



MEGASOFT LIMITED

CIN : L72200TN1999PLC042730

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Madhapur, Hyderabad - 500081,

Telangana, India.

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website : www.megasoft.com

Date: 05.05.2022

To

Bombay Stock Exchange Limited

Phiroze JeeJeeBhoy 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.: Intimation-Outcome of the Meeting of the Board of Directors held on May 04, 2022.

Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir(s),

With reference to above cited subject, Please find enclosed the Outcome of the Board of Directors Meeting held on 04th May,2022.

We further wish to inform that the Meeting of the Board of Directors of the company commenced at 9:45 PM and concluded at 10:31 PM

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

Thanking you,

Yours faithfully,

For Megasoft Limited



.....
Sunil Kumar Kalidindi

Executive Director & CEO



Board of Directors at their Meeting held on 04th May,2022 approved the following:

1. To Regularize the appointment of Mr. Sunil Kumar Kalidindi as Whole-time Director of the Company.
2. To change the Object Clause of Memorandum of Association of the Company.
3. To enhance Authorized Share Capital of the Company and consequent alteration of Capital Clause of the Memorandum of Association of the Company.
4. Divestment of 100% Equity stake/investment held in its ultimately wholly owned subsidiary viz., Nelatop Systems Private Limited ("NSPL") to Soarg Technologies Private Limited ("STPL"), for an aggregate consideration of INR 5.50 Cr, subject to requisite shareholders approval of the Company under SEBI LODR. NSPL is a material subsidiary of the Company. Post the proposed transaction, NSPL will cease to be a subsidiary of the Company.
5. Sale of its Indian software product division housed within the Company by way of slump sale to STPL for an aggregate consideration of INR 1 Cr., subject to requisite shareholders approval of the Company under applicable law.

The disclosure required under Regulation 30 of the SEBI LODR read with Disclosure Circular for item (4) and (5) above, are enclosed herewith as **Annexure-"A-1" and Annexure - "A-2"**

The Company proposes to seek Member's approval for above matters mentioned at point 1 to point 5 by way of Postal Ballot, the Notice for which is being intimated and uploaded separately.

6. Proposal for Acquiring up to 39.31% stake in Extrovis AG in one or more tranches.

Disclosures pertaining to this acquisition, pursuant to provisions of Para A of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed herewith as **Annexure "B"**






Annexure "A-1"

Sale of 100% NSPL Shares held by the Company

Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015

- a) **The amount and percentage of the turnover or revenue or income and net worth contributed by each unit or division of the listed entity during the last financial year:**

As mentioned in our disclosure dated 28.03.2022, Megasoft Limited ("Listed Entity") has transferred/sold all its holding in two wholly owned overseas subsidiaries i.e. Xius Holding Corp., USA and Megasoft Consultants SDN BHD, Malaysia to its ultimately wholly owned Indian subsidiary, M/s Nelatop System Private Limited ("NSPL").

(i) Income contributed by the above two wholly owned overseas subsidiaries during the last financial year, i.e. during 2020-2021 was INR 1159.87 lacs (Xius Holding Corp., USA – INR 741.03 lacs and Megasoft Consultants SDN BHD, Malaysia- INR 418.84 lacs), which was 49.71 % of INR 2333.01 lacs, income of Megasoft Limited, the Listed Entity.

(ii) Net Worth is negative.

- b) **Date on which the agreement for sale has been entered into;**

The Company shall enter into a share purchase agreement with Soarg Technologies Private Limited within next 60 days and subject to requisite shareholders approval of the Company under applicable law.

- c) **The expected date of completion of sale/ disposal;**

30th June, 2022, subject to obtaining requisite shareholders approval of the Company.

- d) **Consideration received from such sale/ disposal;**

Consideration of INR 5,50,00,000/- (Rupees Five Crore Fifty Lakhs only) shall be received on completion of the proposed transaction.

- e) **Brief Details of Buyer;**

M/s Soarg Technologies Private Limited is a company engaged in the business of software services, technology consulting and applications development and is based out of Hyderabad, India.



- f) **Whether any of the buyers belong to the promoter/ promoter group/ group companies. If yes, details thereof;**

Not Applicable

- g) **Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length";**

Not Applicable

- h) **Additionally, in case of a slump sale, indicative disclosures provided for amalgamation/merger, shall be disclosed by the listed entity with respect to such slump sale.**

Not Applicable






Annexure "A-2"

Sale of Indian Software Product Division of the Company

Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015

- a) The amount and percentage of the turnover or revenue or income and net worth contributed by each unit or division of the listed entity during the last financial year:**

(i) Income contributed by the Software Products Division of the listed entity was INR 486.73 lacs which was 20.86 % of INR 2333.01 lacs which was income of Megasoftware Limited, the Listed Entity.

