements or transaction were entered with Related Parties, which are not at arm’s length basis.

2. Details of material contracts or arrangement or transactions at arm’s length basis: NIL

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: 15th May, 2024



“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 Statements of Subsidiary Companies or Associate Companies or Joint Ventures

Part “A”: Subsidiaries

The Company has one wholly owned subsidiary i.e., Velapan Systems Private Limited. Velapan Systems Private Limited did not have any business operations during the Financial Year 2023-24.

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint ventures

The Company has one Associate Company i.e., Extrovis AG, Switzerland and the Company holds 40% stake therein.

Names of Associates or joint ventures which have been liquidated or sold during the year: **NIL**

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: 15th May, 2024

“Annexure-3”

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2024

[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.

I, M. Damodaran, Managing Partner of 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’). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2024** (‘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:

I 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, 2024 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there under;
- ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- 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 thereunder 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’) :- (to the extent applicable)

- 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.

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

- i) Listing Agreements entered into by the Company with the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE);
- ii) Secretarial Standards (SS-1) for Board Meeting and Secretarial Standards (SS-2) for General Meeting issued by The Institute of Company Secretaries of India.

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

I further report that in the Secretarial Audit Report for the FY 2020-21, I have made the observation regarding the non-compliance under regulation 17(1)(c) of SEBI LODR. The Company has filed the waiver application to the NSE after making the payment of fine amount for the above said non-compliance. Subsequently, the Company has received the approval of the above waiver application from NSE in its favour on 13th September, 2023 and also received back the fine amount on 05th January, 2024.

I further report that the Board of Directors of the Company is constituted with proper balance of Executive, Non-Executive and Independent Directors. There was no change in the composition of the Board of Directors during the audit period.

Adequate notice is given to all directors to schedule the Board & 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.

I 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.

I further report that the Company is in compliance with Regulation 3(5) & 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015 with respect to Structured Digital Database.

I further report that during the audit period, the shareholders of the Company, *inter alia*, had passed a special resolution through postal ballot on 24th August, 2023 under sections 180(1)(a) and other applicable provisions of the Companies Act, 2013, for sale/ transfer/ disposal of Company's 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.

For **M DAMODARAN & ASSOCIATES LLP**

Place: Chennai

Date: 15th May, 2024

M. DAMODARAN

Managing Partner

Membership No.: 5837

COP. No.: 5081

FRN: L2019TN006000

PR 3847/2023

ICSI UDIN:F005837F000370168

*(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.

My 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. My responsibility is to express an opinion on these secretarial records based on the audit conducted by me.
2. I 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. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I 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. My 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: 15th May, 2024

M. DAMODARAN
Managing Partner
Membership No.: 5837
COP. No.: 5081
FRN: L2019TN006000
PR 3847/2023
ICSI UDIN:F005837F000370168

“Annexure-4”

Secretarial Compliance Report of Megasoft Limited for the financial year ended 31.03.2024

(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/2023/120 dated July 11, 2023)

I 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 Company’), having its Registered Office at No.85, Kutchery Road, Mylapore, Chennai – 600 004. Secretarial Review was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and to provide my observations thereon.

Based on my verification of the Company’s books, papers, minutes 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 Review, I hereby report that the Company has, during the review period covering the financial year ended on **March 31, 2024** complied with the statutory provisions listed hereunder in the manner and subject to the reporting made hereinafter:

I, M. Damodaran, Managing Partner of M Damodaran & Associates LLP Practicing Company Secretaries, Chennai have examined:

- a) all the documents and records made available to me and explanation provided by the Company,
- b) the filings/ submissions made by the Company to the stock exchange,
- c) website of the Company,
- d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended **March 31, 2024** (“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, I hereby report that, during the review period:

- a) The Company has complied with the provisions of the above regulations and circulars/ guidelines issued thereunder.
- b) The action taken by the Company to comply with the observations made in the previous reports are specified in **Annexure – A**:
- c) The Company has suitably included the conditions as mentioned in paragraph 6.1 and 6.2 of Section V-D of Chapter V of SEBI Master Circular SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 in terms of appointment of Statutory Auditor of the Company.

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.	<p>Secretarial Standards:</p> <p>The compliances of the Company are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI).</p>	Yes	Nil
2.	<p>Adoption and timely updation of the Policies:</p> <ul style="list-style-type: none"> ● All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the Company ● 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.	<p>Maintenance and disclosures on Website:</p> <ul style="list-style-type: none"> ● The Company 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	Nil

4.	<p>Disqualification of Director:</p> <p>None of the Director(s) of the Company are disqualified under Section 164 of Companies Act, 2013 as confirmed by the Company.</p>	Yes	Nil
5.	<p>Details related to Subsidiaries of the Company have been examined w.r.t.:</p> <p>a) Identification of material subsidiary companies.</p> <p>b) Disclosure requirement of material as well as other subsidiaries.</p>	Yes	Company does not have any material subsidiary
6.	<p>Preservation of Documents:</p> <p>The Company 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.</p>	Yes	Nil
7.	<p>Performance Evaluation:</p> <p>The Company has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations.</p>	Yes	Nil
8.	<p>Related Party Transactions:</p> <p>a) The Company has obtained prior approval of Audit Committee for all related party transactions;</p> <p>b) The Company has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee, in case no prior approval has been obtained.</p>	Yes	Nil
9.	<p>Disclosure of events or information:</p> <p>The Company 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.</p>	Yes	Nil
10.	<p>Prohibition of Insider Trading:</p> <p>The Company is in compliance with Regulation 3(5) & 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015.</p>	Yes	Nil

11.	Actions taken by SEBI or Stock Exchange(s), if any: No action(s) has been taken against the Company / 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	No action(s) has been taken against the Company / its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges
12.	No additional non-compliances observed: No additional non-compliance observed under any of the SEBI regulations/circulars/guidance notes etc.	Yes	Nil

I hereby further report that, in the Annual Secretarial Compliance Report for the FY 2020-21, I have made the observation regarding the non-compliance under regulation 17(1)(c) of SEBI LODR. The Company has filed the waiver application to the NSE after making the payment of fine amount for the above said non-compliance. Subsequently, the Company has received the approval of the above waiver application from NSE in its favour on 13th September, 2023 and also received back the fine amount on 05th January, 2024.

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 Company.
2. My responsibility is to report based upon my examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. I have not verified the correctness and appropriateness of financial Records and Books of Accounts of the Company.
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 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: 15th May, 2024

M. DAMODARAN

Managing Partner

Membership No.: 5837

COP. No.: 5081

FRN: L2019TN006000

PR 3847/2023

ICSI UDIN: F005837F000370179

Annexure - A

The Company has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations/ Remarks of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31.03.2023 (the years are to be mentioned)	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Details of violation / deviations and actions taken / penalty imposed, if any, on the listed entity	Remedial actions, if any, taken by the listed entity	Comments of the PCS on the actions taken by the listed entity
1.	-	<p>The Audit Committee was not constituted with at least two-thirds of the independent directors for the quarter ended 30.06.2022 as required u/r. 18(1) (b) of SEBI LODR.</p> <p>The Company had paid the penalty amount of ₹ 2,14,760/- to BSE Ltd and National Stock Exchange of India Ltd., respectively with respect to non-compliance of the Audit Committee constitution.</p>	As per regulation 18(1) (b) of SEBI LODR, at least two-thirds of the members of the Audit Committee shall be Independent Directors.	<p>The Audit Committee was not constituted with at least two-thirds of the independent directors for the quarter ended 30.06.2022 as required u/r. 18(1) (b) of SEBI LODR. The Company had paid the penalty amount of ₹ 2,14,760/- to BSE Ltd and National Stock Exchange of India Ltd., respectively with respect to non-compliance of Audit Committee constitution.</p>	The Audit Committee was properly constituted as required u/r 18 (1) (b) of SEBI LODR w.e.f 17.09.2022.	The Audit Committee was properly constituted as required u/r 18 (1) (b) of SEBI LODR w.e.f 17.09.2022.
2.	-	<p>The Audit Committee was not constituted with at least two-thirds of the independent directors for the period 01.07.2022 to 16.09.2022 as required u/r. 18(1) (b) of SEBI LODR.</p> <p>The Company had paid the penalty amount of ₹ 1,84,080/- to BSE Ltd and National Stock Exchange of India Ltd., respectively with respect to non-compliance of the Audit Committee constitution.</p>	As per regulation 18(1) (b) of SEBI LODR, at least two-thirds of the members of the Audit Committee shall be Independent Directors.	<p>The Audit Committee was not constituted with at least two-thirds of the independent directors for the period 01.07.2022 to 16.09.2022 as required u/r. 18(1) (b) of SEBI LODR.</p> <p>The Company had paid the penalty amount of ₹ 1,84,080/- to BSE Ltd and National Stock Exchange of India Ltd., respectively with respect to non-compliance of Audit Committee constitution.</p> <p>This SOP fine was waived by the Waiver Committee and it was subsequently adjusted against Annual Listing Fees for the FY 2024-25.</p>	The Audit Committee was properly constituted as required u/r 18 (1) (b) of SEBI LODR w.e.f 17.09.2022.	The Audit Committee was properly constituted as required u/r 18 (1) (b) of SEBI LODR w.e.f 17.09.2022.

3.	-	The board of directors was constituted with six directors as required u/r 17(1) (c) of SEBI LODR except for the period from 08.10.2022 to 30.12.2022 during the review period when one of director had resigned.	As per regulation 17(1) (c) of SEBI LODR, the top 2000 listed entities shall comprise of not less than six directors.	The board of directors was constituted with six directors as required u/r 17(1) (c) of SEBI LODR except for the period from 08.10.2022 to 30.12.2022 during the review period when one of director had resigned.	The board of directors was properly constituted with six directors as required u/r 17 (1) (c) of SEBI LODR with minor deviation.	The Company has subsequently complied with the requirement of provisions u/r 17 (1) (c) of SEBI LODR.
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“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 to 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 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 31/03/201	--	--	--	1	--	--
Mr. Krishna Yeachuri	Non-Independent Non-Executive	00066898 31/12/2022	--	--	Bafna Pharmaceuticals Limited, Independent Non-Executive Director	--	--	--

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.

The Board of Directors of the company met Six (6) times during the financial year 2023-24:

Director	Board meetings held on					
	18 th May, 2023	30 th May, 2023	13 th July, 2023	11 th August, 2023	09 th November, 2023	09 th February, 2024
Mr. Sunil Kumar Kalidindi	✓	✓	✓	✓	✓	✓
Mr. Anish Mathew	✓	✓	✓	✓	✓	✓
Ms Leona Ambuja	✓	✓	LOA	✓	✓	✓
Mr. Kalyan Vijay Sivalenka	✓	✓	✓	✓	✓	✓
Mr. Suryanarayana Raju Nandyala	✓	✓	✓	LOA	✓	LOA
Mr. Krishna Yeachuri	✓	LOA	✓	✓	LOA	✓

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 30th May, 2023 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 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 (5) times during the financial year 2023-24:

The Company Secretary is the Secretary of the Audit/Risk & Compliance Committee. The Managing Director / 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 2023-24:

Members	Audit/ Risk & Compliance Committee Meetings held on				
	30 th May, 2023	13 th July, 2023	11 th August, 2023	09 th November, 2023	09 th February, 2024
Mr. Kalyan Vijay Sivalenka-Chairperson	✓	✓	✓	✓	✓
Mr. Anish Mathew	✓	✓	✓	✓	✓
Ms. Leona Ambuja	✓	LOA	✓	✓	✓
Mr. Suryanarayana Raju Nandyala	✓	✓	LOA	✓	LOA

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 technical 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:

- i) 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;
- ii) Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- iii) 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;
- iv) Devising a policy on diversity of Board of Directors;
- v) 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;

undertake other specific duties and responsibilities as the Board prescribes from time-to-time.

The Committee members met Two (2) times during the financial year 2023-24:

Director	Nomination & Remuneration Committee Meetings held on	
	30 th May, 2023	11 th August, 2023
Mr. Anish Mathew - Chairperson	✓	✓
Ms. Leona Ambuja	✓	✓
Mr. Kalyan Vijay Sivalenka	✓	✓
Mr. Suryanarayana Raju Nandyala	✓	LOA

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 29th June, 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	--	--	3.75	3.75
Ms. Leona Ambuja	--	--	3.25	3.25
Mr. Kalyan Vijay Sivalenka	--	--	3.75	3.75
Mr. Suryanarayana Raju Nandyala	--	--	2.00	2.00
Mr. Krishna Yeachuri	--	--	1.00	1.00

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 grievance have been resolved to the satisfaction of the investors.

No. of Shareholders Complaints received during the year- Nil

Solved to the satisfaction of the shareholders- Nil

Number of pending complaints- Nil

The Committee met Two (2) times during the financial year 2023-24

Members	Stakeholders' Relationship Committee Meetings held on	
	30 th May, 2023	09 th November, 2023
Mr. Anish Mathew-Chairperson	✓	✓
Mr. Sunil Kumar Kalidindi	✓	✓
Ms. Leona Ambuja	✓	✓
Mr. Krishna Yeachuri*	NA*	LOA
Mr. Kalyan Vijay Sivalenka	✓	✓

* Mr. Krishna Yeachuri was appointed as a member of the committee by the Board at its Meeting held on 30th May, 2023.

Ms. Srivalli Susarla, 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
Sunil Kumar Kalidindi	√	√	√	√	√	√	√
Anish Mathew	√	√	√	√	×	√	√
Leona Ambuja	√	√	√	√	×	√	√
Kalyan Vijay Sivalenka	√	√	√	√	×	√	√
Suryanarayana Raju Nandyala	√	√	√	√	×	√	√
Krishna Yeachuri	√	√	√	√	×	√	√

8. GENERAL BODY MEETINGS

Annual General Meetings (AGM)

Year	AGM	Location	Date	Time	Special Resolutions passed
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
2021	21 st	AGM through VC/OAVM	28 th June, 2021	10.28 AM	2

The resolutions at the last AGM were passed by e-voting and e-voting at the AGM 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 2023-24:

Item No.1	Particulars	Resolution type	% of Votes in Favour	% of Votes Against
1.	To consider and approve sale/ transfer or otherwise disposal of the whole or substantially the whole of an undertaking of the Company	Special	99.15	0.85

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 General Circular nos. MCA Circular No. 14/2020 dated 8th April, 2020, Circular No. 17/2020 dated 13th April, 2020, Circular No. 22/2020 dated 15th June, 2020, Circular No. 20/2020 dated 05th May, 2020, Circular No. 02/2021 dated 13th January, 2021, Circular No. 20/2021 dated 08th December, 2021, Circular No. 2/2022 dated 05th May, 2022 and Circular No. 10/2022 and Circular No. 11/2022 dated 28th December, 2022 (MCA Circulars) and Securities and Exchange Board of India (SEBI) vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09th December, 2020, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 and Circular No. SEBI/HO/DDHS/DDHS_Div2/P/CIR/2022/079 dated 03rd June, 2022.

