MINUTES OF THE ELEVENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF MEGASOFT LIMITED HELD ON FRIDAY THE 17th DAY OF JUNE 2011 AT 3.30 PM AT HOTEL RAMADA RAJ PARK-CHENNAI, 180, TTK ROAD, ALWARPET, CHENNAI 600018

The following Directors / Members were present:

Mr S Ravindra Babu	-	Chairman & Member
Mr GV Kumar	-	Managing Director & Member
Mr D Sudhakar Reddy	-	Whole-time Director & Member
Mr R Janardhana	-	Director & Member *Chairman of the Audit Committee*
Mr P Mukunda Reddy	-	Director & Member
Mr Anil Kumar Sood	-	Director

75 Members in person and 6 Members represented by Proxy.

In Attendance

Mr GP Srinath	-	Company Secretary & Member

Joint Statutory Auditors

Mr MC Srikanth	-	Partner M/s Srikanth & Shanthi Associates
Mr TN Rajendran	-	Partner M/s TN Rajendran & Co.

Mr S Ravindra Babu, Chaired the meeting in terms of Article 74 of the Articles of Association of the Company and called the Meeting to order at 3.30 PM.

The Chairman welcomed the Shareholders present and thereafter introduced them to other Directors and Secretary of the Company sitting on the dais.

The Notice convening the Meeting was taken as read with the permission of the Members. The Register of Directors' Shareholding, Register of Contracts and the Auditors' Certificate certifying that the Company's Employee Stock Option Plans have been implemented in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 were kept open and made accessible throughout the Meeting.

The Chairman thereafter rose to read out his Speech.

At the request of the Chairman, the Company Secretary read the Report of the Auditors' to the Meeting.

The business of the meeting was thereafter taken up item wise as per the Notice.

1 Adoption of Accounts

The Chairman addressed the Members on the working of the Company.

The following **Ordinary Resolution** was proposed by Mr Sunil Kumar T and seconded by Mr SB Kiran Kumar:

> ***RESOLVED*** *that the Balance Sheet of the company as at 31 December 2010 and the Profit and Loss Account for the year ended on that date together with the Report of the Auditors' and Directors' thereon, be and are hereby received, approved and adopted.*

Mr GV Kumar, Managing Director, briefed the members on the performance of the company and future prospects.

The Chairman invited the members to seek clarifications on the financial statements and activities of the Company and the Directors gave replies to the queries raised by the shareholders.

Thereafter, the Chairman put the motion to vote and declared the resolution as carried **unanimously** by show of hands.

2 Appointment of Director

The Chairman informed the Meeting that in terms of Article 105 of the Articles of Association of the Company, Mr Anil Kumar Sood, Director retires by rotation and being eligible has offered himself for re-appointment.

The following **Ordinary Resolution** was proposed by Mr GV Kumar and seconded by Mr T Jagadeesh:

> ***RESOLVED*** *that Mr Anil Kumar Sood, who retires by rotation and being eligible for reappointment, be and is hereby re-appointed as a Director of the Company.*

Thereafter, the Chairman put the motion to vote and declared the resolution as carried **unanimously** by show of hands.

5 Appointment of Branch Auditors

The Chairman informed that the Company had operations worldwide and hence the Board of Directors intend to appoint the local Auditors in consultation with the Statutory Auditors especially for overseas branches / offices of the Company for ensuring the compliances with the local laws of the host country.

In this regard, the following **Ordinary Resolution** was proposed by Mr R Janardhana Reddy and seconded by Mr GP Srinath:

> ***RESOLVED*** *that pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956, the Board of Directors of the company be and is hereby authorised to appoint Branch Auditors of any branch office of the company, whether existing or which may be opened / acquired hereafter, in India or abroad, in consultation with the company's Auditors, any person(s) qualified to act as Branch Auditor within the provisions of the said Section 228 and to fix their remuneration.*

The motion was then put to vote and the Chairman declared the Resolution as carried **unanimously** by show of hands.

6 Re-appointment of Mr GV Kumar as Managing Director

The Chairman informed that the Company proposes to reappoint Mr GV Kumar as the Managing Director for a further period of five years.

