



MEGASOFT LIMITED

Registered Office:- No.85, Kutchery Road, Mylapore, Chennai – 600004, Tamil Nadu, India | **Corporate Office:** My Home Hub, 1st Floor, Block-3, Madhapur, Hyderabad – 500 081, Telangana, India | **Tel No:** +91 44 2461 6768 / + 91 40 4033 0000 | **Email:** investors@megasoft.com | **Website:** www.megasoft.com | **Contact Person:** Srivalli Susarla, Company Secretary & Compliance Officer

ENTITLEMENT LETTER FOR RIGHTS ISSUE

Ref. No.: [●]

Date: - [●], 2021

DP ID – Client ID / Folio No.: [●]

[Name of the Sole/ First Shareholder]

[Address of the Sole/ First Shareholder]

[Name of the Joint Holder if any]

Dear Shareholder,

ISSUE OF UP TO 2,95,02,748 FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH OF OUR COMPANY (THE “EQUITY SHARES” OR “RIGHTS EQUITY SHARES”) FOR CASH AT A PRICE OF ₹ 10 PER RIGHTS EQUITY SHARE OF OUR COMPANY (AT PAR) FOR AN AMOUNT AGGREGATING UP TO ₹ 2,950.27 LAKHS@ ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 2 RIGHTS EQUITY SHARE FOR EVERY 3 FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY ON THE RECORD DATE, THAT IS JULY 13, 2021 (THE “ISSUE”). FOR FURTHER DETAILS, SEE “TERMS OF THE ISSUE” BEGINNING ON PAGE 206 OF THE LETTER OF OFFER.

@Assuming full subscription

With reference to above, please find below the details of Equity Shares held by you as on Record Date, i.e., **July 13, 2021** along with your Rights Entitlements for information:

NUMBER OF EQUITY SHARES HELD BY YOU ON RECORD DATE BEING	NUMBER OF RIGHTS ENTITLEMENTS (REFER NOTE 2 BELOW)

You are requested to take note of the following important schedule and details in relation to the Rights Issue:

ISSUE OPENING DATE	July 22, 2021
LAST DATE FOR ON MARKET RENUNCIATION	July 30, 2021
ISSUE CLOSING DATE	August 05, 2021

Please note Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

1) Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, “*Megasoft Limited Rights Issue – Suspense Escrow Demat Account*”) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date;

or (d) Equity Shares held by Eligible Equity Shareholders in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings.

You are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., by August 05, 2021, to enable the credit of your Rights Entitlements by way of transfer to your demat account at least one day before the Issue Closing Date, to enable you to make an application in the Issue, and this communication shall serve as an intimation to you in this regard. You are also requested to ensure that your demat account, details of which have been provided to the Company or the Registrar, is active to facilitate the aforementioned transfer.

For Eligible Equity Shareholders holding Equity Shares in physical form, please also see '**Attention for Shareholders Holding Shares in Physical Form**' below

2) Fractional Entitlements

As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Further, the Rights Equity Shares are being offered on a Rights Basis to the existing Eligible Equity Shareholders in the ratio of 2 (Two) Rights Equity Shares for every 3 (Three) fully paid-up Equity Shares held as on the Record Date. Accordingly, while calculating the entitlement, the fractional part of such entitlements of Eligible Equity Shareholders shall be ignored by rounding down their Entitlements figure.

Those Equity Shareholders holding less than 2 (Two) Equity Share and therefore entitled to 'Zero' Rights Equity Shares under this Issue shall be sent an Application Form with 'Zero' entitlement. The fractional entitlement of those Eligible Equity Shareholders who are holding shares as on record date, which are not in multiples of 3 (Three) Equity shares will also be ignored. Such Eligible Equity Shareholders and the 'Zero' entitlement shareholders are entitled to apply for Additional Rights Equity Shares and would be given preference in the Allotment of 1 (One) Additional Rights Equity Share if, such Equity Shareholders have applied for the Additional Rights Equity Shares, subject to availability of Rights Equity shares post allocation towards Rights Entitlement applied for.

However, the zero entitlement shareholders cannot renounce the same to third parties. Application Forms with zero entitlement will be non-negotiable/ non-renounceable.

3) Procedure for Application in the Issue

In accordance with Regulation 76 of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, all Investors desiring to make an Application in the Issue are mandatorily required to use either ASBA process or optional mechanism instituted by our Company, i.e. R-WAP facility in our case. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP. For details, see "Terms of the Issue" on page 206 of the Letter of Offer.

4) Renunciation of Rights Entitlements

The Issue includes a right exercisable by you to renounce the Rights Entitlements credited in your demat account either in full or in part.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer. In accordance with the SEBI Rights Issue Circulars, the Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two working days prior to the Issue Closing Date cannot renounce their Rights Entitlement. For details, see "Terms of the Issue - Procedure for Renunciation of Rights Entitlements" on page 219 of the Letter of Offer.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being

an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

Please note that the Rights Entitlements which are neither renounced nor subscribed on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

ATTENTION OF SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM

The Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date are required to provide relevant details (such as copies of PAN and client master sheet of demat account), not later than two working days prior to the Issue Closing Date, i.e., August 05, 2021 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update their respective details of demat account on the website of the Registrar (i.e., <https://rights.cameoindia.com/megasoft>) The Eligible Equity Shareholders holding Equity Shares in physical form are requested to ensure that their demat account, details of which is provided to our Company or Registrar, is active.

The Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialized Rights Entitlements are transferred from demat suspense escrow account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, such Eligible Equity Shareholders can apply for additional Rights Equity Shares while submitting the Application using the R-WAP. Please note that R-WAP facility is only available for resident Investors. In addition, Eligible Equity Shareholders who are holding Equity Shares in physical form can apply only using R-WAP facility. For details, see “Terms of the Issue - Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form” and “Terms of the Issue - Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner” on pages 214 and 218, respectively, of the Letter of Offer.

Investors can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- a) our Company at www.megasoft.com
- b) the Registrar to the Issue at <https://rights.cameoindia.com/megasoft>
- c) the Lead Manager at www.fedsec.in
- d) the Stock Exchange at www.bseindia.com; and www.nseindia.com
- e) the Registrar’s web-based application platform at <https://rights.cameoindia.com/megasoft> (“R-WAP”).

In case of any queries, you may contact the Registrar at the details mentioned herein:

Cameo Corporate Services Limited

Subramanian Building", No.1, Club House Road, Chennai 600 002

Contact Person: Ms. Sreepriya K.

Telephone: +91 44 4002 0710 / 2846 0390,

Email: priya@cameoindia.com

Website: <https://rights.cameoindia.com/megasoft>

SEBI Registration No.: INR000003753

Note: All capitalized terms, unless defined herein, shall have the meaning as ascribed to them in the Letter of Offer.

For MEGASOFT LIMITED

Sd/-

Shridhar Thathachary

Chief Financial Officer