All the resolutions 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:

(₹ in Lakhs)

Type of Service	FY 2023-24	FY 2022-23
Audit Fee	16.50	16.50
Tax Fee	0.00	-
Others	0.00	4.5

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, 2024 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 15th November 2023 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, 2024, the company announced the Audited annual financial results on 15th May, 2024.

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 08th April, 2020, General Circular No. 17/2020 dated 13th April, 2020 and General Circular No. 20/2020 dated 05th May, 2020 and General Circular No. 20/2021 dated 08th December, 2021 and General Circular No. 2/2022 dated 05th May, 2022 and Circular No. 10/2022 and Circular No. 11/2022 dated 28th December, 2022 (MCA Circulars) and Securities and Exchange Board of India (SEBI) vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09th December, 2020, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021, Circular No. SEBI/HO/DDHS/DDHS_Div2/P/CIR/2022/079 dated 03rd June, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 06th January, 2023 and General Circular No. 09/2023 dated 25th September, 2023 issued by the Ministry of Corporate Affairs and SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 07th October, 2023, the 24th Annual General Meeting (AGM) of the members of the Company for the year ended 31st March, 2024 is scheduled to be held on Friday, 27th September,

2024 at 10.00 AM IST through Video Conferencing/OAVM. The Members as on the cut-off date i.e. Friday, 20th September, 2024 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 24th AGM.

- Calendar for Financial Results 2024-25

April 1 to March 31

- Unaudited quarterly results- First quarter – July to first half of August 2024
- Unaudited quarterly results-Second quarter / half yearly – October to first half of November 2024
- Unaudited quarterly results-Third quarter – January to first half of February 2025
- Annual results for the year ending 31st March, 2025 – April to May 2025

Annual General Meeting for the year ending 31st March, 2025 – April to September, 2025

- Date of book closure
Saturday, 21st September, 2024 to Friday, 27th September, 2024 (both days inclusive)

- 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.

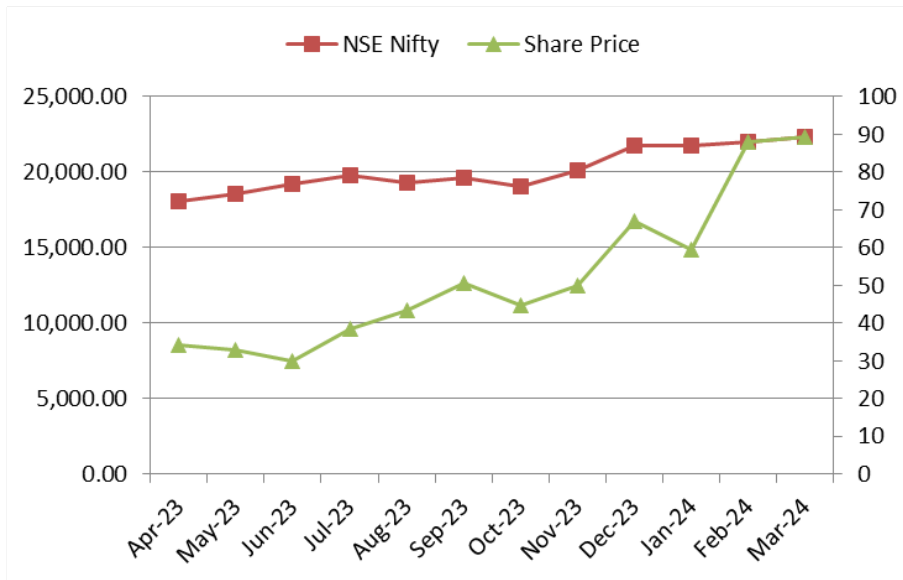
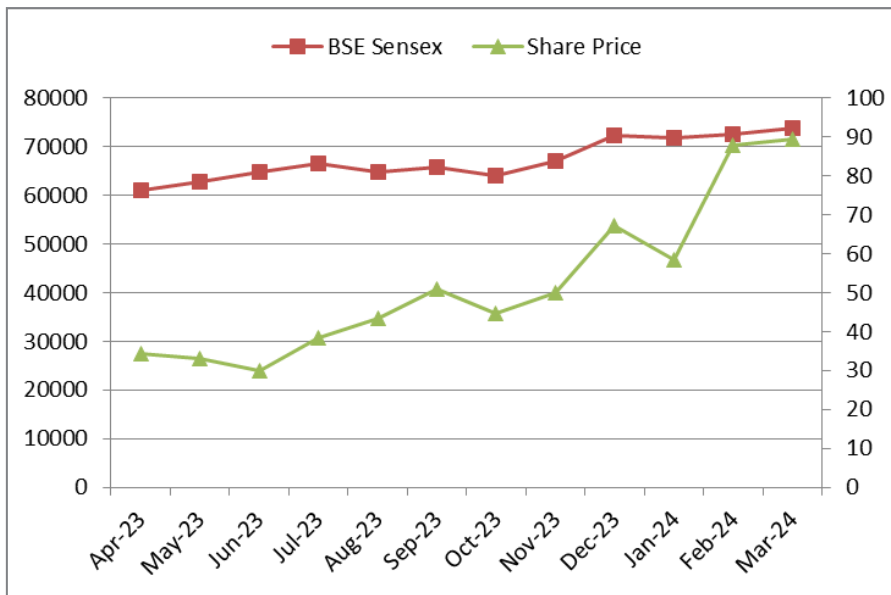
- Stock Code

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, 2023	35.44	22.30	34.28	6.07	35.45	22.20	34.35	34.49
May, 2023	37.50	30.95	33.03	3.82	37.80	30.90	33.00	24.56
June, 2023	34.50	29.40	29.98	3.80	34.70	29.25	29.80	26.17
July, 2023	43.49	28.55	38.39	22.92	43.55	28.60	38.45	107.26

August, 2023	57.56	37.35	43.52	20.99	57.50	37.50	43.55	151.64
September, 2023	52.00	42.20	50.76	6.84	52.10	42.00	50.45	25.00
October, 2023	50.40	41.27	44.51	6.06	50.60	41.00	44.75	19.90
November, 2023	53.00	42.85	50.00	6.50	54.10	43.30	50.00	24.93
December, 2023	67.32	46.31	67.32	14.85	67.15	47.00	67.15	30.72
January, 2024	71.00	56.77	58.51	15.15	71.00	56.65	59.35	35.29
February, 2024	106.00	58.12	87.95	34.71	106.35	59.50	87.95	149.64
March, 2024	107.22	66.85	89.34	18.30	107.25	67.25	89.45	127.04



- Distribution of shareholding as on 31st March, 2024

Slab of Shareholding of Nominal Value of Rs.	No of Shareholders	% of Shareholders	No of Shares	% of Shareholding
10-5000	28180	81.5417	2940917	3.9866
5001-10000	2518	7.2860	2073924	2.8113
10001-20000	1546	4.4735	2408264	3.2645
20001-30000	649	1.8779	1693507	2.2956
30001-40000	298	0.8622	1072953	1.4544
40001-50000	313	0.9056	1505881	2.0413
50001-100000	509	1.4728	3917160	5.3099
100001 & Above	546	1.5799	58157435	78.8361
Total	34559	100.0000	73770041	100.0000

- 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 97.96% of outstanding equity shares of the company have been dematerialised as on 31st March, 2024.

Category	Number of shareholders	Number of shares	% to total equity
Demat mode			
NSDL	14,493	4,84,48,634	65.68
CDSL	19,260	2,38,16,119	32.28
Physical mode	806	1,50,52,88	2.04
Total	34559	7,37,70,041	100.00

- Categories of shareholders

	Category of shareholder	No. of shareholders	Total No. of shares	% of shareholding
A	Shareholding of Promoter and Promoter Group			
	Indian Promoters	1	3,21,21,126	43.54
	Total Shareholding of Promoter Group	1	3,21,21,126	43.54
B	Public Shareholding			
1	Institutions			
	Mutual Funds / UTI	0	0	0.00

	Financial Institutions / Banks	1	12	0.00
	Venture Capital Funds	0	0	0
	Insurance Companies	0	0	0
	Foreign Institutional Investors	0	0	0.00
	Others-Foreign Portfolio Investors	1	38215	0.05
	Sub Total B(1)	2	38227	0.05
2	Non-institutions			
	Bodies Corporate	304	21,10,357	2.86
	Individuals			
	Individual shareholders holding nominal share capital up to Rs. 2 lakh	32,115	1,72,68,707	23.41
	Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	217	1,83,56,587	24.88
	Others:			
	Directors & their Relatives	1	299018	0.40
	HUF	641	13,15,463	1.78
	Trusts	2	105	0.00
	NRI	351	22,60,443	3.08
	Clearing Members	2	8	0
	Sub Total B(2)	33,633	4,16,10,688	56.41
	Total Public Shareholding (B)=B(1)+B(2)	33,635	4,16,48,915	56.46
	Total (A+B)	33,636	7,37,70,041	100.00

- 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	3,21,21,126	43.54
2.	Guttikonda Vara Lakshmi	11,99,618	1.63
3.	Anil Vishanji Dedhia	11,00,000	1.49
4.	Ashish Chugh	9,24,318	1.25
5.	Rajagopalan Shyamsunder	8,60,950	1.16
6.	Srinivas Raju D	7,47,600	1.01
	Total	3,69,53,612	50.08

- 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 investors@megasoft.com 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
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, 2024, 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 has One Wholly owned subsidiary company in terms of Section 2(87) of the Companies Act, 2013, read with underlying rules as on 31st March, 2024.

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, 2024, is as under:

Name	Designation
Ms. Aishwarya Rahul Joshi	Presiding Officer
Ms. Srivalli Susarla	Internal Member
Mr. Vivek Kumar	Internal Member
Ms. Malineni Aruna Kumari	External Member

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

- **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 investors 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: 15th May, 2024

“Annexure-6”

Management’s Discussion and Analysis

(1) Background and Overview

Recognizing the evolving market dynamics and the need to leverage emerging opportunities, your company has strategically exited the telecom sector in June, 2022. This shift was a part of a broader vision to realign our resources and expertise towards industries with significant growth potential and where we can have a meaningful impact.

In line with the vision, your company is committed to establishing a strong foothold in the defence sector. This decision is driven by the growing demand for advanced defence solutions globally. Our vision is to become a key player in this sector by leveraging our technical expertise, innovative capabilities, and strategic partnerships.

Your company is steadfast in its commitment to achieving excellence in the defence sector. By focusing on this high-potential area, we aim to deliver sustained growth, create value for our stakeholders, and contribute positively through innovative solutions and products.

(2) Significant Transactions during the period under review

During the financial year 2023-24 your Board of Directors took your approval, through a postal ballot, for the sale of the company’s property situated at Knowledge Capital, Nanakramguda.

(3) Industry Outlook

The defence sector represents a significant and growing market with substantial opportunities for companies involved in various aspects of defence technology and manufacturing. Factors driving market potential include geopolitical tensions, the need for military modernization, technological advancements, and increased defence spending by countries worldwide. Escalating regional conflicts and global security concerns have led to increased defence spending. Nations are prioritizing their defence budgets to ensure national security and preparedness against potential threats. Rapid innovations in technology, such as artificial intelligence, cyber defence, and advanced robotics, are transforming the defence landscape. This includes investments in new-generation missile systems also.

Apart from this there is a need to modernize aging equipment and increase airspace protection. Much of the military equipment in use today is outdated and less effective against modern threats. Modernizing this equipment is essential to maintaining operational readiness and effectiveness. This would include Upgrading communication systems and sensors. There is an increasing need for protection of key installations, and ensuring a secure environment for major events.

Along with this there is a need for airspace protection. With the increasing threat of missile attacks, UAV incursions, and other aerial threats, nations are focusing on bolstering their airspace protection. Key measures include:

- Developing and deploying advanced air defence systems, such as anti-missile shields and interceptors.
- Enhancing radar and surveillance systems to detect and respond to aerial threats more effectively.
- Integrating AI and machine learning to improve threat detection and response times.

- Many countries are allocating significant funds and increasing defence budgets to enhance military capabilities and creating substantial opportunities for defence companies. India is increasing its defence budget to modernize its armed forces, focusing on indigenous defence manufacturing and technology development.

Focus Areas:

1. **Artificial Intelligence (AI):** AI is being integrated into various defence applications, including:
 - Autonomous vehicles and drones for surveillance and combat.
 - Predictive maintenance for military equipment.
 - Enhanced decision-making through data analysis and intelligence.
2. **Advanced Sensors:** Advanced sensor technologies are critical for modern defence systems, providing improved:
 - Situational awareness and threat detection.
 - Targeting accuracy for weapon systems.
 - Communication and data transfer capabilities.
3. **Drones:** The use of drones and counter drones technology is expanding rapidly in military operations, offering:
 - Versatile surveillance and reconnaissance capabilities.
 - Precision strike capabilities with reduced risk to personnel.
 - Cost-effective solutions for various defence applications.
4. **Robotics:** Robotics are being deployed for various tasks, including:
 - Explosive ordnance disposal (EOD).
 - Logistics and supply chain management.
 - Autonomous ground and underwater vehicles for reconnaissance and combat.

Research and Development (R&D) is a cornerstone of the defence sector, driving innovation and technological advancements. This would include investing in cutting-edge technologies such as quantum computing, hypersonic, and directed energy weapons. Ensuring new technologies can be seamlessly integrated into existing defence systems for enhanced operational capabilities and partnering with universities, research institutions, and private companies to leverage expertise and accelerate innovation.

The defence sector presents substantial market potential driven by increasing defence budgets, the need for modernization, and technological advancements. Companies that can innovate, adapt, and navigate the complexities of the defence industry will find significant opportunities for growth and success.

(4) Business Strategy and Focus for 2024-25

Your company's strategic focus for the current and upcoming years is centered on establishing a prominent presence in the defence sector. Recognizing the vast opportunities within this field, the company has leveraged the expertise of experienced professionals from the defence industry to develop and test advanced security systems, including Anti-drone systems and related equipment. This specialized knowledge positions the company to effectively address the unique challenges and demands of the defence sector.

One of the primary objectives of your company is to showcase and demonstrate comprehensive, end-to-end solutions for defence Public Sector Undertakings (PSUs) and the Tri-Services, which include the Army, Navy, and Air Force. By catering to the specific requirements of these services, the company aims to become a trusted partner in enhancing national security. Additionally, the company is extending its efforts to provide

innovative solutions to the Ministry of Home Affairs and Para-Military services, further broadening its impact within the security landscape.

Your company aims to make acquisitions in the defence sector. Acquiring niche technologies would involve targeting specialized technologies that would provide unique capabilities. Though this is complex and multifaceted, with strategic approach your company will enhance its capabilities and would strive to significantly contribute to the defence initiatives.

Aligned with the vision of Atmanirbhar Bharat, the company is assessing indigenization of defence-related products. This focus on self-reliance will not only support national interests but also position the company as a key player in the domestic defence manufacturing sector. The potential in the area of airspace protection is particularly significant, and the company is dedicated to developing products that ensure the high-level security of critical assets and very important people (VIPs) globally. These initiatives underscore the company's commitment to advancing security technologies and protecting vital interests.

In addition to security systems, the company aims to establish a strong foothold in the manufacturing of specific defence components. This venture is expected to provide stable revenue and sustained growth, contributing to the company's long-term financial health. By producing essential components, the company can further integrate itself into the defence supply chain and support the broader goals of defence readiness and capability enhancement.

