

MINUTES OF THE ELEVENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF EDSERV SOFTSYSTEMS LIMITED HELD ON 28TH DAY OF DECEMBER 2012 AT HOTEL KANCHI, 28 ETHIRAJ SALAI, EGMORE, CHENNAI- 600 008.

MEMBERS PRESENT IN PERSON- 162

MEMBERS PRESENT IN PROXY- 2

DIRECTOR'S PRESENT:

MR.S.GIRIDHARAN- CHAIRMAN & MANAGING DIRECTOR

DR.ILANGO BALAKRISHNAN- INDEPENDENT DIRECTOR

IN ATTENDANCE:

MR.RAJ VISWANATHAN- M/S RAJ & RAVI STATUTORY AUDITORS

MR.G.RAGHAVAN- COMPANY SECRETARY

Mr. S. Giridharan, was unanimously elected as the Chairman and he occupied the Chair. He then announced that as the required quorum being present, the meeting was in order. He also announced that the Registers as per the statutory requirements were kept open for inspection by the members. He then introduced the director's present and also explained the reasons for the absence of other directors.

The Chairman then delivered his speech to the shareholders of the company.

With the permission of the Members, the notice calling the meeting was taken as read.

Then the first item in the agenda was taken up for consideration.

Item No. 1: Adoption and approval of Audited Balance Sheet

The Chairman invited the attention of the members present to item no. 1 of the notice convening the meeting for considering the Audited Balance Sheet and Profit & Loss Account for the year ended 31st March 2012. He then proposed the following resolution for approval and it was seconded by Mr. Harish Kumar.



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"RESOLVED that Balance Sheet as on 31st March 2012, the Profit and Loss Account for the year ended that date together with the report of the Directors and Auditors thereon as placed before this meeting be and is hereby approved and adopted."

The Chairman replied all the shareholders' query and then put the resolution to vote by show of hands and declared that the resolution was **carried unanimously as an Ordinary Resolution.**

Item No. 2: Adoption and approval of Restated Balance Sheet

Before taking up other agenda of the business, the Chairman presented the reason for the restatement of accounts for the Financial Year ended 31st March, 2011.

Mr.Subramanian proposed the following resolution for approval and it was seconded by Mr. Jayaraman

"RESOLVED that the restated Balance Sheet, Profit & Loss Account for the year ended 31st March, 2011 alongwith the Schedules presently placed in accordance with the Ministry of Corporate Affairs General Circular No: 5/2010 before this meeting, be and is hereby approved and adopted.

The Chairman replied all the shareholders' query and then put the resolution to vote by show of hands and declared that the resolution was **carried unanimously as an Ordinary Resolution.**

Item No. 3: Appointment of Dr.Ilango Balakrishnan who retires by rotation

Mr.Narendran then proposed the following resolution for approval and it was seconded by Mr. Udaya Prakash

"RESOLVED THAT Dr.Ilango Balakrishnan, Director retiring by rotation and who is eligible for re-appointment be and is hereby reappointed as Director of the company whose term of office shall be subject to retirement by rotation."

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

Item No. 4. Appointment of Auditors

The Chairman himself proposed the following resolution for approval and it was seconded by Ms. Srisudha.

"RESOLVED that M/s. Raj and Ravi. Chartered Accountants, be and are hereby appointed as Auditors of the Company who will hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and that the Board of Directors be and are severally authorised to fix their remuneration in consultation with them."

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



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Item No. 5: Transfer of a part of company's software content to its subsidiaries

The Chairman invited the attention of the members present to item no. 5 of the notice convening the meeting for considering the issue of transfer of a part of the company's software content to its subsidiaries.

The Chairman also brought to the attention of the members about the inadvertent error made in Page No.7 Item No.5 relating to Disclosure of Interest as none of the Directors are interested in the concerned resolution.

Mr. Prabhu then proposed the following resolution for approval and it was seconded by Mr Jeyaraman.

“RESOLVED THAT pursuant to applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded, subject to the consents, approvals, permissions and sanctions being obtained from Reserve Bank of India and other appropriate authorities to the extent applicable or necessary, to the Board of Directors of the Company (“the Board” which expression shall also include a Committee of Directors of the Company) to transfer the part of the company's Software content/ web portal and other related assets to its subsidiary companies located in India and Abroad, together with the rights, title and interest in the moveable and intangible assets (including process know-how, IPRs, licenses, etc) for consideration otherwise than for cash as detailed in the Explanatory Statement and on such terms as may be decided by the Board of Directors or a Committee of Directors appointed for the purpose.

FURTHER RESOLVED THAT the said Board of Directors will have the power to finalize and execute necessary documents, for the transfer/sale/divestment including transfer agreements, deeds of assignment/conveyance and such other documents as may be required and to do all such acts, deeds, matters and things including giving customary representations and warranties, together with such indemnities as may be deemed necessary and expedient in their discretion for completion of sale/transfer/divestment of investment”.

