

MINUTES OF THE 13th ANNUAL GENERAL MEETING OF THE MEMBERS OF MEGASOFT LIMITED HELD ON WEDNESDAY THE 15TH DAY OF MAY 2013 AT 3.30 PM AT THE MUSIC ACADEMY, KASTURI SRINIVASAN HALL (MINI HALL), 168, TTK ROAD, ALWARPET, CHENNAI 600014

The following Directors / Members were present:

|                     |   |                                                             |
|---------------------|---|-------------------------------------------------------------|
| Mr GV Kumar         | - | Managing Director & Member                                  |
| Mr D Sudhakar Reddy | - | Executive Director                                          |
| Mr Anil Kumar Sood  | - | Director                                                    |
| Mr R Janardhana     | - | Director & Member<br><i>Chairman of the Audit Committee</i> |

211 Members in person and 1 Member represented by Proxy.

**In Attendance**

|                                 |   |                                              |
|---------------------------------|---|----------------------------------------------|
| Mr GP Srinath                   | - | Company Secretary & Member                   |
| <i>Joint Statutory Auditors</i> |   |                                              |
| Mr MC Srikanth                  | - | Partner<br>M/s Srikanth & Shanthi Associates |
| Mr TN Rajendran                 | - | Partner<br>M/s TN Rajendran & Co.            |

At the request of the directors present, Mr GV Kumar, 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.

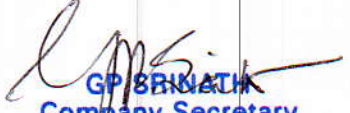
The Chairman thereafter rose to read out his Speech.

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.

**CERTIFIED TRUE COPY**

**For MEGASOFT LIMITED**

  
**GP SRINATH**  
**Company Secretary**



Ordinary Business**1 Adoption of Accounts**

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

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

**RESOLVED** that the Balance Sheet of the company as at 31 December 2012 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. The queries of the shareholders and the replies of the Directors have been summarised in the table below:

| Queries                                                                   | Replies                                                                                                                                                                                                                                    |
|---------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Performance of the company                                                | Worldwide slowdown across all industries have continued to affect the company's performance over the last couple of years in addition to losing one of the large customers' contract by end of 2011                                        |
| Company has not given returns to the shareholders over the last 3-4 years | In view of lower revenues and insufficient profits company has not been in a position to declare dividend.                                                                                                                                 |
| Market price of the company's share continues to be low                   | As the price of the company's shares is market driven and the Board of Directors and officers of the company are governed by various SEBI Regulations, we have no comments to offer in this regard.                                        |
| Borrowings during the year                                                | The company borrowed funds in India for a specific project financing during the year. However, the total borrowings on consolidated basis have not increased as the wholly owned subsidiary repaid some of its borrowings during the year. |
| Details required on the Profits earned and deployed over the years        | The assets side of the balance sheet of the company reflects the details of deployment of the funds raised by way of share capital and profits earned over the years.                                                                      |

For MEGASOFT LIMITED

GP SRINATH  
Company Secretary



|                                               |                                                                                                                                                                                                                                                                                                              |
|-----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Delisting from the Madras Stock Exchange      | As the Madras Stock Exchange is the mother stock exchange for the company, the company continued to list on the same. However, the Board shall take up the issue at its next meeting to review the requirement of listing on the Madras Stock Exchange.                                                      |
| Unclaimed dividends transfer to IEPF          | The dividends declared by erstwhile VisualSoft Technologies Limited (since merged with the company w.e.f. 1 October 2006) were transferred to the IEPF account of the Government on the due dates as per the provisions of the Companies Act, 1956. Details of such transfers provided in the annual report. |
| Physical shareholding to be reduced           | The company has made several attempts over the last few years educating the shareholders for conversion of the physical shareholding into electronic form. The company shall continue the process in this regard.                                                                                            |
| Suggested all the directors to attend the AGM | As some of the directors were tied up with their other activities they were not present at the meeting. However, the Board noted the same and informed the shareholders that they would impress upon the directors to be present at the AGMs.                                                                |

The motion was then put to vote and the Chairman declared the Resolution as carried by **majority** by show of hands as one shareholder voted against the resolution.

## 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 T Jagadeesh and seconded by Mr Emmanuel J:

**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.

The motion was then put to vote by show of hands. One shareholder voted against the resolution. The Chairman declared the Resolution as approved by **majority**.