Overall, the company's strategic focus on the defence sector, combined with its plans for indigenization, airspace protection, and leveraging its position would reflect a multifaceted approach to growth and innovation. By leveraging expertise, addressing critical security needs, and exploring new market opportunities, the company is well-positioned to achieve its long-term objectives and drive sustained success.

(5) Risks and Concerns

Below are the possible risk and probable mitigation actions.

- **Market Access Risk**

Accessing and penetrating new markets can pose challenges, including regulatory requirements, reimbursement systems, and market dynamics. To mitigate market access risks, there is a need to conduct thorough market research and analysis, understand local regulations and requirements, engage with key stakeholders, build strong relationships with local partners, and adapt their market entry strategies to suit specific market conditions.

- **Supply Chain Disruption:**

Supply chain is complex and dependency on external suppliers for critical components can lead to disruption. Other risks could be raw material shortages, quality issues and supply chain logistics. To mitigate supply chain risks, there would be a need to diversify the supplier base to reduce dependency on single source, establishment of strong relationships with suppliers, implement robust quality management systems, conduct regular risk assessments, maintain inventory buffers, and have contingency plans for supply chain disruptions.

- **Revenue Risk:**

Revenue risk refers to the potential for a company to experience a decline or volatility in its revenue generation, which can negatively impact its financial stability and profitability. Revenue risks can arise from various factors, such as changes in market demand, competition, economic downturns,

regulatory changes, or external shocks. Mitigating revenue risks requires proactive measures to minimize the impact and ensure sustainable revenue streams by way of diversifying the customer base, development of new products to capture new market opportunities and investment in R&D, innovation and market analysis to identify the emerging trends and develop offerings that align with market demand

- **Protection of Intellectual Property:**

Intellectual property (IP) is a critical asset. Patents provide market exclusivity and protect innovation. The risk of patent infringement or challenges to patent validity can impact a company's competitive advantage and revenue stream. To mitigate IP risks effort should be to conduct thorough IP due diligence, develop a comprehensive IP strategy, monitor competitors' patent filings, and consider legal measures to protect and defend IP rights.

- **Foreign Currency Fluctuation:**

Currency risk can have an impact on a company's financial performance. This risk can affect revenue, costs, profitability, and cash flows. To mitigate foreign currency fluctuation risk, there is a need to employ strategies such as hedging, netting, natural hedging, and diversification. Careful monitoring, risk management policies, and proactive decision-making are essential to navigate the challenges posed by foreign currency fluctuations.

- **Technological Obsolescence:**

Rapid advancement in technology can render existing products and system obsolete however to mitigate this there would be a need to invest continuously in R&D to stay ahead of technological trends and implement product life cycle management strategy to ensure timely upgrades and updates.

(6) Internal Controls

Robust internal controls are essential for the smooth functioning of any organization. These controls, which encompass processes, policies, and procedures, play a crucial role in protecting your company's resources from potential risks and threats. By implementing adequate checks and balances, your organization ensures that transactions are properly authorized and reported accurately. This not only helps prevent errors, fraud, and misstatements in financial reporting but also promotes transparency and accountability within the company.

One of the key mechanisms for maintaining robust internal controls is the role of the audit committee. Audit committee, in consultation with the internal auditor, regularly reviews the company's internal controls. By conducting these reviews at regular intervals, the audit committee identifies any weaknesses or gaps in the control systems and recommends corrective actions as necessary. This ongoing monitoring and evaluation process demonstrates your company's commitment to ensuring the effectiveness of its controls and adherence to best practices. It also provides assurance that the internal controls are adequate and functioning as intended.

In addition to the work of the audit committee, your company regularly assesses risks and controls for both existing and new process flows. This proactive approach helps identify potential risks early and implement appropriate controls to mitigate them. By continuously assessing and updating its risk management strategies, your company adapts to changing circumstances and maintains a strong control environment.

The company's "cash and caution" policy is another vital aspect of its internal control framework. This policy emphasizes a conservative approach to financial management, focusing on cost control, debt reduction, and

repayment. By prioritizing these financial management principles, the company ensures that it operates within its means and maintains financial stability. This cautious approach helps safeguard the company's financial health and ensures that resources are used efficiently and effectively.

Overall, your company's robust internal controls, regular reviews by the audit committee, ongoing risk assessments, and conservative financial management policies work together to create a strong control environment. These measures not only protect your company's resources but also promote integrity, accountability, and transparency. By maintaining a high standard of internal controls, your company aims to achieve its strategic objectives and sustain long-term success.

(7) Human Assets

Human Assets play a critical role in the success of any organization. As one of the foundational pillars, a strong HR department ensures that a company can achieve its desired results and growth. By supporting employees in their professional development, HR contributes significantly to both individual and organizational success. Your company's commitment to providing a healthy work-life balance is a key strategy to optimize each employee's contribution, recognizing that balanced employees are more productive and engaged.

As one of the core functions, your company continues to have annual performance management reviews. This process is designed to offer constructive feedback, helping employees identify areas for improvement and focus on their professional growth. By maintaining a transparent and supportive review process, your company ensures that employees receive the guidance they need to excel in their roles.

Rewarding and motivating employees is another essential aspect of your company's HR strategy. The organization firmly believes in recognizing the hard work and achievements of its staff. By offering rewards and incentives, the company not only acknowledges employee contributions but also encourages continuous high performance and dedication.

Understanding the importance of employee well-being, your company is committed to supporting its staff and their families during challenging times. This commitment is reflected in the provision of comprehensive medical health and life insurance policies. These benefits ensure that employees and their families have adequate financial support in the event of health issues or other difficulties, providing peace of mind and security.

In addition to financial support, the company prioritizes regular health awareness programs. These initiatives help employees manage their lifestyles and reduce workplace stress, contributing to their overall well-being. By promoting health awareness, the company fosters a culture of care and proactive health management.

Your company also encourages employees to explore roles and responsibilities beyond their regular tasks. By allowing employees to pursue areas of interest, the organization supports holistic development and continuous learning. This approach not only enriches the employees' professional experience but also enhances their engagement and satisfaction.

Overall, your company's HR policies are designed to create a positive work environment, ensuring the well-being and growth of its workforce. By providing necessary support, recognizing achievements, and promoting health and professional development, the company fosters a culture of excellence and mutual respect. This comprehensive approach to HR not only benefits employees but also drives the organization towards sustained success and growth.

(8) Property

Your company continued to receive rental income from all three blocks of its Nanakramguda, Hyderabad property throughout the year. In August, 2023 the company received your approval for sale of the property and the process for the same is underway. The proceeds from the sale would be used for repayment of loan, settlement of any dues and Taxes and for the company's growth through investments in opportunities available in Defence sector.

(9) Financial results review

The financial statements complied with the requirements of the Companies Act, 2013, and the Generally Accepted Accounting Principles (GAAP) in India.

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 loss made during the year has been carried over to the reserves and surplus.

Borrowings

The total debt in FY 23-24 is Rs.14,468.56 lakhs against Rs. 14,580.29 lakhs in FY 22-23.

Deferred tax liability / asset

Deferred tax asset for FY 22-23 and FY 23-24 is NIL

Trade Payables & Other liabilities

The trade payables and other liabilities increased to Rs.4,062.87 lakhs in 2024 from Rs. 3,786.05 lakhs in 2023. The increase is in the normal course of business.

Provisions

	Short term		Long term		Total	
	31 st March, 2024	31 st March, 2023	31 st March, 2024	31 st March, 2023	31 st March, 2024	31 st March, 2023
	Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs
Provision for retirement benefits	25.74	25.74	14.30	9.63	40.04	35.37

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

Fixed assets

The fixed assets increased to Rs.18,718.62 lakhs in the current year from Rs. 17,918.82 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 CY and PY.

Cash and bank balances

The current year cash and bank balances are at Rs.1704.85 lakhs against the previous year-end balance at Rs.228.62 lakhs. This is due to return of short term loans and advances.

Short term loans and advances

The short-term loans and advances decreased to Rs.1671.50 lakhs in 2024 from Rs.3380.89 lakhs in 2023. The details of which are available in schedule no 7 & 9.

Results of operations (consolidated)

For the period / year ended	31 st March, 2024	31 st March, 2023
	Rs lakhs	Rs lakhs
Revenues from operations	0.00	197.10
Other income	3739.53	4186.21
EBIDTA	2847.31	2416.06
Finance cost	1706.30	1089.63
Depreciation	318.82	284.05
Profit /(Loss) before exceptional Item and Tax	822.19	1042.38
Exceptional Items (Net)	0.00	94.91
Profit after exceptional item and before tax	822.19	1137.29
Less: Taxes	63.64	0.00
Profit after tax	758.55	1137.29
Share of Profit /(Loss) of Associate	(2033.21)	(254.36)
Profit/(Loss) for the period	(1274.67)	882.93

Revenues

There were no consolidated revenues in the FY23-24. Revenue in FY 22-23 was Rs.197.10 lakhs, which was from IT business before the divestment

Other Income

Other income for FY 23-24 is Rs.3,739.53 Lakhs against 4,186.21 Lakhs for the previous year 22-23.

Software, hardware and material costs

The Software, hardware and material costs are Rs.“0” lakhs in 2023-24 against Rs. 16.88 lakhs in the previous year 2022-23, which was pertaining to the IT business before the divestment

Employee cost

Employee cost decreased to Rs.205.55 lakhs in 2024 from Rs. 385.58 lakhs in 2023, which included the three month employee cost before the IT divestment.

Other expenses

Decrease in other expenses to Rs.686.67 lakhs in 2024 from Rs. 1564.79 lakhs in 2023. The details of which are available as per schedule no 24.

Finance cost

Finance cost increased to Rs. 1706.30 lakhs in 2024 from Rs. 1089.63 lakhs in 2023. Finance cost for the year 2023 was majorly for a part of the year i.e., after the loan was availed.

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 284.05 lakhs in the previous financial year to Rs 318.82 lakhs in 2024 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.

Borrowings

The total debt in FY 23-24 is Rs.14,468.56 lakhs against Rs. 14,580.29 lakhs in the year 22-23.

Deferred tax liability/asset

Deferred tax asset for FY 22-23 and FY 23-24 is NIL

Trade Payables & Other current liabilities

The Trade payables and other current liabilities increased to Rs.4,062.87 lakhs from Rs. 3,786.05 Lakhs in 2023.

Provisions

As at	Short term		Long term		Total	
	31 st March, 2024	31 st March, 2023	31 st March, 2024	31 st March, 2023	31 st March, 2024	31 st March, 2023
	Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs	Rs lakhs
Provision for retirement benefits	25.74	25.74	14.30	9.63	40.04	35.37

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

Fixed assets

The fixed assets are Rs. 18,718.62 Lakhs in 2024 as against Rs. 17,918.83 lakhs in the previous year 2023. The details are available in schedule no 2

Investments

There has been no increase in the Investment in FY 23-24 and the same stands in line with Rs. 13601.67 Lakhs in 2023.

Trade Receivables

There were no trade receivables during the year.

Cash and bank balances

The cash and bank balance were Rs 1,646.44 lakhs in 2024 as against Rs 172.65 lakhs in 2023. The increase in 2024 is an account of return of short term loans and advance.

Short term loans and advances

There is a decrease in short term loans and advances to Rs 1670.61 lakhs in 2024 from Rs. 3380.89 lakhs in 2023. The details of which are available in schedule number 7 & 9.

Result of Operations (Standalone)

For the period / year ended	31 st March, 2024	31 st March, 2023
	Rs lakhs	Rs lakhs
Revenues from operations	0.00	197.10
Other income	3734.65	4186.13
EBIDTA	2844.83	2416.50
Finance cost	1706.30	1089.62
Depreciation	318.82	284.05
Profit/(Loss) before Exceptional Item and Tax	819.71	1042.83
Exceptional Items (Net)	0.00	105.01
Profit after Exceptional Item and before tax	819.71	1147.84
Less: Taxes	63.64	0.00
Profit after tax	756.06	1147.84

Revenues

There was no revenue in the FY 23-24. Revenue in FY 22-23 was Rs.197.10 lakhs, which was from the IT business prior to divestment.

Other Income

Other income for FY 23-24 is 3,734.65 against 4,186.13 for the previous year 22-23.

Software, hardware and material costs

The Software, hardware and material costs are Rs.“0” lakhs in 2023-24 against Rs. 16.88 lakhs in the previous year 2022-23, which was pertaining to the IT business before the divestment.

Employee cost

Employee cost decreased to Rs 205.55 lakhs in 2024 from Rs 385.57 lakhs in 2023, which included the three month employee cost before the IT divestment.

Other expenses

There is a decrease in other expenses to Rs. 684.28 lakhs in 2024 from Rs. 1564.28 lakhs in 2023. The details are available in schedule no 26.

Finance cost

Finance cost increased to Rs. 1706.30 lakhs in 2024 from Rs. 1089.63 lakhs in 2023. Finance cost for the year 2023 was majorly for a part of the year i.e., after the loan was availed.

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 318.82 lakhs in 2024 as against Rs 284.05 lakhs in 2023.



“Annexure-7”

Auditors’s 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, 2024, 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: 15th May, 2024

Arjun S
Partner
(Membership No. 230448)
UDIN:24230448BKDGXX1607

“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 in Pharma, Aerospace and Defence 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. 5,40,56,947
 (b) Two percent of average net profit of the company as per sub-section (5) of section 135 - Rs. 10,81,139
 (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 - Nil
 (e) Total CSR obligation for the financial year [(b)+(c)-(d)] - Rs.10,81,139
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) - Rs 10,81,139
 (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. 10,81,139
 (e) CSR amount spent or unspent for the Financial Year: Rs. 10,81,139

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	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.		
10,81,139	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
	-	-	-	-	-
	-	-	-	-	-

SI No	Particulars of CSR Spent	Amount (in Rs.)
1	Sparsh Hospice an Entity of Rotary CBHCT	3,00,000
2	Nachiketa Tapovan	5,00,000
3	Flyingdisc Development Foundation	2,81,139

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

SI No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
i.	Two percent of average net profit of the company as per sub-section (5) of section 135	10,81,139
ii.	Total amount spent for the Financial Year	10,81,139
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	Nil
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
v.	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
SI 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: 15th May, 2024

“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.

I, M. Damodaran, Managing Partner of 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 me 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 my opinion and to the best of my 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 me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March, 2024** 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.	Mr. Anish Mathew	02545538	31/01/2009
3.	Ms. Leona Ambuja	07138817	31/03/2015
4.	Mr. Sivalenka Kalyan Vijay	06404449	29/09/2020
5.	Mr. Suryanarayana Raju Nandyala	01581731	24/12/2021
6.	Mr. Krishna Yeachuri	00066898	31/12/2022

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my 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: 30th April, 2024

M. DAMODARAN
Managing Partner
Membership No.: 5837
COP. No.: 5081
FRN: L2019TN006000
PR 3847/2023
ICSI UDIN.: F005837F000273170

“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 Megasoftware 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, 2024 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: 15th May, 2024

Sunil Kumar Kalidindi
Executive Director & CEO
DIN: 02344343

Shridhar Thathachary
Chief Financial Officer

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, 2024, 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, 2024, 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

We draw attention to Note No. 4 of the Consolidated Financial Statements regarding the proceedings with the GST department and a Writ petition filed by the company in that connection.

