# MOSCHIP SEMICONDUCTOR TECHNOLOGY LIMITED

Reg. Office: Plot No. 83 & 84, 2nd Floor, Punnaiah Plaza, Road 2, Banjara Hills, Hyderabad, Telangana, 500034.
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**CIN: L31909TG1999PLC032184**

**Recommendations of the Committee of Independent Directors ("IDC") on the Open Offer to the public shareholders of MosChip Semiconductor Technology Limited ("Target Company") under Regulation 26(7) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SEBI (SAST) Regulations") on the open offer by Techwave Pte. Ltd. ("Acquirer"), Damodar Rao Gummadapu ("PAC 1") and K. Ramachandra Reddy ("PAC 2"), (collectively, the "PAC")**

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| 1. | Date | 19th May 2016 |
| 2. | Name of the Target Company (TC) | MosChip Semiconductor Technology Limited ("Target Company" or "TC") |
| 3. | Details of the Offer pertaining to Target Company (TC) | An Open Offer has been made by Techwave Pte. Ltd ("Acquirer") together with Damodar Rao Gummadapu ("PAC 1") and K. Ramachandra Reddy ("PAC 2") (collectively, the "PAC") as the persons acting in concert with the acquirer ("Offer" / "Open Offer") to acquire up to 29,586,054 equity shares constituting 26% of the issued and subscribed shares from the public shareholders (other than the Acquirer and PAC) of the TC in terms of the SEBI (SAST) Regulations.<br>The offer price of Rs. 7.00 (Rupees Seven only) per Offer Share ("Offer Price"), aggregating to total consideration of up to Rs. 207,102,378 (Rupees Two Hundred and Seven Million One Hundred and Two Thousand and Three Hundred and Seventy Eight only) assuming full acceptance ("Offer Size"), is calculated in accordance with Regulations 8 (1) and 8(2) of the SEBI (SAST) Regulations. The equity shares of the Target Company are frequently traded on the BSE Ltd. ("BSE"). |
| 4. | Name(s) of the acquirer and PAC with the acquirer | **Acquirer:** Techwave Pte. Ltd<br>PAC 1: Damodar Rao Gummadapu<br>PAC 2: K. Ramachandra Reddy |
| 5. | Name of the Manager to the offer | **IIFL Holding Limited**<br>SEBI Regn. No. INM000010940<br>10th Floor, Kamala City, IIFL Centre, Senapati Bapat Marg, Lower Parel (W), Mumbai – 400013, Maharashtra, India. Tel: +91 22 4646 4600, Fax: +91 22 2493 1073<br>Email ID: moschip.openoffer@iiflcap.com<br>Contact Person: Mr. Sachin Kapoor/ Mr. Gururaj Sundaram |
| 6. | Members of the Committee of Independent Directors | Mr. G. Prasad (Chairman), Mr. K. V. Ramana and Mrs. Poornima Shenoy |
| 7. | IDC Member's relationship with the TC (Director, Equity shares owned, any other contract / relationship), if any | All the members of the IDC are duly appointed independent directors of TC.<br>Mr. G. Prasad is a Non executive and Independent Director and the Chairman of the Audit committee of the Company. He presently holds 2,750 shares of the TC.<br>Mr. K. V. Ramana is a Non executive and Independent Director. He does not hold any shares of the TC.<br>Mrs. Poornima Shenoy is a Non executive and Independent Director. She does not hold any shares of the TC.<br>None of the members of IDC:<br>(i) have any relations with the TC's other Directors; and<br>(ii) have any contracts/ relationship with the TC other than their position as director of the Target Company. |
| 8. | Trading in the Equity shares/other securities of the TC by IDC Members | None of the IDC Members have traded in the equity shares or other securities of the TC during the twelve months period preceding the date of this recommendation |
| 9. | IDC Member's relationship with the acquirer (Director, Equity shares owned, any other contract / relationship), if any. | None of the IDC members:<br>(i) have any relationship with the Acquirer or the PAC;<br>(ii) hold any shares or other securities of the Acquirer;<br>(iii) have any contracts / relationship with the Acquirer or the PAC. |
| 10. | Trading in the Equity shares/other securities of the acquirer by IDC Members | None of the IDC Members have traded in the equity shares or other securities of the Acquirer. |
| 11. | Recommendation on the Open offer, as to whether the offer is fair and reasonable | The IDC believes that the open offer is in compliance with the requirements of the SEBI (SAST) Regulations and hence is fair and reasonable |
| 12. | Summary of reasons for recommendation | The IDC has reviewed the Public Announcement ("PA") dated February 18, 2016, the Detailed Public Statement ("DPS") published on February 26, 2016, the Draft Letter of Offer ("DLOF") and Letter of Offer ("LOF") issued/published by IIFL Holdings Limited on behalf of the Acquirer and the PAC. The IDC has taken into consideration the following for making this recommendation:<br>(i) A review of the contents of PA, DPS, DLOF and LOF leads the IDC to opine that the offer price offered by the Acquirer and the PAC is in compliance with the SEBI (SAST) Regulations.<br>(ii) The IDC has sought external professional advice from Gokhale & Co, Chartered Accountants, who have reviewed and analyzed the open offer and reported vide their report to IDC dated 12th May, 2016 that the offer price is in accordance with regulation 8 of the SEBI (SAST) Regulations.<br>Based on the above, the IDC is of the opinion that the offer price to the public shareholders of the Target Company is in compliance with the requirements of the SEBI (SAST) Regulations and hence is fair and reasonable. The public shareholders of the TC are advised to independently evaluate the offer and take an informed decision whether or not to offer their shares in the Open Offer.<br>This statement of the recommendations and the report of Gokhale & Co will be available on the website of the Company (www.moschip.com). |
| 13. | Details of Independent Advisors, if any. | Gokhale & Co<br>Chartered Accountants and Statutory Auditor of the company have been appointed as Independent Advisors. Membership No: 023839. |
| 14. | Any other matter(s) to be highlighted | None |

To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying this statement is, in all material respect, 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 TC under the SEBI (SAST) Regulations.

For and on behalf of The Committee of Independent Directors of
MosChip Semiconductor Technology Limited
Sd/-
G. Prasad,
Chairman of the Committee of Independent Directors

Place: Hyderabad
Date: 19th May, 2016

Size: 16x29 cm