

**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

To,

Date: October 18, 2024

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
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Sub: Outcome of Board Meeting – Amalgamation of Sigma Advanced Systems Private Limited (“SASPL” or “Transferor Company”) into and with Megasoft Limited (“MSL” or “Megasoft” or “Transferee Company”)

Ref: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”) read with SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11th July 2023 (“Master Circular”)

Dear Sir/Madam,

It is hereby informed that the Board of Directors of Megasoft Limited, at its meeting held today on October 18, 2024 has *inter alia*, considered and approved the Scheme of Amalgamation (“Scheme”) for the amalgamation of Sigma Advanced Systems Private Limited (“SASPL” or “Transferor Company”) into and with Megasoft Limited (“MSL” or “Megasoft” or “Transferee Company”), in accordance with the Section 230 to 232 of the Companies Act, 2013 read with Regulation 11 and 37 of the Listing Regulations and the Master Circular (“Proposed Transaction”) based on the recommendations of the Audit/Risk & Compliance Committee and the Committee of Independent Directors, of Megasoft Limited.

The Scheme is subject to approval of the respective shareholders and creditors of the Transferor Company and Transferee Company, the National Company Law Tribunal (“Hon’ble NCLT”), SEBI, Stock Exchanges and other applicable regulatory/authorities. The share exchange ratio as recommended by BDO Valuation Advisory LLP, Registered Valuer and approved by the Board for the amalgamation of the Transferor Company into and with the Transferee Company shall be 316 (Three Hundred and Sixteen) equity shares of face value of ₹ 10/- (Ten Only) each of the Transferee Company for every 100 (One Hundred) equity shares of face value of ₹ 10/- (Ten Only) each of the Transferor Company.

The Scheme shall be operative from the Effective Date (as defined in the Scheme). As per the Scheme, the ‘Appointed Date’ shall be 1st April, 2024 or such other date as may be fixed mutually by the Transferor Company and the Transferee Company and sanctioned by the Hon’ble NCLT. The information in connection with the Proposed Transaction pursuant to Regulation 30 read with Schedule III of the Listing Regulations and Master Circular (as amended), is provided as **Annexure I**. The Meeting of the Board of Directors commenced at 04.05 P.M (IST) and concluded at 7:25 P.M (IST).

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

Thanking you,
Yours faithfully,

For **Megasoft Limited**

.....
Sunil Kumar Kalidindi
Executive Director & CEO



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Annexure-I

S No.	Details of event that needs to be provided	Information of such event
(Consolidated Numbers- Amount in Lakhs)		
1.	Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.;	<p>Details of Megasoft Limited as on June 30, 2024:</p> <ul style="list-style-type: none"> ● Total Assets - INR 41,828.23 ● Total Revenue/ Income - INR 761.13 ● Profit After tax - INR 53.58 ● Net Worth - INR 17,629.17 <p>Details of Megasoft Limited as on March 31,2024:</p> <ul style="list-style-type: none"> ● Total Assets - INR 38,884.25 ● Total Revenue/ Income - INR 3,734.65 ● Profit After tax - INR 756.06 ● Net Worth - INR 17,575.60 <p>Details of Sigma Advanced Systems Private Limited as on August 31, 2024:</p> <ul style="list-style-type: none"> ● Total Assets - INR 6,631.21 ● Total Revenue/ Income - INR 2,227.79 ● Profit After tax - INR 128.28 ● Net Worth - INR 4,595.06 <p>Details of Sigma Advanced Systems Private Limited as on March 31,2024:</p> <ul style="list-style-type: none"> ● Total Assets - INR 9,945.85 ● Total Revenue/ Income - INR 8,745.95 ● Profit After tax - INR 1,190.16 ● Net Worth - INR 4,466.78
2.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”;	<p>Yes.</p> <p>The Transferor Company is a related party of the Transferee Company.</p> <p>The transaction is being done at arm’s length as per valuation report issued by independent valuer</p>
3.	Area of business of the entity(ies);	<p>Megasoft Limited:</p> <p>Megasoft Limited focuses amongst others in the Aerospace and Defence Sector and is in the process of evaluating a few companies for Acquisition and intends to provide corporate, technology, finance and leadership / management to such companies.</p> <p>Its Equity shares are listed on National Stock Exchange of India Ltd. (“NSE”) and BSE Limited (“BSE”)</p>