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

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	<p>Evaluation of uncertain tax positions:</p> <p>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>	<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, 2024 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 petition 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.

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.

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

We did not audit the financial statements of the Associate (Extrovis AG). The audited consolidated financial results also include Associate's after-tax net profit/(loss) of (Rs. 2033.21 Lakhs), for the year ended 31st March, 2024. The financial statements/financial information are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far relates to the amounts and disclosures included in respect of these associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on the reports of the other auditor/management.

We did not audit the financial statements / financial information of the subsidiary, whose financial statements/ financial information reflect total assets of Rs.59.27 lakhs as at 31st March, 2024, total revenues of Rs.4.87 lakhs, as considered in the consolidated financial statements. The Audited Consolidated financial results also include Subsidiary's total after tax net profit/(loss) of Rs. 2.49 Lakhs, for the year ended 31st March, 2024. The financial statement/financial information have been verified by another auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far

as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor/management.

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, 2024, 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, 2024 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 29 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.

(a) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note No. 27(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 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. 27(n) 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 group has used an accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit log) facility for all relevant transactions recorded in the software, wherever applicable. The Audit Trail was enabled during the year and has operated since then for the remainder of the year. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

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

Place: Chennai
Date: 15th May, 2024

Arjun S
(Partner)
Membership No. 230448
UDIN: 24230448BKDGXT6926

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, 2024, 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, 2024, 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: 15th May, 2024

Arjun S
(Partner)
Membership No. 230448
UDIN: 24230448BKDGXT6926

Consolidated Balance Sheet

	Note	As at 31 st March, 2024 ₹ in lakhs	As at 31 st March, 2023 ₹ in lakhs
ASSETS			
Non-Current assets			
Non-Financial Assets			
Property, Plant and Equipment	2	18718.62	17918.82
Financial Assets			
Investments	3 (i)	11248.10	13281.31
Other Financial Assets	3 (ii)	608.41	608.41
Other Non Current Assets	4	692.50	500.00
Current Assets			
Financial Assets			
Cash And Cash Equivalents	5	1704.85	228.62
Other Balances with Bank	6	144.33	145.34
Loans	7	1000.00	2800.00
Current Tax Assets (Net)	8	1703.38	1317.78
Other Current Assets	9	769.78	899.26
TOTAL ASSETS		36589.97	37699.54
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	10 A	7377.00	7377.00
Other Equity	10 B	10681.53	11956.21
Total Equity		18058.53	19333.21
Non-Current Liabilities			
Financial Liabilities			
Borrowing	11	13570.69	13805.40
- Lease Liabilities	12	162.93	
- Other Financial Liabilities	13	2193.69	2211.30
Provisions	14	14.30	9.63
Current Liabilities			
Financial Liabilities			
Current Borrowings	15 A	897.87	774.89
Lease Liabilities	15 B	73.21	-
Trade payables	16	107.93	24.93
Other financial liabilities	17	127.94	183.33
Provisions-Current	18	150.10	105.90
Other current liabilities	19	1232.77	1250.96
TOTAL EQUITY & LIABILITES		36589.97	37699.54

Material Accounting Policies	1
Other Notes to Financial Statements	2-39

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

Anish Mathew

Independent Director

DIN: 02545538

Arjun S.

Membership No: 230448

Place: Hyderabad

Date: 15th May, 2024

Shridhar Thathachary

Chief Financial Officer

Srivalli Susarla

Company Secretary

Consolidated Statement of Profit & Loss

	Note	For the year ended 31 st March, 2024 ₹ in lakhs	For the year ended 31 st March, 2023 ₹ in lakhs
Revenue from Operations			
Revenue from sale of services	20	0.00	197.10
Other Income	21	3739.53	4186.21
		3739.53	4383.31
Expenses			
Software, hardware and material cost		0.00	16.88
Employee benefits expense	22	205.55	385.58
Finance costs	23	1706.30	1089.63
Depreciation and amortization expense	2	318.82	284.05
Other expenses	24	686.67	1564.79
TOTAL EXPENSES		2917.34	3340.93
Profit/(Loss) Before Exceptional item and tax		822.19	1042.38
Exceptional items (Net)	25	0.00	94.91
Profit/(Loss) before tax		822.19	1137.29
Tax expense			
Tax on Earlier Years		63.64	-
Current tax			
Deferred tax			
Total tax expense		63.64	-
Profit/(Loss) after Tax		758.55	1,137.29
Share of Profit or (Loss) of Associate		(2033.21)	(254.36)
Profit/(Loss) for the period		(1274.67)	882.93
A Items that will not be reclassified to profit and loss			
i) Remeasurements of post-employment benefit obligations		0.20	(2.67)
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		0.20	(2.67)
Total Comprehensive Income for the year		(1274.47)	880.26
Earnings per equity share (in ₹)			
(1) Basic	26	(1.73)	1.20
(2) Diluted		(1.73)	1.20
Material Accounting Policies	1		



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

Anish Mathew

Independent Director

DIN: 02545538

Arjun S.

Membership No: 230448

Place: Hyderabad

Date: 15th May, 2024

Shridhar Thathachary

Chief Financial Officer

Srivalli Susarla

Company Secretary

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, 2023	Changes in equity share capital	Balance as at 31st March, 2024
Equity Shares with Voting Rights	7377.00	-	7377.00
Total	7377.00	-	7377.00

(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, 2022	Changes in equity share capital	Balance as at 31st March, 2023
Equity Shares with Voting Rights	7377.00	-	7377.00
Total	7377.00	-	7377.00

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	2546.75	7753.96	2773.73		18.52	13370.59
Changes in accounting policy or prior period errors									
Restated balance at the beginning of the current reporting period	5.59	250.66	21.38	2546.75	7753.96	2773.73		18.52	13370.59
Total Comprehensive Income for the current year					(1274.67)			0.20	(1274.47)
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	2546.75	6479.29	2773.73		18.72	12096.12

(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	2546.75	6868.37	2773.73	-	21.19	12487.63
Changes in accounting policy or prior period errors									
Restated balance at the beginning of the previous reporting period	5.59	250.66	21.38	2546.75	6868.37	2773.73	-	21.19	12487.63
Total Comprehensive Income for the previous year					885.59			(2.67)	882.92
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	2546.75	7753.96	2773.73	-	18.52	13370.59

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

Anish Mathew
Independent Director
DIN: 02545538

Arjun S.
Membership No: 230448
Place: Hyderabad
Date: 15th May, 2024

Shridhar Thathachary
Chief Financial Officer

Srivalli Susarla
Company Secretary

Consolidated Cash Flow Statement

	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
	₹ in lakhs	₹ in lakhs
A. Cash flow from Operating Activities		
Net Profit Before Tax	(1211.02)	882.93
Adjusted for:		
Depreciation	318.82	284.05
Interest Income	(290.87)	(418.25)
Interest & Bank Charges	1706.30	1089.63
Impact of Exceptional Items and movement in reserves		(94.91)
Share of (Profit)/Loss in Associate	2033.21	254.36
Operating Profit Before Working Capital Changes	2556.44	1997.80
Adjusted for:		
Trade and other Receivables	(384.59)	1751.35
Trade and other payables	53.61	(1865.28)
Other non-current assets	(192.50)	(489.16)
Loans	1800.00	
Other Financial assets	0.00	48.66
Other Current Assets	129.48	0.00
Other noncurrent liabilities	150.00	(178.11)
Other current liabilities	122.98	619.91
Cash Generated from operations	4235.41	1885.19
Tax on earlier years	(63.64)	
Current Tax (Current and relating to Previous years)	0.00	(361.93)
Deferred Tax	0.00	(0.41)
Net Cash from / (Used in) Operating Activities [A]	4171.77	1522.85
B. Cash Flow from Investing activities		
Movement in PPE and Goodwill	(1118.62)	1807.01
Purchase of property, plant and equipment		(154.36)
Investment made		(13535.67)
Proceeds from sale of IT (SPD) Division		100.00
Proceeds from sale of Investments		550.00
Interest Income Gross	290.87	418.25
Creation of Deposits)/Closure of deposits		(471.02)
Net movement in inter corporate loans given		(2050)
Net Cash from / (Used in) Investing Activities [B]	(827.75)	(13335.79)

C. Cash flow from Financial Activities

Realization of deposits / (Repayment of deposits)		
Increase/(Decrease) on Borrowings	(161.49)	11408.50
Proceeds from Issue of Shares under Rights Issue		
Interest & Bank Charges	(1706.30)	(1089.63)
Other Financial liabilities		(1801.57)
Net Cash flow from/(Used in) Financing Activities [C]	(1867.79)	8517.30
Net Cash Flows during the year {A+B+C}	1476.23	(3295.64)
Cash & Cash Equivalents (Opening Balance)	228.62	3524.26
Cash & Cash Equivalents (Closing Balance)	1704.85	228.62

As per our Report of even date attached

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

Arjun S.
Membership No: 230448
Place: Hyderabad
Date: 15th May, 2024

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

Sunil Kumar Kalidindi
Executive Director & CEO
DIN: 02344343

Shridhar Thathachary
Chief Financial Officer

Kalyan Vijay Sivalenka
Independent Director
DIN: 06404449

Srivalli Susarla
Company Secretary

Anish Mathew
Independent Director
DIN: 02545538

Megasoft Limited

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2024

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 29th 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	40%
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 Material 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. 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 1st April, 2019, the Company adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on 1st April, 2019 and 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.

b. Cash Flow Statement

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

c. 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.

d. 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.

e. 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.

f. Foreign currency translation

The consolidated financial statements are prepared in Indian Rupees, which is the functional currency for Megasoft 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, if any 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.

g. 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.

h. 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.

i. 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.

j. 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.

k. 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.

l. 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, 2023	Additions	Deletions / Adjustments	Acquisitions through business combinations	Amount of change due to revaluation	Others adjustments	Cost as at 31 st March, 2024	As at 1 st April, 2023	Depreciation for the period 31 st March	Deletions / Adjustments	Impairment Losses/ Reversals	Total as at 31 st March, 2024	As at 31 st March, 2024	As at 31 st March, 2023
(A) Property, Plant & Equipment														
Land & Land Development	2731.21	-	-	-	-	-	2731.21	-	-	-	-	2731.21	2731.21	
Building	15771.60	-	-	-	-	-	15771.60	712.67	249.13	-	961.80	14809.81	15058.93	
Leasehold building ROU Asset	-	280.99	-	-	-	-	280.99	-	49.06	-	49.06	231.93	-	
Plant & Machinery	-	833.95	-	-	-	-	833.95	-	2.70	-	2.70	831.24	-	
Computer systems & Software	6.62	3.59	-	-	-	-	10.20	0.83	2.59	-	3.42	6.78	5.79	
Furniture & Fittings	-	0.09	-	-	-	-	0.09	-	-	-	-	0.09	-	
Vehicles	129.12	-	-	-	-	-	129.12	6.23	15.33	-	21.57	107.56	122.89	
Sub Total	18638.56	1118.61	-	-	-	-	19757.17	719.73	318.82	-	1038.55	18718.62	17918.82	
(B) Intangible Assets														
Intellectual Property Rights	-	-	-	-	-	-	-	-	-	-	-	-	-	
Patents	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sub Total	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C) Capital WIP														
Total	18638.56	1118.61	-	-	-	-	19757.17	719.73	318.82	-	1038.55	18718.62	17918.82	
Previous year figures	19655.33	154.36	1171.14	0.00	0.00	0.00	18638.56	1157.72	284.05	722.04	0.00	17918.82	18497.61	

DESCRIPTION	Property, Plant and equipment	Right of Use Asset	Total
Gross Carrying Value			
As at 31st March, 2023	18638.56	0	18638.56
ROU recognised on 1 st April, 2023	-	-	-
Reclassified on account of adoption of Ind As 116	-	-	-
Additions	837.62	280.99	1118.61
Disposals	0	0	0
As at 31st March, 2024	19476.18	280.99	19757.17
Accumulated Depreciation			
As at 31st March, 2023	719.73	0	719.73
ROU recognised on 1 st April, 2023	-	-	-
Reclassified on account of adoption of Ind AS 116	-	-	-
Charge for the year	269.76	49.06	318.82
Adjustment for disposal	0	0	0
As at 31st March, 2024	989.49	49.06	1038.55
Net Block as at 31st March, 2023	17918.82	0	17918.82
Net Block as at 31st March, 2024	18486.69	231.93	18718.62

Summary of Depreciation charged In P&L account	
On account of ROU assets	49.06
On account of Others (incl. Building)	269.76
	318.82

	As at 31 st March, 2024 ₹ in lakhs	As at 31 st March, 2023 ₹ in lakhs
3 Investments		
(i) Investment Measured at Cost		
<u>Associate:</u>		
Extrovis AG	13281.31	13535.67
Share of Profit or (Loss)	(2033.21)	(254.36)
Total	11248.10	13281.31
(ii) Financial Asset		
Bank Deposit for more than 12 months (DSRA)	525.00	525.00
Security deposit		
Application money paid towards securities –Extrovis AG (shares have been allotted for the above amount on 03.01.2023)	83.41	83.41
Total	608.41	608.41
4 Other Non-Current asset		
Capital advances	192.50	-
Other advances	-	-
Others	500.00	500.00
Total	692.50	500.00
Note: The company has filed a Writ Petition before the Hon’ble High Court of Telangana challenging notifications relating to taxation of Joint Development transactions under which the GST authorities issued summons, detained the Company’s senior management personnel and initiated debit freeze in bank accounts of the company without any written notice or claim for their demand. The company paid Rs 5 crores under protest. The management strongly believes that there is no GST liability on the said transaction and that there is merit in its court case/ WP and is hopeful of a positive outcome. The matter is sub-judice.		
5 Cash And Cash Equivalents		
(A) Balances with Banks:		
- Current accounts	1702.63	228.59
- Cash on hand	2.22	0.03
Total	1704.85	228.62

6 Other Bank balances				
Deposits held as Margin Money		144.33		145.34
Total		144.33		145.34
7 Loans				
Others-				
Loans receivable considered good-Unsecured		1000.00		2800.00
Total		1000.00		2800.00
8 Current Tax (Liabilities)/Asset				
Advance Tax (Net off Provision for Taxation)		1703.38		1317.78
Total		1703.38		1317.78
9 Other Current Assets				
Prepaid Expenses		129.53		246.91
Security Deposits		141.30		124.34
Accrued Interest Receivable		98.28		318.37
Balance with Government authorities		191.41		85.08
Other Advances				
-Staff Advances		11.36		8.84
-Others		197.90		115.72
Total		769.78		899.26
10A : Share Capital				
a) Authorised Capital		20000.00		20000.00
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 (PY : 7,37,70,041 Equity shares of ₹ 10/- each, fully paid up)		7377.00		7377.00
Total		7377.00		7377.00

