

**MEGASOFT LIMITED**

CIN : L72200TN1999PLC042730

My Home Hub, 1st Floor, Block-3,

Madhapur, Hyderabad - 500081,

Telangana, India.

Tel : +91 (40) 4033 0000; Fax : +91 (40) 4013 3555

website : www.megasoft.com

Date: 21.10.2021**To,****Bombay Stock Exchange Limited**

Phiroze JeeJee Bhoj 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.: Submission of recommendation by the Committee of Independent Directors pursuant to Regulation 26(7) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

Ref: Public announcement dated 20th August, 2021 and Detailed Public Statement dated 27th August, 2021 made by **Sri Power Generation (India) Private Limited** to the public shareholders to acquire upto 2,95,08,017 fully paid up equity shares of face value of Rs. 10/- each of the Company at an offer price of Rs. 14.70/- per share, payable in cash.

We enclose herewith the written reasoned recommendation approved by the Committee of Independent Directors, at its meeting held on 20th October, 2021, on the above referred Open Offer, pursuant to Regulation 26(7) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. The same will also be published in the following newspapers in all editions:

Sr. No.	Newspaper	Language
1	Financial Express	English
2	Jansatta	Hindi
3	Navshakti	Marathi
4	Makkal Kural	Tamil

We are also forwarding a copy of above recommendation to Trust Investment Advisors Private Limited, the Manager to the Offer.



Request to kindly take the above on record in terms of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and SEBI Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

Thanking you,

Yours faithfully,

For **Megasoft Limited**



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Shridhar Thathachary
Chief Financial Officer (CFO)



Recommendations of the Independent Directors Committee (IDC) of Megasoft Limited ("Target Company") on the Open Offer made by Sri Power Generation (India) Pvt Ltd ("Acquirer Company") to the Shareholders of the Target Company under Regulation 26(7) of SEBI(Substantial Acquisition of Shares and Takeovers)Regulations, 2011 as amend thereto (SEBI (SAST) Regulations")

1.	Date	October 20, 2021
2.	Name of the Target Company	Megasoft Limited
3.	Details of the Offer pertaining to Target Company	<p>Open offer for acquisition of upto 2,95,08,017 fully paid-up equity shares of face value of Rs 10/- each ("Equity shares") representing 40.00 % of the expanded voting share capital of Target Company from the public shareholders of pursuant to and in compliance with the requirements of the Securities and Exchange Board of India (SAST) Regulations, 2011.</p> <p>Open Offer Price: Rs. 14.70/- per share</p> <p>Mode of Payment: Cash</p> <p>Public Announcement (PA) dated 20th August,2021</p> <p>Detailed Public Statement (DPS) dated 27th August, 2021</p> <p>Draft Letter of Offer (DLOF) dated 03rd September,2021</p> <p>Letter of Offer (LOF) dated 12th October,2021 have been issued by Trust Investment Advisors Pvt Ltd on behalf of Acquirer.</p>
4.	Name(s) of the acquirer and Persons Acting in Concert (PAC) with the acquirer	<p>Acquirer: Sri Power Generation (India) Pvt Ltd</p> <p>PAC: Acquirer has stated that it does not have any PAC with it, as defined in Regulation 2(1)(q)(2) of the SEBI (SAST) Regulations, 2011 for the purpose of this Open Offer.</p>
5.	Name of the Manager to the offer	<p>Trust Investment Advisors Private Limited</p> <p>109/110, Balarama, Bandra Kurla Complex,Bandra (E), Mumbai-400051,Maharashtra, India</p>
6.	Members of the Committee of Independent Directors <i>(Please indicate the chairperson of the</i>	<p>Mr. Anil Kumar Sood- Chairperson</p> <p>Mr. Anish Mathew- Member</p> <p>Mrs. Leona Ambuja- Member</p>