In this regard, the following **Ordinary Resolution** was proposed by Mr Kamal Kishore and seconded by Mr SB Kiran Kumar:

> ***RESOLVED*** *that pursuant to Sections 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to such approvals or permissions from any appropriate authority as may be necessary and subject to such modifications or stipulations as may be advised / stipulated by such authorities, approval of the company be and is hereby accorded to the reappointment of Mr GV Kumar as Managing Director of the company, for a further period of five years with effect from 1 April 2011 as recommended by the Remuneration / Compensation Committee at its meeting held on 28 February 2011 and approved by the Board of Directors at its meeting held on 28 February 2011, as per the terms and conditions stated in the explanatory statement and on the remuneration set out as follows:*
>
> *(i) Salary: Rs 190,000 per month, which is eligible for revision on annual basis.*
> *(ii) Perquisites*
> *(a) Housing: Furnished / unfurnished residential accommodation or house rent allowance up to 50% of salary in lieu thereof. The expenditure incurred by the company on gas, electricity, water and furnishings shall be valued as per Income Tax Rules, 1962.*
> *(b) Medical reimbursement / insurance / allowance: Reimbursement of actual expenses for self and family and / or allowance will be paid as decided by the Board from time to time.*
> *(c) Leave travel concession / allowance: For self and family once in a year, as decided by the Board from time to time.*

3 Appointment of Director

The Chairman informed that the next item of the Notice was related to his reappointment as a Director of the Company. Hence he requested Mr GV Kumar to Chair the Meeting for this item.

Mr GV Kumar occupied the Chair and informed the Meeting that in terms of the Article 105 of the Articles of Association of the Company, Mr S Ravindra Babu, Director retires by rotation and being eligible has offered himself for re-appointment.

The following **Ordinary Resolution** was proposed by Mr Kamal Kishore and seconded by Mr LS Venkataramanan:

> ***RESOLVED*** *that Mr S Ravindra Babu, a Director of the company, who retires by rotation at this meeting and being eligible for reappointment, be and is hereby re-appointed as a Director of the company.*

Thereafter, the motion was put to vote and declared the resolution as carried **unanimously** by show of hands.

After this Mr S Ravindra Babu resumed the Chair and continued with the other items of the Notice.

4 Appointment of Statutory Auditors

The Chairman informed that the next item of the Notice related to appointment of Messrs Srikanth & Shanthi Associates and Messrs TN Rajendran & Co., Chartered Accountants as joint Statutory Auditors of the Company.

He also informed that the Company has received confirmation from them stating that if appointed the same will be within the limits specified under Section 224(1B) of the Companies Act, 1956.

The following **Ordinary Resolution** was proposed by Mr Suresh Chand Jain and seconded by Mr P Mukunda Reddy:

> ***RESOLVED*** *that M/s Srikanth & Shanthi Associates, Chartered Accountants, Chennai, and M/s TN Rajendran & Co., Chartered Accountants, Chennai, be and are hereby appointed as the Joint Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at a remuneration as may be mutually agreed to, between the Board of Directors and the Auditors, plus applicable tax, reimbursement of out of pocket expenses, travelling and other expenses, in connection with the work of audit to be carried out by them.*

The motion was then put to vote and the Chairman declared the Resolution as carried **unanimously** by show of hands.

7 Appointment of Mr GV Kumar as Executive Director of WOS @ USA

The Chairman informed that the Company proposes that Mr GV Kumar hold office / place of profit in the company's wholly owned subsidiary in the United States as an Executive Director considering the company's majority business in the US.

In this regard, the following **Ordinary Resolution** was proposed by Mr Sunil Kumar T and seconded by Mr GP Srinath:

> ***RESOLVED*** *that pursuant to the provisions of Section 314, and other applicable provisions, if any, of the Companies Act, 1956, consent of the company be and is hereby accorded to Mr GV Kumar, Managing Director of the company to hold an office or place of profit as a Director of XIUS Holding Corp (formerly Boston Communications Group, Inc.), USA, and Xius Corp (formerly Cellular Express, Inc.), USA, wholly owned subsidiaries of the company and to the payment of an aggregate remuneration to him by the aforesaid subsidiaries of the company of a sum not exceeding USD 120,000 (USD one hundred twenty thousand only) per annum in his capacity as a director of the said wholly owned subsidiaries, namely, XIUS Holding Corp, USA, and Xius Corp, USA..*

The motion was then put to vote and the Chairman declared the Resolution as carried **unanimously** by show of hands.

8 Re-appointment of Mr D Sudhakar Reddy as Executive Director

The Chairman informed that the Company proposes to reappoint Mr D Sudhakar Reddy as an Executive Director for a further period of five years.