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, 2024		As at 31 st March, 2023	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	73770041	7377.00	73770041	7377.00
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	73770041	7377.00	73770041	7377.00

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, 2024		As at 31 st March, 2023	
	No. of shares	%	No. of shares	%
Ramanagram Enterprises Private Limited	32286926	43.77%	32286926	43.77%

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
Ramanagram Enterprises Private Limited	32286926	43.77%	-

10B Other Equity

	As at 31 st March, 2024 ₹ in lakhs	As at 31 st March, 2023 ₹ 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	(1414.38)	(1414.38)
Changes during the year		
Closing balance	(1414.38)	(1414.38)
D Business Reconstruction Reserve	21.38	21.38
Closing balance	21.38	21.38
E General Reserve	2546.75	2546.75
Closing balance	2546.75	2546.75

	Retained Earnings		
F	Opening balance	7753.96	6868.37
	Net Profit/ (Loss) for the year	(1274.87)	885.59
	Less: Transfer from other comprehensive income		
	Closing balance	6479.09	7753.96
	Revaluation Surplus		
G	Opening balance	2773.73	2773.73
	Changes during the year	-	-
	Closing balance	2773.73	2773.73
	Other Comprehensive Income		
H	As per Last Balance Sheet	18.52	21.19
	Add: Movement in OCI during the year (net)	0.20	(2.67)
	Less: Transfer to retained earnings		
	Total Other Comprehensive Income	18.72	18.52
	Total	10681.53	11956.21
11	Borrowing non-current		
	Borrowings		
	Secured		
	a) Term loan:		
	(i) Banks-	75.44	92.75
	(ii) From other parties (NBFC)	14393.12	14487.53
	Less: Current maturities of long term borrowings	(897.87)	(774.89)
	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 8.75% 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 installments of Rs 203800 each		

	Total	13570.69	13805.39
12	Lease Liabilities		
	Finance Lease obligation (Ind AS)	236.14	0.00
	Less:Current maturities of finance lease obligations	(73.21)	
	Total	162.93	0.00
13	Other Financial Liability - Non Current		
	Security Deposit-JDA	2029.52	1988.16
	Deferred Premium Translation of financial Liabilities	164.18	223.14
	Total	2193.69	2211.30
14	Provisions - Non Current		
	Provision for Employee Benefits	14.30	9.63
	Total	14.30	9.63
15A	Borrowings – Current		
	Secured		
	Current Maturities on Long Term Borrowings	897.87	774.89
	Loans repayable on demand - Working Capital Loan	-	-
	Total	897.87	774.89
15B	Lease Liabilities		
	Secured		
	Current Maturities Finance Lease Obligations	73.21	0
	Loans repayable on demand - Working Capital Loan	-	-
	Total	73.21	0
16	Trade Payables		
	Total outstanding dues of Micro Enterprises & small enterprises*	-	-
	Total outstanding dues of Creditors other than micro enterprises & small enterprises	107.93	24.93
	Total Schedule to be inserted below	107.93	24.93
	*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		

	Interest Accrued and due on Borrowings		68.86
	Deferred premium translation of Financial Liabilities	127.94	114.47
	Total	127.94	183.33
18	Provisions – Current		
	Provision for Employee Benefits	25.74	25.74
	Provision for Outstanding Expenses	124.36	80.16
	Total	150.10	105.90
19	Other current liabilities		
	Statutory Dues Payable		-
	Salary Payable	11.62	11.02
	Other Payables*	1221.15	1221.29
	* Includes amounts on JDA.		18.65
	Total	1232.77	1250.96
20	Revenue From Operation		
	Revenue from sale of services		197.10
	Total		197.10
21	Other Income		
	Interest Income – Rent IndAS	1.34	-
	Amortization Income - JDA Land	128.39	128.25
	Other non-operating income		
	Scrap sales	-	3.68
	Rental Income	3318.92	3634.67
	Interest Received	290.87	418.25
	Fair value Adjustment on termination of lease		1.28
	Other Income		0.08
	Sub Total	3739.53	4186.21
22	Employee benefit expense		
	Salaries and Wages	191.66	355.25
	Contribution to Provident Fund and other funds	7.18	16.07
	Staff Welfare	6.71	14.26
	Total	205.55	385.58
23	Finance costs		
	Interest expenses	1692.73	1006.26
	- Interest on Bank loan		
	- Interest on Ind AS and others		

	Bank Charges	13.57	8.37
	Processing Fees		75.00
	Total	1706.30	1089.63
24	Other expenses		
	Services Rendered by business associates and Others	6.60	74.79
	Electricity Charges	0.76	9.36
	Insurance Expenses	30.46	23.95
	Travelling and conveyance	11.20	98.13
	Legal and professional charges	342.68	823.82
	Rates and taxes	38.00	54.52
	Rent	8.68	12.63
	Repairs and Maintenance	19.89	28.75
	Security charges	9.26	6.09
	Communication costs	4.20	3.75
	Business promotion expenses	2.38	17.03
	Printing and stationery	1.75	1.40
	Audit fees (Excluding Taxes)		
	Statutory Audit Fees	16.50	16.50
	Sitting fees paid	13.75	15.80
	Bad Debt Written Off	-	208.00
	Commission (Brokerage Services)	148.71	154.91
	Exchange Loss on Foreign Exchange Transactions	0.19	1.97
	CSR expenditure	10.81	-
	Miscellaneous expenses	20.84	13.39
	Total	686.67	1564.79
25	Exceptional Items (Net)		
	Gain on Transfer of Land out of JDA		-
	Loss on Subsidiaries' disinvestment	-	(101.00)
	Profit on sale of IT (SPD)Division		195.91
	Total		94.91
26	Earnings Per Share		
	Net Profit /(Loss) attributable to Equity Shareholders (A)	(127466632)	88292523
	Weighted average number of equity shares outstanding during the period (B) (In Nos.)	73770041	73770041
	Basic & Diluted EPS (A/B) (in ₹)	1.73	1.20

27. Additional Regulatory Requirement

- a) There are no Immovable properties whose title deeds are not held in the name of the company
- b) The company does not have investment property
- c) 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%)
		2023-24	2022-23		
(i) Current ratio	Current Assets/ Current Liabilities	2.03	2.28	-11%	NA
(ii) Debt-Equity ratio	Total Outside Debt/ Equity Share Holder's Funds	0.71	0.74	-4%	NA.

(iii) Return on Equity ratio	Net Profit After Taxes / Equity Shareholder's Funds	3.72%	5.86%	-37%	Variance due to decrease in net profit due to lower income generated during the year
(iv) Trade Receivables turnover ratio	Net Sales/ Average Receivables	0.00	0.44	-100%	Variation due to no revenue generated from operations during the year
(v) Trade payables turnover ratio	Net Purchases / Average Payables	0.00	0.04	-100%	Variation due to no revenue generated from operations during the year
(vi) Net capital turnover ratio	Revenue from Operations / Average Working Capital	0.00	0.06	-100%	Variation due to no revenue generated from operations during the year
(vii) Net profit ratio	Net Profit After Taxes / Revenue from Operations	0.00	5.82	-100%	Variation due to no revenue generated from operations during the year
(viii) Return on Capital employed	Earnings before Interest & Taxes/ Capital Employed	7.25%	6.55%	11%	NA
(ix) Return on investment	Net Profit After Taxes / Capital Employed	2.17%	3.36%	-35%	Variance due to lessor profits made during the year
(x) Debt service coverage ratio	EBITDA/ (Interest+Principal)	1.14	1.50	-24%	Variance due to additional Loan availed during the year

n) 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.

o) 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.

- p) The Company is not covered under the provisions of Section 135 of the Companies Act, 2013.
- q) The Company has neither traded nor invested in Crypto currency or Virtual Currency during the financial year.

28 Related Party Transactions

A.

Subsidiary companies	% of Holding	
	As at 31 st March, 2024	As at 31 st March, 2023
Velapan Systems Private Limited (w.e.f – 10/03/2022)	100%	100.00%
Extrovis AG	40%	40%

B. Key Managerial Personnel

Sunil Kumar Kalidindi –Executive Director and Chief Executive Officer

Shridhar Thathachary – Chief Financial Officer / Director of subsidiary company

Srivalli Susarla – Company Secretary

Related Party Transactions during the year:		
Particulars	For Year Ended 31 st March, 2024 (in Rs Lakhs)	For year ended 31 st March, 2023 (in Rs Lakhs)
Key Managerial personnel:		
1. Remuneration to Directors & KMP	138.88	117.26
Advance/Loan Given and Received		
1. Extrovis Private Limited	0.00	2250.00
2. Velapan Systems Private Limited	2629.08	935.00
Investment made		
1. Extrovis AG	0.00	13535.67
Disinvestment made		
1. Nelatop Systems Private Limited	0.00	586.00
2. Velapan Systems Private Limited	0.00	0.01

Note: Advance/ Loan given and received to/ from Velapan Systems Private Limited as on 31st March, 24 was Nil

29. Commitments & Contingencies

i) Bank guarantees 119.51 117.85

ii) Income Tax

- a) The Company has received a demand order from Income Tax u/s 156 amounting to Rs. 24.98 crores for the Financial Year 2021-2022. The company has appealed against the order to CIT(A) u/s 220(6) of the Income Tax Act,1961.

30. Payment to Auditors

Statutory Audit Fees	16.50	16.50
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31. Segmental Information

During the FY 2022-23, Company has divested its IT division hence no segment reporting.

32. 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 st March, 2024	31 st March, 2023
Present Obligation at period beginning – Current	27.07	116.92
Service cost	2.24	11.60
Interest on defined benefit obligation	2.20	7.12
Past Service Cost	-	-
Liability Transferred out/Divestments	-	(111.24)
Actuarial (gain) / Loss	-	-
Benefit Directly Paid by the Employer	-	-
Current Liability (within 12 months)	-	-
Actuarial (gain) / Loss- Due to Change in Demographic Assumptions	-	0.99
Actuarial (gain) / Loss- Due to Change In Financial Assumptions	0.17	(0.16)
Actuarial (gain) / Loss- Due to Change In Financial Experience	(0.37)	1.84
Present Value of Benefit Obligation at the End of the Period	31.10	27.07

Amount Recognized in Balance Sheet

Particulars	31 st March, 2024	31 st March, 2023
(Present Value of Benefit Obligation at the end of the Period)	(31.10)	(27.07)
Fair Value of Plan assets at the end of the period	-	-
Funded Status (Surplus / Deficit)	(31.10)	(27.07)
Net (Liability)/Asset Recognized in the Balance Sheet	(31.10)	(27.07)

Expenses recognized in statement of profit and loss account

Particulars	31 st March, 2024	31 st March, 2023
Current Service Cost	2.24	11.60
Net Interest Cost	2.00	7.12
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments and Settlements	-	-
Net Effects of Changes in Foreign Exchange Rates	-	-
Expenses Recognized	4.24	18.72

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

Particulars	31 st March, 2024	31 st March, 2023
Actuarial (Gains)/Losses on Obligation for the period	(0.20)	2.67
Return on Plan Assets, Excluding Interest Income	-	-
Change in Asset Ceiling	-	-
Net(Income)/Expense for the period recognized in OCI	(0.20)	2.67

Sensitivity Analysis

Particulars	31 st March, 2024	31 st March, 2023
Projected Benefit Obligation on Current Assumptions	31.10	27.07
Delta Effect of +1% Change in Rate of Discounting	(0.79)	(0.49)
Delta Effect of -1% Change in Rate of Discounting	0.89	0.56
Delta Effect of +1% Change in Rate of Salary Increase	0.80	0.55
Delta Effect of -1% Change in Rate of Salary Increase	(0.79)	(0.50)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.19)	(0.11)
Delta Effect of -1% Change in Rate of Employee Turnover	0.20	0.11

The sensitivity analysis have 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.

33. Leases

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

a) **Lease Income**

Company as a Lessor

Other Income includes ₹ 3318.92 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:

	31 st March, 2024	31 st March, 2023
Payable within one year	73.21	-
Payable between one and five years	162.93	-
Payable after five years	-	-
Total	236.14	-

(ii) Amount recognized in profit or loss

	31 st March, 2024	31 st March, 2023
Lease expense-minimum lease payments	53.70	-
Total	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’24	Apr-Mar’23
Reclassified on account of adoption of Ind AS 116	-	-
Opening Lease Liability	-	402.73
Additions	280.99	0.00
Repayments(a)	49.49	-
Interest Expenses in Finance cost(b)	4.64	-
Closing Lease liability	236.14	-
Rental Expenses (c) = (a)+(b)	49.06	-
Depreciation on Right of Use Assets(d)	-	-
Impact of adoption of Ind AS 116 in profit and Loss Account (d+b-c)	4.21	-

Particulars	31 st March, 2024	31 st March, 2023
Carrying value of Right of Use Assets	231.93	-

34. Assets Pledged as Security:

Particulars	31 st March, 2024	31 st March, 2023
Non-current assets		
First Charge	-	-
Non - Financial Assets		
Property, Plant and Equipment (Land & Building)	17541.02	17790.15
Vehicle	107.56	120.81
Total Non-current assets pledged as security	17648.57	17910.96
Current assets		
First Charge	-	-
Financial assets	-	-
Trade receivable	-	-
Cash and cash equivalents	-	-
Other bank balances	-	-
Total Current assets pledged as security	0.00	0.00
Total assets pledged as security	17648.57	17910.96

35. Fair Value Measurements:

a) Financial Instruments by Category and their Fair Values:

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets:				
Investment	11,250.33	11,250.33	13,281.31	13281.31
Security Deposits	608.41	608.41	83.41	83.41
Trade Receivables	0.00	0.00	0.00	0.00
Cash and Cash Equivalents	1704.85	1704.85	228.62	228.62
Other Bank balances	144.33	144.33	670.34	670.34
Loans	1000.00	1000.00	2800.00	2800.00
Total Financial Assets	14707.93	14707.93	17063.68	17063.68
Financial Liabilities:				
Borrowings	14468.56	14468.56	14580.28	14580.28
Lease Liabilities	236.14	236.14	-	-

Trade Payables	107.93	107.93	24.93	24.93
Other Financial Liabilities	2321.63	2321.63	2394.62	2394.62
Total Financial Liabilities	16714.75	16714.75	16974.91	16974.91

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.