### 3 Appointment of Director

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

The following **Ordinary Resolution** was proposed by Mr R Janardhana Reddy and seconded by Mr SB Kiran Kumar:

***RESOLVED** that Mr D Sudhakar Reddy, 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.*

The motion was then put to vote and the Chairman declared the Resolution as carried **majority** by show of hands as one shareholder voted against the resolution.

### 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 Emmanuel J and seconded by Mr Srinath GP:

***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.

### Special Business

#### 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 GV Kumar and seconded by Mr SB Kiran Kumar:

***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 Ratify / Approve remuneration paid / payable to Mr GV Kumar, MD on account of inadequacy of profits during FY 2012 as minimum remuneration**

The Chairman informed that the next item of the Notice was related to himself he requested Mr D Sudhakar Reddy to Chair the Meeting for this item.

Mr D Sudhakar Reddy occupied the Chair and informed the Meeting that the next item relates to the ratification of remuneration paid to Mr GV Kumar during the financial year 2012. As the company's profits were inadequate in terms of the provisions of the Companies Act, 1956 as detailed in the Notice of the AGM circulated, the shareholders were required to ratify the managerial remuneration for the year 2012 and confirm payment of the same as minimum remuneration for the period 1st April 2011 to 31st March 2014.

In this regard, the following **Special Resolution** was proposed by Mr T Sunil Kumar and seconded by Mr R Janardhana Reddy:

**RESOLVED** that pursuant to the provisions of section 198, 269 and 309 read with Schedule XIII and any other applicable provisions of the Companies Act, 1956 or any amendment thereto from time to time, and subject to such approvals from the Central Government, if any, and all other statutory bodies / concerns as may be directed by the Central Government while granting its approval, the remuneration paid to Mr GV Kumar, Managing Director of the company, for the period 1 January 2012 to 31 December 2012, in accordance with the existing limits approved by the shareholders of the company in their 11th Annual General Meeting held on 17 June 2011, be and is hereby approved and ratified, in view of inadequacy of profits of the company during the financial year ended 31 December 2012.

**RESOLVED FURTHER** that as recommended by the Remuneration / Compensation Committee at its meeting held on 23 February 2013 and approved by the Board of Directors at its meeting held on 23 February 2013, the company continue to pay the existing remuneration as per the terms and conditions stated in the explanatory statement for the period 1 January 2013 to 31 March 2014 (3 years period i.e. 1 April 2011 to 31 March 2014 in terms of Clause (B) of Section II of Part II of Schedule XIII of the Companies Act, 1956).

**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.

**7 Ratify / Approve remuneration paid / payable to Mr D Sudhakar Reddy, ED on account of inadequacy of profits during FY 2012 as minimum remuneration**

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.

Mr D Sudhakar Reddy occupied the Chair and informed the Meeting that the next item relates to the ratification of remuneration paid to Mr GV Kumar during the financial year 2012. As the company's profits were inadequate in terms of the provisions of the Companies Act, 1956 as detailed in the Notice of the AGM circulated, the shareholders were required to ratify the managerial remuneration

for the year 2012 and confirm payment of the same as minimum remuneration for the period 1st April 2011 to 31st March 2014.

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

**RESOLVED** that pursuant to the provisions of section 198, 269 and 309 read with Schedule XIII and any other applicable provisions of the Companies Act, 1956 or any amendment thereto from time to time, and subject to such approvals from the Central Government, if any, and all other statutory bodies / concerns as may be directed by the Central Government while granting its approval, the remuneration paid to Mr D Sudhakar Reddy, Director in whole time employment of the company, for the period 1 January 2012 to 31 December 2012, in accordance with the existing limits approved by the shareholders of the company in their 11th Annual General Meeting held on 17 June 2011, be and is hereby approved and ratified, in view of inadequacy of profits of the company during the financial year ended 31 December 2012.

**RESOLVED FURTHER** that as recommended by the Remuneration / Compensation Committee at its meeting held on 23 February 2013 and approved by the Board of Directors at its meeting held on 23 February 2013, the company continue to pay the existing remuneration as per the terms and conditions stated in the explanatory statement for the period 1 January 2013 to 31 March 2016 (5 years period i.e. 1 April 2011 to 31 March 2016 in terms of Clause (A) of Section II of Part II of Schedule XIII of the Companies Act, 1956).

**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 13th 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  
15 May 2013

CHAIRMAN OF THE MEETING