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		<p>Sigma:</p> <p>The Company's comprehensive product portfolio includes state-of-the-art Avionics, Naval Systems, Torpedo Systems, Communication Systems, Radars and C-UAS tailored to meet the evolving needs of modern armed forces.</p> <p>Sigma Advanced Systems stands at the forefront of the defence industry, delivering systems and solutions that not only protect but also empower those who serve the Nation. Sigma proudly contributes to the Government's "Make in India" initiative.</p>
4.	Rationale for amalgamation/ merger;	<p>The proposed amalgamation would be in the best interest of the Parties and their respective shareholders, employees, creditors and other stakeholders as the proposed amalgamation will yield advantages as set out inter alia below:</p> <ul style="list-style-type: none"> (i) While Sigma proposes to leverage its position as a recognized design, development and manufacturing house and an approved company in Aerospace and Defence industry, to provide world-class products and services for national and international clients; Megasoft has commenced focusing, amongst others, in the Aerospace and Defence Sector and is in the process of evaluating a few companies for a potential acquisition and intends to provide centralized corporate, technology, finance and leadership/ management support services to such companies. Considering the objective of Megasoft to focus in the Aerospace and Defence sector, this amalgamation is being planned and the Scheme is anticipated to generate synergistic benefits, with both companies gaining from their pooled resources, experience, and skills. (ii) Combination of Sigma and Megasoft is entirely complementary to, and enhances the value proposition of Megasoft. (iii) The amalgamation is based on leveraging the significant complementarities that exist amongst Sigma and Megasoft. The amalgamation would create meaningful value for various stakeholders including respective shareholders, customers, employees, as the combined business would benefit from increased scale, maximize resource utilization, improve management, and reduction in costs and the ability to drive synergies across revenue opportunities and operating efficiencies amongst others



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		<p>(iv) The amalgamation is anticipated to generate synergistic benefits, with both Sigma and Megasoft gaining from their pooled resources, experiences, and skills.</p> <p><u>For Megasoft:</u></p> <ul style="list-style-type: none"> ● Ready access to Defence Business & Technology thereby reducing gestation period of entering into the profitable and high growth defence sector ● Acquiring a company with a well-established brand & track record with inherent experience and resources in the defence space ● A steady revenue stream from operations would provide a better market acceptance. Also, an existing line of business in the defence area, will provide Megasoft with fundamentals required to go in for future acquisitions in the defence and Aerospace sector. ● This acquisition, while bringing in operational revenues, also bringing in the required platform to move forward with identifying niche technological areas in the defence sector for fresh acquisitions towards diversification and growth. <p><u>For Sigma:</u></p> <ul style="list-style-type: none"> ● Sigma, while growing steadily, has not been able to take advantage of the boom in the defence sector. Through this merger Sigma can leverage to reach new markets including new geographies. ● The liquidity that Megasoft brings will support Sigma to access new technology areas and talent pool that will enhance it's R&D and manufacturing capabilities. ● This merger shall unlock the value for its shareholders. ● Sigma shall have access to a wider and experienced Leadership talent.
5.	In case of cash consideration – amount or otherwise share exchange ratio;	The share exchange ratio shall be 316 (Three Hundred and Sixteen) equity shares (credited as fully paid-up) of face value of ₹ 10/- (Ten Only) each of Megasoft Limited for every 100 (One Hundred) fully paid-up equity shares of face value of ₹ 10/- (Ten Only) each of Sigma Advanced Systems Private Limited.



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6.	Brief details of change in shareholding pattern (if any) of listed entity	<table border="1"> <thead> <tr> <th rowspan="2">Category</th> <th colspan="2">Pre-Scheme</th> <th colspan="2">Post-Scheme</th> </tr> <tr> <th>No. of Equity Shares</th> <th>%</th> <th>No. of Equity Shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Promoter and Promoter Group</td> <td>2,58,73,115</td> <td>35.07</td> <td>12,83,42,779</td> <td>72.82</td> </tr> <tr> <td>Public</td> <td>4,78,96,926</td> <td>64.93</td> <td>4,78,96,926</td> <td>27.18</td> </tr> <tr> <td>Total</td> <td>7,37,70,041</td> <td>100</td> <td>17,62,39,706</td> <td>100</td> </tr> </tbody> </table>					Category	Pre-Scheme		Post-Scheme		No. of Equity Shares	%	No. of Equity Shares	%	Promoter and Promoter Group	2,58,73,115	35.07	12,83,42,779	72.82	Public	4,78,96,926	64.93	4,78,96,926	27.18	Total	7,37,70,041	100	17,62,39,706	100
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<p>Pursuant to the Scheme becoming effective, the Transferor Company shall stand automatically dissolved without the process of winding-up.</p>																														