36. 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, 2024	As at 31 st March, 2023
Equity	18058.53	19333.21
Debt	14468.56	14580.28
Total	32415.65	33913.49

37. Income Taxes:

The major components of Income Tax expense for the years ended 31st March, 2024 and 31st March, 2023 are as under:

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

Particulars	Year ended 31 st March, 2024	Year ended 31 st March, 2023
Current Tax	-	-
Deferred Tax	-	-
Total	-	-

Deferred Tax asset as at 31st March, 2024 and 31st March, 2023 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, 2024	Year ended 31 st March, 2023
Profit before tax	822.19	1137.29

Tax on the above	206.93	286.23
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income and adjustment of bought forward losses	(206.93)	(286.23)
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, 2024	As at 31 st March, 2023
Opening tax (asset) / liability	(1317.80)	(937.22)
Add : Taxes Paid	-	-
Add : Credit availed	(385.59)	(380.58)
Less : Refund	-	-
Less: Current tax payable	-	-
Closing tax (asset) / liability	(1703.40)	(1317.80)

d) Deferred Tax

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Deferred Tax Liability:		
On account of Depreciation differences	(13.80)	(1.02)
On account of Employee Benefits	-	-
Total Deferred Tax Liability	(13.80)	(1.02)
Deferred Tax Asset:		
On account of Depreciation differences	-	-
On account of Employee benefits	7.83	8.90
On account of carry forward losses	279.01	410.85
Total Deferred Tax assets available	286.83	419.75
Recognition of Deferred Tax Asset /(Liability)(Net)	-	(0.41)
Unused Deferred Tax asset (Not recognized)	273.03	418.74

38. 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

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, 2024:

Financial Liabilities	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	897.87	5756.87	7813.82	14468.56
Lease Liabilities	73.21	162.93	-	236.14
Trade Payables	107.93	-	-	107.93
Other Financial Liabilities	-	2321.63	-	2321.63
Total Financial Liabilities	897.87	8078.50	7813.82	16790.19

31st March, 2023:

Financial Liabilities	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	757.57	5294.29	8435.67	14487.53
Lease Liabilities	-	-	-	-
Trade Payables	24.93	-	-	24.93
Other Financial Liabilities	183.33	2211.30	-	2394.63
Total Financial Liabilities	940.90	7505.58	8435.67	16882.16

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 31st March, 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, 2024	As at 31 st March, 2023
Variable rate borrowings	14393.12	14487.53

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, 2024	31 st March, 2023
Interest cost – increase by 5% on existing Interest cost*	84.64	50.31
Interest cost – decrease by 5% on existing Interest cost*	(84.64)	(50.31)

*Holding all other variables constant.



39. 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

Anish Mathew

Independent Director

DIN: 02545538

Arjun S.

Membership No: 230448

Place: Hyderabad

Date: 15th May, 2024

Shridhar Thathachary

Chief Financial Officer

Srivalli Susarla

Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of Megasoft 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, 2024, 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, 2024, 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

We draw attention to Note No. 4 of the Standalone Financial Statements regarding the proceedings with the GST department and a Writ petition filed by the company in that connection.

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

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	<p>Evaluation of uncertain tax positions:</p> <p>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>	<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, 2024 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 petition 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 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.

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 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.

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, 2024 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2024 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 32 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 for all relevant transactions recorded in the software. The Audit Trail was enabled during the year and has operated since then for the remainder of the year. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.



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

Place: Chennai
Date: 15th May, 2024

Arjun S
(Partner)
Membership No. 230448
UDIN: 24230448BKDGXV9915

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) We have been informed that the property, plant, and equipment of the Company are physically verified by the Management according to a phased program designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, physical verification was carried out during the year and to the best of our knowledge no material discrepancies were noticed.
 - 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)
- a) 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.

	Loans
Aggregate amount granted/ provided during the year	36,29,07,943
Subsidiaries	26,29,07,943
Joint Ventures	Nil
Associates	Nil
Others	10,00,00,000

Balance outstanding as at balance sheet date in respect of:	
Subsidiaries	Nil
Joint Ventures	Nil
Associates	Nil
Others	10,00,00,000

- 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 made any investment or 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, 2024: (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).

- viii) According to the information and explanations given to us and as per the records of the Company, there have been no transactions 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:

	(Rs.in Lakhs)
a) Gross amount required to be spent during the year	10.81
(b) Amount Spent during the year:	
(i) Education	5.00
(ii) Others	5.81

(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	10.81

xxi) 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: 15th May, 2024

Arjun S
(Partner)
Membership No. 230448
UDIN: 24230448BKDGXV9915

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, 2024 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, 2024, 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: 15th May, 2024

Arjun S

(Partner)

Membership No. 230448

UDIN: 24230448BKDGXV9915

Balance Sheet

	Note	As at 31 st March, 2024 ₹ in lakhs	As at 31 st March, 2023 ₹ in lakhs
ASSETS			
Non-Current assets			
Non-Financial assets			
Property, Plant and Equipment	2	18718.62	17918.82
Financial Assets			
-Investments	3(i)	13601.67	13601.67
-Other Financial Assets	3(ii)	608.41	608.41
Other Non Current Assets	4	692.50	500.00
Current Assets			
Financial Assets			
-Cash And Bank Balances	5	1646.44	172.65
-Other Balances with Bank	6	144.33	145.34
-Loans	7	1000.00	2800.00
Current Tax Assets (Net)	8	1703.38	1317.78
Other Current Assets	9	768.89	899.76
Total Assets		38884.25	37964.44
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	10 A	7377.00	7377.00
Other Equity	10 B	12977.91	12221.86
Total Equity		20354.91	19598.86
Non-Current Liabilities			
Financial Liabilities			
Borrowings	11	13570.69	13805.40
Lease Liabilities	12	162.93	-
-Other Financial Liabilities	13	2193.69	2211.30
Provisions	14	14.30	9.63
Current Liabilities			
Financial Liabilities			
- Borrowings	15	897.87	774.89
-Lease Liabilities	16	73.21	-
- Trade payables	17	107.93	24.93

- Other financial liabilities	18	127.94	183.33
Provisions-Current	19	150.10	105.90
Other current liabilities	20	1230.68	1250.20
TOTAL EQUITY & LIABILITIES		38884.25	37964.44
Material accounting policies	1		
Other notes to Financial Statements	2-43		

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

Anish Mathew

Independent Director

DIN: 02545538

Arjun S.

Membership No: 230448

Place: Hyderabad

Date: 15th May, 2024

Shridhar Thathachary

Chief Financial Officer

Srivalli Susarla

Company Secretary

Statement of Profit & Loss

	Note	For the year ended 31 st March, 2024 ₹ in lakhs	For the year ended 31 st March, 2023 ₹ in lakhs
Revenue from Operations			
Revenue from sale of services	21	-	197.10
Other Income	22	3734.65	4186.13
		3734.65	4383.23
Expenses			
Software, hardware and material cost	23	-	16.88
Employee benefits expense	24	205.55	385.57
Finance costs	25	1706.30	1089.62
Depreciation and amortisation expense	2	318.82	284.05
Other expenses	26	684.28	1564.28
		2914.95	3340.40
Profit/(Loss) Before Exceptional item and tax Exceptional Items(Net)	27	819.71	1042.83
			105.01
Profit/(Loss) Before Exceptional item		819.71	1147.84
Tax expense			
Tax on earlier years		63.64	-
Total tax expense		63.64	-
Profit/(Loss) for the year		756.06	1147.84
Other Comprehensive Income/(Loss)			
A Items that will not be reclassified to profit and loss			
i) Remeasurements of post employment benefit obligations		0.20	(2.67)
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		0.20	(2.67)
Total Comprehensive Income for the year		756.26	1145.17
Earnings per equity share (in `)			
(1) Basic	28	1.02	1.56
(2) Diluted	28	1.02	1.56
Material accounting policies	1		
Other notes to Financial Statements	2-43		

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

Anish Mathew

Independent Director

DIN: 02545538

Arjun S.

Membership No: 230448

Place: Hyderabad

Date: 15th May, 2024

Shridhar Thathachary

Chief Financial Officer

Srivalli Susarla

Company Secretary

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
7377.00	-	-	-	7377.00

(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
7377.00	-	-	-	7377.00

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	2546.75	6605.23	2773.73		18.52	12221.85
Changes in accounting policy or prior period errors									
Restated balance at the beginning of the current reporting period	5.59	250.66	21.38	2546.75	6605.23	2773.73		18.52	12221.85
Total Comprehensive Income for the current year					755.86			(2.67)	
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	2546.75	7361.09	2773.73		18.52	12977.91

(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	2546.75	5454.72	2773.73		21.19	11074.01
Changes in accounting policy or prior period errors									
Restated balance at the beginning of the previous reporting period	5.59	250.66	21.38	2546.75	5454.72	2773.73		21.19	11074.01
Total Comprehensive Income for the previous year								(2.67)	
Dividends									
Transfer to retained earnings					1150.50				
Any other Change to be specified									
Balance at the end of the current reporting period	5.59	250.66	21.38	2546.75	6605.23	2773.73		18.52	12221.85

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

Anish Mathew

Independent Director

DIN: 02545538

Arjun S.

Membership No: 230448

Place: Hyderabad

Date: 15th May, 2024

Shridhar Thathachary

Chief Financial Officer

Srivalli Susarla

Company Secretary

Cash Flow Statement

	For the year ended 31 st March, 2024 ₹ in lakhs	For the year ended 31 st March, 2023 ₹ in lakhs
A. Cash flow from Operating Activities		
Net Profit Before Tax	819.71	1147.84
Adjusted for:		
Depreciation	318.82	284.05
Interest Income	(285.99)	(418.25)
Interest & Bank Charges	1706.30	1089.62
Impact of Exceptional Items		(105.01)
Operating Profit Before Working Capital Changes	2558.84	1998.25
Adjusted for:		
Other Non Current Assets	(192.50)	(489.16)
Other Financial Assets		48.66
Other Current Assets	130.87	-
Trade and other Receivables and other Assets	(384.59)	(25.49)
Trade and other payables	52.29	(68.15)
Other non - current liabilities	150.00	(177.59)
Cash Generated from operations	2314.90	1286.52
Tax on earlier years	(63.64)	
Net Cash from / (Used in) Operating Activities [A]	2251.24	1286.52
B. Cash Flow from Investing activities		
Purchase of Property Plant & Equipment	(1118.62)	(154.36)
Transfer of Property,Plant and Equipment	-	545.01
Loans	1799.97	
Proceeds for sale of Investments		495.00
Proceeds for sale of IT(SPD) division		100.00
Proceeds from disinvestment of subsidiaries		
Investment made		(13535.67)
Interest Income (Gross)	285.99	418.25
Creation of deposits/(Closure of deposits)		(471.02)
Net movement of Loan Given		(2050)

Net Cash from / (Used in) Investing Activities [B]	967.34	(14652.79)
C. Cash flow from Financial Activities		
Increase/Decrease on Borrowings	(38.52)	11,408.50
Interest & Bank Charges	(1706.30)	(1089.62)
Net Cash flow from/(Used in) Financing Activities [C]	(1744.82)	10,318.88
Net Cash Flows during the year {A+B+C}	1473.78	(3047.39)
Cash & Cash Equivalents(Opening Balance)	172.65	3220.03
Cash & Cash Equivalents (Closing Balance)	1646.44	172.65

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

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Anish Mathew

Independent Director

DIN: 02545538

Arjun S.

Membership No: 230448

Place: Hyderabad

Date: 15th May, 2024

Shridhar Thathachary

Chief Financial Officer

Srivalli Susarla

Company Secretary

Megasoft Limited

Notes forming part of Financial Statements for the year ended 31st March, 2024

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 29th 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 Material 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. 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.

b. Transition

Effective 1st April, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1st April, 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 designated 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, 2023	Additions	Deletions / Adjustments	Acquisitions through business combinations	Amount of change due to revaluation	Others adjustments	Cost as at 31 st March, 2024	As at 1 st April, 2023	Depreciation for the period 31 st March	Deletions / Adjustments	Impairment Losses/ Reversals	Total as at 31 st March, 2024	As at 31 st March, 2024	As at 31 st March, 2023
(A) Property, Plant & Equipment														
Land & Land Development	2731.21		-	-	-	2731.21	-	-	-	-	-	2731.21	2731.21	2731.21
Building	15771.60		-	-	-	15771.60	712.67	249.13		-	961.80	14809.81	15058.93	
Leaschold building ROU Asset	-	280.99	-	-	-	280.99	-	49.06		-	49.06	231.93	-	-
Plant & Machinery	-	833.95	-	-	-	833.95	-	2.70		-	2.70	831.24	-	-
Computer systems & Software	6.62	3.59	-	-	-	10.20	0.83	2.59		-	3.42	6.78	5.79	
Furniture & Fittings	-	0.09	-	-	-	0.09	-	-		-	-	0.09	-	-
Vehicles	129.12		-	-	-	129.12	6.23	15.33		-	21.57	107.56	122.89	
Sub Total	18638.56	1118.61	-	-	-	19757.17	719.73	318.82	-	-	1038.55	18718.62	17918.82	
(B) Intangible Assets														
Intellectual Property Rights	-	-	-	-	-	-	-	-		-	-	-	-	-
Patents	-	-	-	-	-	-	-	-		-	-	-	-	-
Sub Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C) Capital WIP														
Total	18638.56	1118.61	-	-	-	19757.17	719.73	318.82	-	-	1038.55	18718.62	17918.82	
Previous year figures	19655.33	154.36	1171.14	0.00	0.00	18638.56	1157.72	284.05	722.04	0.00	719.73	17918.82	18497.61	

Description	Property Plant and Equipment	Rights of Use Asset	Total
Gross Carrying Value			
As at 31 st March, 2023	18638.56	0	18638.56
ROU recognised on 1 st April, 2024	-	-	-
Reclassified on account of adoption of Ind As 116	-	-	-
Additions	837.62	280.99	1118.61
Disposals	0	0	0
As at 31 st March, 2024	19476.18	280.99	19757.17
Accumulated Depreciation			
As at 31 st March, 2023	719.73	0	719.73
ROU recognised on 1 st April, 2023	-	-	-
Reclassified on account of adoption of Ind AS 116	-	-	-
Charge for the year	269.76	49.06	318.82
Adjustment for disposal	0	0	0
As at 31 st March, 2024	989.49	49.06	1038.55
Net Block as at 31 st March, 2023	17918.82	0	17918.82
Net Block as at 31 st March, 2024	18486.69	231.93	18718.62

Summary of Depreciation charged in P & L account	
On account of ROU assets (Ind AS 116)	49.06
On account of others (incl. Building)	269.76
	318.82

	As at 31-Mar-2024 ₹ in lakhs	As at 31-Mar-2023 ₹ in lakhs
3 Financial Asset		
(i) Investment Measured at Cost		
Extrovis AG 80,000(PY:80,000) Equity shares	13535.67	13535.67
Sub Total	13535.67	13535.67
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	13601.67	13601.67
(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	14210.08	14210.08
4 Other Non Current asset		
Capital Advances	192.50	-
Other Advances		
Others	500.00	500.00
Total	692.50	500.00

Note: The company has filed a Writ Petition before the Hon'ble High Court of Telangana challenging notifications relating to taxation of Joint Development transactions under which the GST authorities issued summons, detained the Company's senior management personnel and initiated debit freeze in bank accounts of the company without any written notice or claim for their demand. The company paid Rs 5 crores under protest. The management strongly believes that there is no GST liability on the said transaction and that there is merit in its court case/ WP and is hopeful of a positive outcome. The matter is sub-judice.