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	<i>Committee separately)</i>	Mr. Kalyan Vijay Sivalenka- Member
7.	IDC Member's relationship with the Target Company (Director, Equity shares owned, any other contract /relationship), if any	<p>The members of the Committee are Independent Directors on the Board of Directors of the Target Company.</p> <p>Mr. Anish Mathew holds 2,99,018 equity shares in the Target Company. None of the other members of IDC hold any equity shares of the Target Company. Except as mentioned below, none of the members of the IDC have entered into any contract or have any relationship with the Target Company:</p> <p>Mr. Anil Kumar Sood is the Chairman of the Audit Committee and Stakeholders Relationship Committee of the Board of the Target Company. He is also a member of the Nomination and Remuneration Committee of the Board of the Target Company.</p> <p>Mr. Anish Mathew is the Chairman of the Nomination and Remuneration Committee of the Board of the Target Company. He is also a member of Audit Committee.</p> <p>Mr. Kalyan Vijay Sivalenka is the member of Stakeholders Relationship Committee and Nomination and Remuneration Committee.</p> <p>Leona Ambuja is the member of Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee.</p>
8.	Trading in Equity shares/ other securities of the Target Company by IDC Members	<p>None of the IDC members have traded in equity shares/other securities of Target Company, during a period of 12 months prior to the date of the PA and since then till date of this recommendation.</p> <p>However, the Company on 14th August, 2021, allotted 2,01,448 equity shares to Mr. Anish Mathew on rights issue basis.</p>
9.	IDC Member's relationship with the acquirer (Director, Equity shares owned, any other contract/ relationship), if any.	<p>None of the IDC members are any Directors of the Acquirer or PAC hold any equity shares/ other securities in the Acquirer or PAC have entered into any other contracts or have any other relationship with the Acquirer or PAC.</p>
10.	Trading in the Equity shares/other securities of the acquirer by IDC Members	<p>None of the members of the IDC have traded in any of the equity shares/securities of the Acquirer or PAC during the:</p> <p>a. 12 months period preceding the date of the PA and</p>





		b. period from the date of the PA and till date of this recommendation.
11.	Recommendation on the Open offer, as to whether the offer is fair and reasonable	On review of the Public Announcement dated 20 th August,2021, detailed public statement 27 th August,2021 filed with SEBI and Letter of offer dated 12 th October,2021 the IDC is of the opinion that the open offer price is determined in line with the parameters as provided under the regulation 8 (1) and 8(2) of SEBI (SAST) Regulations, 2011 and to that extent it is fair and reasonable. However, IDC would like to draw attention of the shareholders that post the open offer price in detailed public statement, the share price of the Company has increased, and the share price as on the date of the recommendation is higher than the offer price. The shareholders have an option to tender their shares or remain invested in the Target Company.
12.	<p>Summary of reasons for recommendation</p> <p><i>(IDC may also invite attention to any other place, e.g. company's website, where its detailed recommendations along with written advice of the independent adviser, if any can be seen by the shareholder)</i></p>	<p>1. The IDC has reviewed the following:</p> <p>(a) the Public Announcement dated 20th August,2021</p> <p>(b) Detailed Public Statement 27th August, 2021 filed with SEBI.</p> <p>(c) Letter of offer dated 12th October,2021</p> <p>Based on the review, the IDC is of opinion that the offer price of is determined in line with the parameters as provided under the regulation 8(1) & 8(2) of SEBI(SAST) Regulations,2011 and to that extent it is fair and reasonable.</p> <p>2. This is an open offer for acquisition of publicly held equity shares of the Target Company. The shareholders have an option to tender their shares or remain invested in the Target Company.</p>
13.	Disclosure of Voting Pattern	The recommendations were unanimously approved by the members of IDC.
13.	Details of Independent Advisors, if any.	Nil
14.	Any other matter(s) to be highlighted	Nil

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“To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying this statement is, in all material respects, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by the Target Company under SEBI (SAST) Regulations”.

For and behalf of the Independent Directors Committee of the Board of Directors of **Megasoft Limited**

A handwritten signature in blue ink, appearing to read "Anil Kumar Sood", with a horizontal line underneath.

Mr. Anil Kumar Sood

Chairperson

DIN-00086577

Date: 20.10.2021

Place: Hyderabad