The Chairman then put the resolution to vote by show of hands and declared that the resolution was carried unanimously as a Special Resolution.

As Mr. S. Giridharan was interested in the item no. 6 of the business to be taken up for consideration, he vacated the chair and at his request Dr. Ilango Balakrishnan occupied the Chair and continued the proceedings. Since Mr. S. Giridharan was interested in Item No. 6, he was not participated in the discussion and voted for the said item.



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Item No. 6: Waiver of excess remuneration paid to Mr.S.Giridharan, Chairman & Managing Director

Mr. Prithvirajan then proposed the following resolution for approval and it was seconded by Mr.Subramanian

“RESOLVED THAT pursuant to approval of change in the Accounting Policy as mentioned in Item No.2 and as per Section 309(5B) read with Schedule XIII and other applicable provisions, if any of the Companies Act, 1956 and all the guidelines issued by the Central Government from time to time and subject to the approval of the Central Government and such other consents and approvals as may be deemed necessary, consent of the Members of the Company be and is hereby accorded for waiver of excess remuneration paid (as detailed in the Explanatory Statement)to Mr. S.Giridharan, presently Chairman & Managing Director of the Company over and above the limits prescribed under Section 309 read with Part-II Schedule XIII to the Companies Act, 1956 during the Financial Year ending 31/03/2011 and 31/03/2012.

RESOLVED FURTHER THAT the Director(s) and /or the Company Secretary of the Company be and are hereby jointly/ severally authorized to make an application to the Central Government by filing Form 25A for waiver of recovery of the excess remuneration paid to the Chairman & CEO and to do all such acts, deeds, matters and things and furnish such information / clarifications / declaration, certificate and other papers as may be required in this regard including authorizing any other person to represent before the Central Government.”

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

As Dr.Ilango Balakrishnan was interested in the item no. 7 of the business to be taken up for consideration, he vacated the chair and at his request Mr.S.Giridharan occupied the Chair and continued the proceedings.

Item No. 7: Waiver of excess commission paid to Non-Executive Independent Directors

Mr. Udaya Prakash then proposed the following resolution for approval and it was seconded by Mr. Kamesh Kumar.

“RESOLVED THAT pursuant to the approval of the change in Accounting Policy as mentioned in the Item No.1 and as per Section 309(5B) and other applicable provisions, if any of the Companies Act, 1956 and all the guidelines issued by the Central Government from time to time, and subject to

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the approval of the Central Government and such other consents and approvals as may be deemed necessary, consent of the Members of the Company be and is hereby accorded for waiver of excess commission paid to Non-Executive Directors of the Company (as detailed in the Explanatory Statement) over and above the limits prescribed under Section 309(4) of the Companies Act, 1956 for the Financial Year ended on 31st March 2011, as detailed in the Explanatory Statement enclosed.

RESOLVED FURTHER THAT the Director(s) and/or the Company Secretary of the Company be and are hereby jointly/ severally authorized to make an application to the Central Government by filing Form 25A for waiver of recovery of the excess commission paid to the Non-Executive Directors and to do all such acts, deeds, matters and things and furnish such information / clarifications / declaration, certificate and other papers as may be required in this regard including authorizing any other person to represent before the Central Government."

The Chairman then put the resolution to vote by show of hands and declared that the resolution was carried unanimously as a Special Resolution.

As Mr.Giridharan was interested in the item no. 8,9 & 10 of the business to be taken up for consideration, he vacated the chair and at his request Dr.Ilango Balakrishnan once again occupied the Chair and continued the proceedings for the Item Nos.8, 9 & 10.

Item No. 8: Issue of Equity Shares on preferential basis to Mr.S.Giridharan & M/s Tips Data Systems Private Limited

Mr. Prabhu then proposed the following resolution for approval and it was seconded by Mr. Prithivirajan.

"RESOLVED THAT pursuant to Section 81(1A) and all other applicable provisions, if any , of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof) for the time being in force read with the Memorandum and Articles of Association of the company and subject to the approval to the Listing Agreement entered into by the company with Stock Exchanges and the regulations/rules/guidelines issued by the Securities and Exchange Board of India (herein after referred to as "SEBI"), Stock Exchanges, such approvals, permissions, sanctions and consents as may be necessary and required under applicable laws, rules, regulations and contracts, and on such terms, conditions, alterations, modifications, approvals, permissions, sanctions and consents, which may be accepted to the Board of Directors of the company (which term shall include any duly constituted and authorized committee thereof), the Board of Directors be and is hereby authorized to create, issue, offer, allot and deliver in one or more tranches on a private placement and / preferential basis to issue 11,50,000 Equity Shares of the face value of ` 10/- each at a price which is higher than the Price determined as per SEBI (ICDR) Regulations, 2009 Preferential Basis to Promoter against due



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appropriation and Non Promoter Corporate for cash as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("ICDR Regulations") on the relevant date and that shares so issued shall rank pari-passu in all respects with the existing Equity Shares of the company.