5	Cash And Cash Equivalents		
	(A) Balances with Banks:		
	- Current accounts	1645.18	172.62
	- Cash on hand	1.27	0.03
	Total	1646.44	172.65
6	Bank balances other than cash & cash equivalents		
	Deposits held as Margin Money	144.33	145.34
	Total	144.33	145.34
7	Loans		
	Others -Loans receivables considered Good- Unsecured	1000.00	2800.00
	Total	1000.00	2800.00
8	Current Tax (Liabilities)/Asset		
	Advance Tax (Net off Provision For Taxation)	1703.38	1317.78
	Total	1703.38	1317.78
9	Other Current Assets		
	Prepaid Expenses	129.53	247.40
	Security Deposits	141.30	124.34
	Accrued Interest Receivable	98.28	318.37
	Balance with Government Authorities	191.41	85.08
	Other Advances		
	-Staff Advances	11.36	8.84
	-Others	197.01	115.74
	Total	768.89	899.76
10A	Share Capital		
	a) Authorised Capital	20000.00	20000.00
	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	7377.00	7377.00
	(PY : 7,37,70,041 Equity shares of ₹ 10/- each, fully paid up)		
	Total	7377.00	7377.00

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

	Equity Shares		Equity Shares	
	As at 31 st March, 2024		As at 31 st March, 2023	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	73770041	7377.00	73770041	7377.00
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	73770041	7377.00	73770041	7377.00

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, 2024		As at 31 st March, 2023	
	No. of shares	%	No. of shares	%
Ramanagram Enterprises Private Limited	32286926	43.77%	32286926	43.77%

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	32286926	43.77%	-

	As at 31 st March, 2024 ₹ in lakhs	As at 31 st March, 2023 ₹ 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		
Opening balance	5.59	5.59
Closing balance	5.59	5.59
c Business Reconstruction Reserve		
Opening balance	21.38	21.38
Closing balance	21.38	21.38
d General Reserve		
Opening balance	2546.75	2546.75
Closing balance	2546.75	2546.75
e Retained earnings		
Opening balance	6605.23	5454.72
Net Profit/ (Loss) for the year	755.86	1150.50
Less: Transfer from Other Comprehensive Income		
Closing balance	7361.09	6605.23
f. Revaluation Surplus		
Opening balance	2773.73	2773.73
g. Other Comprehensive Income		
As per Last Balance Sheet	18.52	21.19
Add: Movement in OCI during the year (net)	0.20	(2.67)
Less: Transfer to Retained Earnings		
Total Other Comprehensive Income	18.72	18.52
Total Other Equity	12977.91	12221.86

	As at 31 st March, 2024 ₹ in lakhs	As at 31 st March, 2023 ₹ in lakhs
11 Borrowing –Non Current		
Borrowings		
Secured	-	-
Term Loan:		
(i) From Banks	75.44	92.75
(ii) From Other Parties (NBFC)	14393.12	14487.53
Less: Current Maturities of long term borrowing	(897.87)	(774.89)
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 8.75% 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 Installments of Rs 203800 each		
Total	13570.69	13805.40
12 Lease Liabilities		
Financial Lease Obligations	236.14	-
Less:Current maturites of finance lease obligations	(73.21)	-
Total	162.93	-
13 Other Financial Liability - Non Current		
Security Deposit-JDA	2029.52	1988.16
Deferred Premium Translation of financial Liabilities	164.18	233.14
Total	2193.69	2211.30
14 Provisions - Non Current		
Provision for Employee Benefits	14.30	9.63
Total	14.30	9.63
15 Borrowings – Current		
Current Maturities on Long Term Borrowings	897.87	774.89
Total	897.87	774.89

16 Lease Liabilities

Current Maturities of finance lease Obligations 73.21

Total 73.21

17 Trade Payables

Total Outstanding dues of Micro Enterprises & Small Enterprises* - -

Total Outstanding dues of Creditors other than Micro Enterprises & Small Enterprises 107.93 24.93

Total 107.93 24.93

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	107.93	-			107.93
3) Disputed Dues-MSME					
4) Disputed Dues-others					

Ageing Schedule Fy 2022-2023

Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
1) MSME					
2) Others	24.93				24.93
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 68.86

Deferred premium translation of Financial Liabilities 127.94 114.47

Total 127.94 183.33

19 Provisions – Current

Provision for Employee Benefit 25.74 25.74

Provision for Outstanding Expenses 124.36 80.16

Total 150.10 105.90

20 Other current liabilities

Statutory Dues Payable - 18.65

Salary Payable 11.62 10.92

Other Payables*	1219.06	1220.63
* Includes amounts on JDA		
Total	1230.68	1250.20
21 Revenue From Operation		
Revenue from sale of services		197.10
Total		197.10
22 Other Income		
Interest Income on Rent IndAS	1.34	-
Amortization Income - JDA Land	128.39	128.25
Other non-operating income		
Rental Income	3318.92	3634.67
Sale of debonded goods	-	3.68
Interest Received	285.99	418.25
Fair Value Adjustment on termination of lease	-	1.28
Sub Total	3604.92	4057.88
Total	3734.65	4186.13
23 Software ,Hardware and Material Cost		
Hardware & Software(New Projects)	-	16.88
Total	-	16.88
24 Employee Benefit expense		
Salaries and Wages	191.66	355.25
Contribution to Provident Fund and other funds	7.18	16.07
Staff Welfare	6.71	14.25
Total	205.55	385.57
25 Finance costs		
Interest expenses	1692.73	1006.26
Bank Charges	13.57	8.36
Processing Fees	-	75.00
Total	1706.30	1089.62
26 Other expenses		
Services Rendered by business associates and Others	6.60	74.79
Electricity Charges	0.76	9.36
Insurance Expenses	30.46	23.95

Travelling and conveyance	11.20	98.13
Legal and professional charges	342.68	823.82
Rates and taxes	38.00	54.52
Rent	8.68	12.63
Repairs and Maintenance	19.89	28.75
Security charges	9.26	6.09
Communication costs	4.20	3.75
Business promotion expenses	2.38	17.03
Printing and stationery	1.75	1.40
Audit fees (Excluding Taxes)		
For Statutory Audit	16.00	16.00
Sitting fees paid	13.75	15.80
Provision for doubtful Debts	-	208.00
Commission (Brokerage services)	148.71	154.91
Exchange Loss on Foreign Exchange Transaction	0.19	1.97
Miscellaneous expenses	18.96	13.38
CSR Expenses	10.81	-
Total	684.28	1564.28
27 Exceptional Items (Net)		
Loss on Subsidiaries' disinvestment	-	(90.90)
Profit on sale of IT(SPD) Division	-	195.91
Total	-	105.01
28 Earnings Per Share		
Net Profit /(Loss) attributable to Equity Shareholders (A)	75606135.00	114783850.15
Weighted average number of equity shares outstanding during the period (B) (In Nos.)	73770041	73770041
Basic & Diluted EPS (A/B) (in ₹)	1.02	1.56

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 and investment property.
- The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets) or intangible assets.
- 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%)
		2023-24	2022-23		
(i) Current ratio	Current Assets/ Current Liabilities	2.03	2.28	-11%	NA
(ii) Debt-Equity ratio	Total Outside Debt/ Equity Share Holder's Funds	0.71	0.74	-4%	NA
(iii) Return on Equity ratio	Net Profit After Taxes / Equity Shareholder's Funds	3.72%	5.86%	-37%	Variance due to decrease in net profit due to lower income generated during the year
(iv) Trade Receivables turnover ratio	Net Sales/ Average Receivables	0.00	0.44	-100%	Variation due to no revenue generated from operations during the year
(v) Trade payables turnover ratio	Net Purchases / Average Payables	0.00	0.04	-100%	Variation due to no revenue generated from operations during the year

(vi) Net capital turnover ratio	Revenue from Operations / Average Working Capital	0.00	0.06	-100%	Variation due to no revenue generated from operations during the year
(vii) Net profit ratio	Net Profit After Taxes / Revenue from Operations	0.00	5.82	-100%	Variation due to no revenue generated from operations during the year
(viii) Return on Capital employed	Earnings before Interest & Taxes/ Capital Employed	7.25%	6.55%	11%	NA
(ix) Return on investment	Net Profit After Taxes / Capital Employed	2.17%	3.36%	-35%	Variance due to lessor profits made during the year
(x) Debt service coverage ratio	EBITDA/ (Interest+Principal)	1.14	1.50	-24%	Variance due to additional Loan availed during the year

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.

Related party transactions

A. Wholly owned Subsidiary companies

Subsidiary companies	% of Holding	
	As at 31 st March, 2024	As at 31 st March, 2023
Velapan Systems Private Limited	100.00%	100%
Extrovis AG	40%	40%

B. Key Managerial Personnel

Sunil Kumar Kalidindi- Executive Director and Chief Executive Officer

Shridhar Thathachary-Chief Financial Officer

Srivalli Susarla- Company Secretary

Details of Related Party Transactions during the year:

Particulars	For Year Ended 31 st March, 2024 ₹ in lakhs	For year ended 31 st March, 2023 ₹ in lakhs
Wholly Owned Subsidiary Companies		
Sale of Services :	-	
1. Megasoft Consultants Sdn Bhd	-	30.96
2. XIUS Corp , USA		154.78
Loan Given (Repayment of Subsidiary debt)	-	
1. XIUS Holding Corp,USA	-	-
2. Extrovis Private Limited	-	2250.00
3. Velapan Systems Private Limited	2629.08	935.00
Investment made:	-	-
1. Nelatop Systems Private Limited		-
2. Velapan Systems Private Limited	-	
3. XIUS Holding Corp, USA	-	-
- Further Investment	-	-
- Conversion of Loan to Equity		
4. Megasoft Consultants Sdn Bhd, Malaysia	0	
5. Extrovis AG	-	13535.67
Disinvestments made	-	-
6. XIUS Holding Corp, USA	-	-
7. Megasoft Consultants Sdn Bhd, Malaysia	0	-
8. Nelatop Systems Private Limited	0	586
9. Velapan Systems Private Limited		0.01
Corporate Guarantees for Foreign Currency Loan from Bank :		
1. XIUS Holding Corp , USA	-	-
Key Managerial Personnel		
1. Remuneration to Directors	138.88	117.26
Balance at the end of the year :		
A. Trade Receivables :		
Megasoft Consultants Sdn Bhd	-	-

XIUS Corp, USA	-	-
B. Loans and Advances		
XIUS Holding Corp , USA	-	-
Maximum amount Outstanding during the year		
- XIUS Holding Corp , USA	-	-
- Extrovis AG	-	3000
- Velapan Systems Private Limited	659.94	410

Note: Advance/ Loan given and received to/ from Velapan Systems Private Limited as on 31st March, 24 was Nil

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	10.81
b) Amount Spent during the year:	
(i) Education	5.00
(ii) Others	5.81
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	10.81

The Company has neither traded nor invested in Crypto currency or Virtual Currency during the financial year.

32 Commitments & Contingencies

i) Bank guarantees	119.51	117.85
ii) Income Tax		

a) The Company has received a demand order from Income Tax u/s 156 amounting to Rs. 24.98 crores for the Financial Year 2021-2022. The company has appealed against the order to CIT(A) u/s 220(6) of the Income Tax Act,1961.

33. Payment to Auditors

Statutory Audit Fees	16.00	16.00
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34. Expenditure in foreign currency

Travel expenses	26.78	16.02
Professional Service	3.71	20.73
Investment in Extrovis	0.00	13535.67

35. Earnings in foreign currency

Software development services	0.00	185.74
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36. 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 st March, 2024	31 st March, 2023
Present Obligation at period beginning – Current	27.07	116.92
Service cost	2.24	11.60
Interest on defined benefit obligation	2.20	7.12
Past Service Cost	-	-
Liability Transferred out/Divestments	-	(111.24)
Actuarial (gain) / Loss	-	-
Benefit Directly Paid by the Employer	-	-
Current Liability (within 12 months)	-	-
Actuarial (gain) / Loss- Due to Change in Demographic Assumptions	-	0.99
Actuarial (gain) / Loss- Due to Change In Financial Assumptions	0.17	(0.16)
Actuarial (gain) / Loss- Due to Change In Financial Experience	(0.37)	1.84
Present Value of Benefit Obligation at the End of the Period	31.10	27.07

Amount Recognized in Balance Sheet

Particulars	31 st March, 2024	31 st March, 2023
(Present Value of Benefit Obligation at the end of the Period)	(31.10)	(27.07)
Fair Value of Plan assets at the end of the period	-	-
Funded Status (Surplus / Deficit)	(31.10)	(27.07)

Net (Liability)/Asset Recognized in the Balance Sheet	(31.10)	(27.07)
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Expenses recognized in statement of profit and loss account

Particulars	31 st March, 2024	31 st March, 2023
Current Service Cost	2.24	11.60
Net Interest Cost	2.00	7.12
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments and Settlements	-	-
Net Effects of Changes in Foreign Exchange Rates	-	-
Expenses Recognized	4.24	18.72

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

Particulars	31 st March, 2024	31 st March, 2023
Actuarial (Gains)/Losses on Obligation for the period	(0.20)	2.67
Return on Plan Assets, Excluding Interest Income	-	-
Change in Asset Ceiling	-	-
Net(Income)/Expense for the period recognized in OCI	(0.20)	2.67

Sensitivity Analysis

Particulars	31 st March, 2024	31 st March, 2023
Projected Benefit Obligation on Current Assumptions	31.10	27.07
Delta Effect of +1% Change in Rate of Discounting	(0.79)	(0.49)
Delta Effect of -1% Change in Rate of Discounting	0.89	0.56
Delta Effect of +1% Change in Rate of Salary Increase	0.80	0.55
Delta Effect of -1% Change in Rate of Salary Increase	(0.79)	(0.50)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.19)	(0.11)
Delta Effect of -1% Change in Rate of Employee Turnover	0.20	0.11

The sensitivity analysis have 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.

37. Leases

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

(a) Lease Income

Company as a Lessor

Other Income includes ₹ 3318.92 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:

	31 st March, 2024	31 st March, 2023
Payable within one year	73.21	-
Payable between one and five years	162.93	-
Payable after five years	-	-
Total	236.14	-

(ii) Amount recognized in profit or loss

	31 st March, 2024	31 st March, 2023
Lease expense-minimum lease payments	53.70	-
Total	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’24	Apr-Mar’23
Reclassified on account of adoption of Ind AS 116	-	-
Opening Lease Liability	-	402.73
Additions	280.99	0.00
Repayments(a)	49.49	-

Interest Expenses in Finance cost(b)	4.64	-
Closing Lease liability	236.14	-
Rental Expenses (c) = (a)+(b)	49.06	-
Depreciation on Right of Use Assets(d)	-	-
Impact of adoption of Ind AS 116 in profit and Loss Account (d+b-c)	4.21	-

Particulars	31 st March, 2024	31 st March, 2023
Carrying value of Right of Use Assets	231.93	-

38. Assets Pledged as Security:

Particulars	31 st March, 2024	31 st March, 2023
Non-current assets		
First Charge	-	-
Non - Financial Assets		
Property, Plant and Equipment (Land & Building)	17541.02	17790.15
Vehicle	107.56	120.81
Total Non-current assets pledged as security	17648.57	17910.96
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	17648.57	17910.96

39. Fair Value Measurements:

a) Financial Instruments by Category and their Fair Values:

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets:				
Investment	13601.67	13601.67	13601.67	13601.67

Security Deposits	608.41	608.41	83.41	83.41
Trade Receivables	0.00	0.00	0.00	0.00
Cash and Cash Equivalentents	1646.44	1646.44	172.65	172.65
Other Bank balances	145.34	145.34	670.34	670.34
Loans	1000.00	1000.00	2800.00	2800.00
Total Financial Assets	17328.07	17328.07	17063.68	17063.68
Financial Liabilities:				
Borrowings	14468.56	14468.56	14580.28	14580.28
Lease Liabilities	236.14	236.14	-	-
Trade Payables	107.93	107.93	-	-
Other Financial Liabilities	2321.63	2321.63	2394.62	2394.62
Total Financial Liabilities	17134.26	17134.26	16974.91	16974.91

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.