In this regard, the following **Ordinary Resolution** was proposed by Mr LS Venkataramanan and seconded by Mr GV Kumar:

> ***RESOLVED*** *that pursuant to Sections 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to such approvals or permissions from any appropriate authorities as may be necessary and subject to such modifications or stipulations as may be advised / stipulated by such authorities, approval of the company be and is hereby accorded to the reappointment of Mr D Sudhakar Reddy, as director in the whole-time employment of the company, for a further period of five years with effect from 1 April 2011 as recommended by the Remuneration / Compensation Committee at its meeting held on 28 February 2011 and approved by the Board of Directors at its meeting held on 28 February 2011, as per the terms and conditions stated in the explanatory statement and on the remuneration set out as follows:*
>
> 1) *Salary: Rs 65,000 per month, with power to the Board to decide on the quantum of yearly increment(s) payable to Mr D Sudhakar Reddy consistent with performance.*
>
> 2) *Perquisites*
>
> (a) *Housing: Furnished / unfurnished residential accommodation or house rent allowance up to 50% of salary in lieu thereof. The expenditure incurred by the company on gas, electricity,*

(d) *Club fees: Fees payable subject to a maximum of two clubs.*
(e) *Provision for driver / driver's salary allowance: As per the rules of the company.*
(f) *Personal accident insurance: As per the rules of the company.*

(iii) *Other benefits*
(a) *Earned / Privilege leave: As per the rules of the company.*
(b) *Company's contribution to provident fund / superannuation / retirement benefits: As per the rules of the company.*
(c) *Gratuity: As per the rules of the company.*
(d) *Encashment of leave: As per the rules of the company.*
(e) *Company car and telephone: Use of the company's car and telephone at residence for official purposes, as per the rules of the company.*

RESOLVED FURTHER *that the Board of Directors be and are hereby authorised to alter, vary and modify the different components of the above-stated remuneration in such manner as may be agreed to by the Board of Directors and Mr GV Kumar.*

RESOLVED FURTHER *that in the absence or inadequacy of profits in any financial year, (a) subject to the approval of the Central Government, the remuneration payable to Mr GV Kumar, Managing Director of the company by way of salary, allowances and perquisites shall not be reduced and (b) if the approval of the Central Government as stated in (a) is not received, the remuneration payable to Mr GV Kumar, Managing Director of the company shall be the maximum amount permissible as per Schedule XIII, as amended from time to time.*

RESOLVED FURTHER *that in the event of loss of his office as Managing Director, Mr GV Kumar, shall be paid compensation in the manner and to the extent permissible under the provisions of Section 318 of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof, for the time being in force) or such other limits as may be prescribed by the government from time to time.*

RESOLVED FURTHER *that the Board of Directors be and are hereby authorised to take all such steps as may be necessary, proper or expedient, to give effect to this resolution.*

The motion was then put to vote and the Chairman declared the Resolution as carried **unanimously** by show of hands.

water and furnishings shall be valued as per Income Tax Rules, 1962.

(b) *Medical reimbursement / insurance / allowance: Reimbursement of actual expenses for self and family and / or allowance will be paid as decided by the Board from time to time.*

(c) *Leave travel concession / allowance: For self and family once in a year, as decided by the Board from time to time.*

(d) *Club fees: Fees payable subject to a maximum of two clubs.*

(e) *Provision for driver / driver's salary allowance: As per the rules of the company.*

(f) *Personal accident insurance: As per the rules of the company.*

3) *Other benefits*

(a) *Earned / Privilege leave: As per the rules of the company.*

(b) *Company's contribution to provident fund / superannuation / retirement benefits: As per the rules of the company.*

(c) *Gratuity: As per the rules of the company.*

(d) *Encashment of leave: As per the rules of the company.*

(e) *Company car and telephone: Use of the company's car and telephone at residence for official purposes, as per the rules of the company.*

***RESOLVED FURTHER** that the Board of Directors be and are hereby authorised to alter, vary and modify the different components of the above-stated remuneration in such manner as may be agreed to by the Board and Mr D Sudhakar Reddy.*

***RESOLVED FURTHER** that in the absence or inadequacy of profits in any financial year, (a) subject to the approval of the Central Government, the remuneration payable to Mr D Sudhakar Reddy, Executive Director of the company by way of salary, allowances and perquisites shall not be reduced and (b) if the approval of the Central Government as stated in (a) is not received, the remuneration payable to Mr D Sudhakar Reddy, Executive Director of the company shall be the maximum amount permissible as per Schedule XIII, as amended from time to time.*

***RESOLVED FURTHER** that in the event of loss of his office as Executive Director, Mr D Sudhakar Reddy, shall be paid compensation in the manner and to the extent permissible under the provisions of Section 318 of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof, for the time being in force) or such other limits as may be prescribed by the government from time to time.*

***RESOLVED FURTHER** that the Board of Directors be and are hereby authorised to take all such steps as may be necessary, proper or expedient, to give effect to this resolution.*

The motion was then put to vote and the Chairman declared the Resolution as carried **unanimously** by show of hands.

The business before the Eleventh Annual General Meeting of the Company having been transacted, the Chairman thanked the Members present for their kind attention and co-operation in the conduct of the proceedings.

The meeting concluded with a vote of thanks to the Chair.

Chennai

17 June 2011 **CHAIRMAN**