



MEGASOFT LIMITED

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Date: 01.04.2022

To,
Listing Compliance
National Stock Exchange of India Ltd
Mumbai

Respected Madam,

Sub: Reply to Clarification on submission of announcement under Regulation 30 general updates on 28.03.2022

Ref: email dated 28.03.2022

This is with reference to the aforementioned mail dated 28.03.2022, received from your good office with respect to the clarifications on our announcement under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 ("LODR Regs") dated 28.03.2022 seeking to provide the following information:

1. The amount and percentage of the turnover or revenue or income and net worth contributed by such 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 wholly owned Indian subsidiary, M/s Nelatop System Private Limited ("NSPL").

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

2. Date on which the agreement for sale has been entered into;

The agreements of share purchase of shareholding of the Listed Entity in the abovementioned two wholly owned overseas subsidiary has been entered into between the Listed Entity, the ultimate holding company, with NSPL, which is its wholly owned subsidiary on 28th of March 2022.

The expected date of completion of sale/ disposal;

The Date of Completion of Sale/Disposal is 28.03.2022.

3. Consideration received from such sale/disposal;

Consideration received – INR 6,50,00,000 (Rupees six crores fifty lacs only) out of which INR 5,90,00,000/- (Rupees Five Crore Ninety lakh only) received for sale of shares in Xius Holding Corp., USA and INR 60,00,000/- (Rupees Sixty Lakhs only) received for sale of shares in Megasoft Consultants SDN BHD, Malaysia.



4. Brief details of buyers and whether any of the buyers belong to the promoter/ promoter group/group companies. If yes, details thereof.

The buyer is NSPL, incorporated under Companies Act, 2013 on 14th March, 2022. NSPL is a wholly owned subsidiary of the Listed Entity.

The buyer, NSPL does not belong to the promoter/ promoter group/ group companies.

5. 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.

This sale transaction was not a slump sale.

6. Whether the transaction would fall within related party transactions? If yes, whether the same is done at arm's length;

This transaction was between the Listed Entity and its wholly owned subsidiary and is a related party transaction. However, the above transaction between the Listed Entity and its wholly owned subsidiary was exempted from the application of Regulation 23 (2) to 23(4) of LODR Regs under Regulation 23(5) of LODR Regs. The transaction was at arm's length as the valuation was based on the assessment and valuations done by registered valuers.

We request you to consider this clarification and take it on record.

Thanking You,

For Megasoft Limited



**Shridhar Thathachary
Chief Financial Officer**