40. 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, 2024	As at 31 st March, 2023
Equity	18058.53	19333.21
Debt	14393.12	14580.28
Total	32415.65	33913.49

41. Income Taxes:

The major components of Income Tax expense for the years ended 31st March, 2024 and 31st March, 2023 are as under:

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

Particulars	Year ended 31 st March, 2024	Year ended 31 st March, 2023
Current Tax	-	-
Deferred Tax	-	-
Total	-	-

Deferred Tax asset as at 31st March, 2024 and 31st March, 2023 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, 2024	Year ended 31 st March, 2023
Profit before tax	822.19	1137.29
Tax on the above	206.93	286.23
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income and adjustment of bought forward losses	(206.93)	(286.23)
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, 2024	As at 31 st March, 2023
Opening tax (asset) / liability	(1317.80)	(937.22)
Add : Taxes Paid	-	-
Add : Credit availed	(385.59)	(380.58)
Less : Refund	-	-
Less: Current tax payable	-	-
Closing tax (asset) / liability	(1703.40)	(1317.80)

d) Deferred Tax

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Deferred Tax Liability:		
On account of Depreciation differences	(13.80)	(1.02)
On account of Employee Benefits	-	-
Total Deferred Tax Liability	(13.80)	(1.02)

Deferred Tax Asset:		
On account of Depreciation differences	-	-
On account of Employee benefits	7.83	8.90
On account of carry forward losses	279.01	410.85
Total Deferred Tax assets available	-	419.75
Recognition of Deferred Tax Asset /(Liability)(Net)	-	(0.41)
Unused Deferred Tax asset (Not recognized)	273.03	418.74

42. 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

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, 2024:

Financial Liabilities	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	897.87	5756.87	7813.82	14468.56
Lease Liabilities	73.21	162.93	-	236.14
Trade Payables	107.93	-	-	107.93
Other Financial Liabilities	-	2321.63	-	2321.63
Total Financial Liabilities	897.87	8078.50	7813.82	16790.19

31st March, 2023:

Financial Liabilities	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	757.57	5294.29	8435.67	14487.53
Lease Liabilities	-	-	-	-
Trade Payables	24.93	-	-	24.93
Other Financial Liabilities	183.33	2211.30	-	2394.63
Total Financial Liabilities	940.90	7505.58	8435.67	16882.16

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:

iii) 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.

iv) 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 31st March, 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, 2024	As at 31 st March, 2023
Variable rate borrowings	14393.12	14487.53

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, 2024	31 st March, 2023
Interest cost – increase by 5% on existing Interest cost*	84.64	50.31
Interest cost – decrease by 5% on existing Interest cost*	(84.64)	(50.31)

*Holding all other variables constant.

43. 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

Anish Mathew
Independent Director
DIN: 02545538

Arjun S.
Membership No: 230448
Place: Hyderabad
Date: 15th May, 2024

Shridhar Thathachary
Chief Financial Officer

Srivalli Susarla
Company Secretary



MEGASOFT LIMITED

CIN: L24100TN1999PLC0427320

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

Email- investors@megasoft.com,

www.megasoft.com

Notice of the 24th Annual General Meeting

Notice is hereby given that the **24th Annual General Meeting (AGM)** of the Members of **MEGASOFT LIMITED** will be held on Friday, 27th September, 2024, 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 consider and if thought fit, to pass, the following resolution as Ordinary Resolution:

To receive, consider and adopt:

- i) The Audited Financial Statements of the Company for the year ended 31st March, 2024, the report of the Auditors thereon and the Directors’ Report.
- ii) The Audited Consolidated Financial Statements of the Company for the year ended 31st March, 2024 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. To consider Re-appointment and fixing of Remuneration of Mr. Sunil Kumar Kalidindi, Executive Director & CEO of the Company

To consider and, if thought fit, pass, the following resolution as a *Special Resolution*:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force], and Regulation 17(1), other applicable Regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Articles of Association of the Company, Nomination and Remuneration Policy of the Company and based on the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company, consent of the members of the Company, be and is hereby accorded towards the re-appointment of **Mr. Sunil Kumar Kalidindi, (DIN: 02344343) 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 23rd September, 2022.

RESOLVED FURTHER THAT the remuneration as approved by the shareholders above shall be paid to Mr. Sunil Kumar Kalidindi, Executive Director & CEO of the Company even in the inadequacy or absence of profits in any financial year or years during his tenure of office, subject to the provisions of Schedule-V of the Companies Act, 2013.

“**RESOLVED FURTHER 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.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any Director of the Company or any other officer or employee of the company as it may consider appropriate in order to give effect to this resolution including filing of necessary forms/returns with the Ministry of Corporate Affairs/ Stock Exchanges/ other authorities concerned.”

By order of the Board of Directors
For **Megasoft Limited**

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

Place: Hyderabad

Date: 31st August, 2024

NOTES:

1. The Ministry of Corporate Affairs (MCA) vide Circular No. 02/2021 dated 13th January, 2021 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 and General Circular No. 09/2023 dated 25th September, 2023 issued by the Ministry of Corporate Affairs and SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 07th October, 2023 had permitted Companies to conduct Annual General Meeting (AGM) during the year 2023 through video conferencing (VC) or Other Audio Visual Means (OAVM), without the physical presence of the members at common venue. In compliance with the MCA Circular No. 14/2020 dated 08th April, 2020, Circular No. 17/2020 dated 13th April, 2020, Circular No. 20/2020 dated 05th May, 2020, Circular No. 02/2021 dated 13th January, 2021, Circular No. 20/2021 dated 08th December, 2021, Circular No. 2/2022 dated 05th May, 2022 and Circular No. 10/2022 and Circular No. 11/2022 dated 28th December, 2022 (MCA Circulars) and Securities and Exchange Board of India (SEBI) vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09th December, 2020, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021, Circular No. SEBI/HO/DDHS/DDHS_Div2/P/CIR/2022/079 dated 03rd June, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 05th January, 2023 and General Circular No. 09/2023 dated 25th September, 2023 issued by the Ministry of Corporate Affairs and SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 07th October, 2023 applicable provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 24th 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 24th 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 24th 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 24th 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 08th April, 2020, Circular No. 2/2022 dated 05th May, 2022 and Circular No. SEBI/HO/DDHS/DDHS_Div2/P/CIR/2022/079 dated 03rd June, 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 48 hours 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 Register of Members and Share Transfer books will remain closed from Saturday, 21st September, 2024 to Friday, 27th September, 2024 (both days inclusive).
9. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on Friday, 20th September, 2024, 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.
10. Members may note that pursuant to the General Circular No. 20/2020 dated 05th May, 2020 Circular No. 2/2022 dated 05th May, 2022 issued by the MCA and and Circular No. SEBI/HO/DDHS/DDHS_Div2/P/CIR/2022/079 dated 03rd June, 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.
11. After due verification and receipt of email address updation request, the Company will send the annual report at your registered email address.
12. 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).
13. 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.
14. 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 1st April, 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.
15. 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.
16. 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.
 17. The following documents will be available for inspection by the Members electronically during the 24th AGM: a) 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.
 18. In case of any queries regarding the Annual Report, the Members may write to investors@megasoft.com to receive an email response.
 19. 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.
 20. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated 13th April, 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 24th AGM along with the Annual Report 2023-24 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 2023-24 will also be available on the Company's website at <https://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 08th April, 2020, Circular No.17/2020 dated 13th April, 2020 and Circular No. 20/2020 dated 05th May, 2020 and General Circular No. 09/2023 dated 25th September, 2023 issued by the Ministry of Corporate Affairs and SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 07th October, 2023. The forthcoming AGM/EGM will thus be held through through video conferencing (VC) or other audio-visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM 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 08th April, 2020, 13th April, 2020 and 05th May, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. 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 EGM/AGM will be provided by CDSL.
3. The Members can join the EGM/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 EGM/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 EGM/AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM/EGM 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 08th April, 2020, the facility to appoint proxy to attend

and cast vote for the members is not available for this AGM/EGM. 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/EGM 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 13th April, 2020, the Notice calling the AGM/EGM 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/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com.
7. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated 8th April, 2020 and MCA Circular No. 17/2020 dated 13th April, 2020 and MCA Circular No. 20/2020 dated 05th May, 2020.
8. In continuation to this Ministry's **General Circular No. 20/2020** dated 05th May, 2020, General Circular No. 02/2022 dated 05th May, 2022 and General Circular No. 10/2022 dated 28th December, 2022 and after due examination, it has been decided to allow companies whose AGMs are due in the Year 2023 or 2024, to conduct their AGMs through VC or OAVM on or before 30th September, 2024 in accordance with the requirements laid down in Para 3 and Para 4 of the General Circular No. 20/2020 dated 05th May, 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.

- iii) The voting period begins on Monday, 23rd September, 2024 from 9:00 a.m. (IST) and ends on Thursday, 26th September, 2024 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 Friday, 20th September, 2024 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- iv) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- v) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09th December 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.
- vi) 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.

vii) 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 09th December 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 cdsl website www.cdslindia.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 cdsl website www.cdslindia.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.cdslindia.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>

<p>Individual Shareholders holding securities in demat mode with NSDL Depository</p>	<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. 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>
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)</p>	<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	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) 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)	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. ● 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 Megasoft 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/ EGM 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/EGM.
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 Futurex, 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)

Annexure to the Notice convening the 24th Annual General Meeting to be held on Friday, 27th September, 2024

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 – To consider Re-appointment and fixing of Remuneration of Mr. Sunil Kumar Kalidindi, Executive Director & CEO of the Company

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, appointed Mr. Sunil Kumar Kalidindi (DIN :02344343), aged 40 years, Executive Director & CEO (Professional, Executive) & as CEO of the Company, with effect from December 10, 2021 under Section 161, 196 and 203 read with Schedule V thereto and other applicable provisions of the Companies Act, 2013 and Articles of Association of the Company.



Mr. Sunil Kumar Kalidindi whose tenure is getting completed on December 9, 2024 is hereby proposed to be re-appointed w.e.f. December 10, 2024 for a period of three (3) years up to December 9, 2027.

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.

Mr. Sunil Kumar Kalidindi has done Bachelor of Engineering from PSG College of Engineering, Coimbatore and obtained a Masters degree in management from University of Leicester (UK) and a Masters degree in Finance from London Business school.

He has worked with M/s Fitchner India Limited, Chennai before joining the KVK group. As a CEO, he contributed to the group companies in developing, managing and operating power plants. He has lead the Group in corporate finance and fund raising. He has specialized in the areas of Commercial, business development and day to day operations of the Companies.

He has also pioneered a software venture for smart metering with government Utilities. He has built an e-commerce platform for coal trading which has some large corporates as its clients. He has lead an acquisition of a web based power trading platform recently which acts like a power exchange for generators and consumers.

Except Mr. Sunil Kumar Kalidindi, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution as set out in the Notice.

The Board of Directors based on the recommendation of the Nomination and Remuneration Committee considers the re-appointment of Mr. Sunil Kumar Kalidindi as a Executive Director & CEO in the interest of the Company and recommends the Special resolution as set out in the Notice for approval of Members.

The information in respect of the Company and the Managerial Personnel in respect of item No. 4 as per SCHEDULE-V of the Companies Act, 2013:

(1) GENERAL INFORMATION:

- a) Nature of Industry: Defence & Pharma
- b) Date or expected date of commencement of commercial production: The Company has already commenced its business activities.
- c) In case of new companies, expected date of commencement of activities as per project approved by the FIs appearing in the prospectus: Not Applicable
- d) Foreign Investment or collaborations, if any: Not Applicable

(2) INFORMATION ABOUT THE APPOINTEE

Particulars	Item No. 4
Background Details	Mr. Sunil Kumar Kalidindi (DIN- 02344343), aged 40 years, is the Executive Director & CEO of the Company. Mr. Sunil Kumar K has done Bachelor of Engineering from PSG College of Engineering, Coimbatore and obtained a Masters degree in management from University of Leicester (UK) and a Masters degree in Finance from London Business school.

	The job of the Executive Director & CEO shall be to carry out day-to-day functions and shall be responsible for day-to-day operations, subject to control, superintendence and supervision by the Board.
Past Remuneration	Rs 75.00 Lakhs per annum (since 23 rd September, 2022, as approved by the Shareholders earlier) plus applicable allowances/reimbursements.
Recognition or Awards	The work done in discharge of his duties as Director has been recognized in the industry.
Job Profile and his suitability	Subject to superintendence, control and direction of the Board, Mr. Sunil Kumar Kalidindi shall manage and superintend the business affairs of the Company and do all such lawful acts and things in relation to such management and superintendence as he shall think fit and reasonable. He has a very rich experience in this area.
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	The Remuneration proposed is commensurate with the industry and size of the business and keeping in mind the rich experience he is having and future responsibilities of the job, the salary proposed is justified.
Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any	Besides the remuneration, Mr. Sunil Kumar Kaldindi does not have any other pecuniary relationship with the company

By order of the Board of Directors
For **Megasoft Limited**

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

Place: Hyderabad

Date: 31st August, 2024

OUR OFFICES

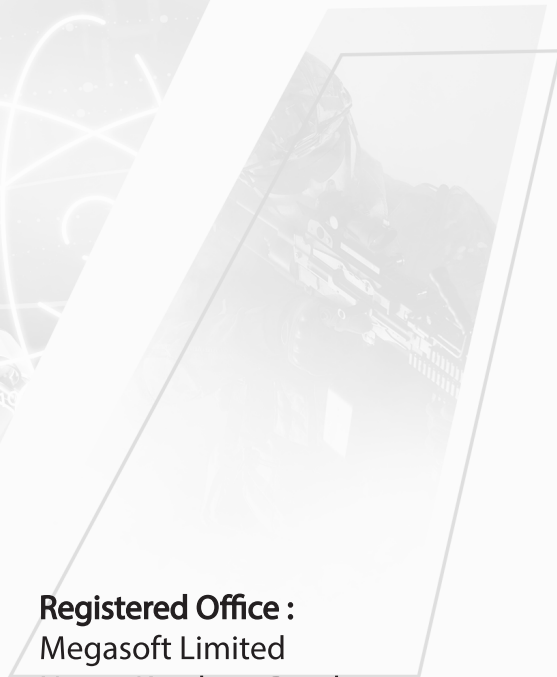
85, Kutchery Road,
Mylapore, Chennai - 600004
Tamilnadu, India

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 our prospects and take informed investment decisions. This report and other statements - written and oral - that we 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.



Registered Office :
Megasoft Limited
No.85, Kutchery Road,
Mylapore, Chennai, 600004