(ii) Net Worth is negative.

- b) Date on which the agreement for sale has been entered into;**

The Company shall enter into a business transfer agreement with Soarg Technologies Private Limited within next 60 days and subject to requisite shareholders approval of the Company under applicable law.

- c) The expected date of completion of sale/ disposal;**

30th June, 2022, subject to obtaining requisite shareholders approval of the Company.

- d) Consideration received from such sale/ disposal;**

Consideration of INR 1,00,00,000/- (Rupees One Crore only) shall be received on completion of the proposed transaction.

- e) Brief Details of Buyer;**

M/s Soarg Technologies Private Limited is a company engaged in the business of software services, technology consulting and applications development and is based out of Hyderabad, India.

- f) Whether any of the buyers belong to the promoter/ promoter group/ group companies. If yes, details thereof;**

Not Applicable



- g) **Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length";**

Not Applicable

- h) **Additionally, in case of a slump sale, indicative disclosures provided for amalgamation/merger, shall be disclosed by the listed entity with respect to such slump sale.**

The transfer is being undertaken through a business transfer agreement to be executed between the Company and STPL. Since there is no underlying amalgamation or merger in the transaction, this disclosure under point (h) is not applicable.

 



Annexure "B"

**SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
Disclosure of events as per Regulation 30(2) read with Part A of Schedule III**

a)	Name of the target entity, details in brief such as size, turnover etc.	<p>Extrovis ("EXTROVIS AG") is a Swiss stock corporation (Aktiengesellschaft) registered with the commercial register of the Canton of Zug under the number CHE-280.317.373 having its registered office at Bahnhof-Park 4, 6340 Baar, Switzerland.</p> <p>Capital Detail: Issued Statutory Share Capital : CHF 120,000/- (120,000 fully paid in common shares of CHF 1/- each)</p> <p>Turnover: USD 3,947,844 (For the calendar year ended 31.12.2021)</p>
b)	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arm's length"	<p>EXTROVIS AG is not a related party viz-a-vis the Company i.e., Megasoft Limited ("MEGASOFT") or its Promoter / Promoter Group / group companies in any manner. Hence this does not fall within the ambit of related party transactions.</p>
c)	Industry to which the entity being acquired belongs	Pharmaceutical APIs, Drug Discovery and R&D
d)	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	Diversification by way of investment in the Pharmaceutical Industry
e)	Brief details of any governmental or regulatory approvals required for the acquisition	RBI approval is required



f)	Indicative time period for completion of the acquisition	<p>39.31% shareholding of Extrovis AG to be acquired in one or more tranches within 12 months from the date of first tranche</p> <p>Subject to requisite approvals, the transaction is expected to be taken up in Tranches and completed by end of June-2023</p>								
g)	Nature of consideration - whether cash consideration or share swap and details of the same	<p>Cash Consideration (for the proposed investment of upto USD 16,000,000 for 39.31% stake)</p> <p>Megasoft has the option to further acquire 11.61% stake in Extrovis AG either through direct fund infusion or through share swap, subject to requisite approvals as may be required at such time</p>								
h)	Cost of acquisition or the price at which the shares are acquired	USD 205.84 per equity share having face value of CHF 1/- each, fully paid up of Extrovis AG								
i)	Percentage of shareholding / control acquired and / or number of shares acquired	39.31% of shareholding of Extrovis AG is proposed to be acquired in one or more tranches.								
j)	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief)	<p>Extrovis AG is a Swiss stock corporation (Aktiengesellschaft) registered with the commercial register of the Canton of Zug under the number CHE-280.317.373 having its registered office at Bahnhof-Park 4, 6340 Baar, Switzerland</p> <p>Extrovis AG is engaged in the business of development, production, distribution and sale of chemicals and pharmaceuticals of all kinds</p> <p>Capital Detail :</p> <p>Issued Statutory Share Capital : CHF 120,000/- (120,000 fully paid in common shares of CHF 1/- each)</p> <p>Turnover:</p> <table border="1" data-bbox="815 1675 1390 1809"> <thead> <tr> <th>Calendar Year</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>2018 - 19</td> <td>USD 156,790</td> </tr> <tr> <td>2019 - 20</td> <td>USD 2,680,225</td> </tr> <tr> <td>2020 - 21</td> <td>USD 3,947,844</td> </tr> </tbody> </table>	Calendar Year	Amount	2018 - 19	USD 156,790	2019 - 20	USD 2,680,225	2020 - 21	USD 3,947,844
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