RESOLVED FURTHER THAT the relevant date for the purpose of determining the issue price under the SEBI Regulations for preferential Issue shall be 28.11.2012 ie the date 30 days prior to the date of the Annual General Meeting where the proposed issue is to be considered.

RESOLVED FURTHER THAT the said shares shall be issued and allotted within a period of fifteen (15) days from the date of passing this Special Resolution provided that where the allotment of the said shares is pending on account of pendency of any approval of such allotment by any regulatory authority or the Central Government, the allotment shall be completed within a period of fifteen (15) days from the date of such approval or such other extended period as may be permitted under the applicable SEBI Regulations as amended from time to time.

RESOLVED FURTHER THAT the said shares to be issued and allotted shall be subject to a lock in period as per SEBI Regulations as amended from time to time.

RESOLVED FURTHER THAT for the purpose of creating, issuing, offering and allotting the said shares to be issued and allotted, the Board of Directors of the company be and is hereby authorized to do and perform all such other acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient, desirable or appropriate to give effect to this resolution in all respects and in particular, to settle any questions, difficulties or doubts that may arise with regard to the offering, issuing, allotting and utilizing the issue proceeds of the said equity shares of the company as it may, in its absolute discretion, deem fit and proper and also to seek the listing of such securities in one or more Stock Exchanges in India.

The Chairman then put the resolution to vote by show of hands and declared that the resolution was carried unanimously as a Special Resolution.

Item No. 9: Issue of Equity Warrants on preferential basis to Mr.S.Giridharan

The Chairman invited the attention of the members present to item no. 9 of the notice convening the meeting for considering the issue of equity Warrants to Mr.S.Giridharan, Chairman & Managing Director. Mr. Sri Sudha then proposed the following resolution for approval and it was seconded by Mr. Jeyaraman

"RESOLVED THAT pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof) for the time being in force read with the Memorandum and Articles of Association of the Company and subject to the Listing Agreement entered into by the company with Stock Exchanges and the Regulations/ rules/



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guidelines issued by the Securities Exchange Board of India(herein after referred to as "SEBI") , Stock Exchanges, such approvals, permissions, sanctions and consents, which may be accepted to the Board of Directors of the Company (which term shall include any duly constituted and authorized committee thereof) to create, issue, offer, allot and deliver in one or more tranches on a private and placement and/ preferential basis 20,00,000 Equity Warrants at a price which is higher than the Price determined as per SEBI (ICDR) Regulations, 2009 on Preferential Basis to Promoter, Mr.S.Giridharan, Chairman & Managing Director, with currency not exceeding Eighteen months from the date of issue/allotment of the said warrants or such extended currency as may be permitted under the applicable SEBI Regulations as amended from time to time, each such warrant entitling the holder thereof to exercise its option to apply for and be issued and allotted one fully paid up equity share of face value of Rs.10/- each in the company at any time which option may be exercised by the holder in one or more tranches and on such terms and conditions as the Board may from time to time, whether on the same terms and conditions as may be deemed appropriate by the Board, both issued at a price which is higher than the minimum specified as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (ICDR Regulations) on the Relevant date and that shares so issued shall rank pari-passu in all respects with the existing Equity Shares of the Company.

"RESOLVED FURTHER THAT the relevant date in relation to the fully convertible warrants for the purpose of determining the minimum applicable price under the SEBI Regulation for the Preferential Issue shall be 28.11.2012 ie., the date 30 days prior to the date of the Annual General Meeting where the proposed issue is to be considered."

"RESOLVED FURTHER THAT the said fully convertible warrants shall be issued and allotted within a period of fifteen (15) days from the date of passing this Special Resolution provided that where the allotment of the said fully convertible warrants is pending on account of pendency of any approval of such allotment by any regulatory authority or the Central Government, the allotment shall be completed within a period of fifteen (15) days from the date of such approval or such other extended period as may be permitted under the applicable SEBI Regulations as amended from time to time.

RESOLVED FURTHER THAT 25% issue price calculated as per ICDR Regulations, shall be payable on the date of allotment of the said warrants, which shall be adjusted against the price payable subsequently for acquiring the Equity shares by exercising the option for conversion with the balance amount being payable at the time of conversion, and the said amount be forfeited, in case the option to acquire fully is not exercised. However the option to exercise shall not be later than 18 months of the issue of warrants on such terms as may be decided by the Board from time to time.

RESOLVED FURTHER THAT the said fully convertible warrants to be issued and allotted upon conversion thereof on the exercise of the said option by the holder thereof shall be subject to a lock in period as per SEBI Regulations as amended from time to time.



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RESOLVED FURTHER THAT for the purpose of creating, issuing, offering and allotting the said fully convertible warrants to be issued and allotted upon conversion thereof on the exercise of the said option by the holder thereof of the company, as aforesaid, the Board of Directors/ committee for the purpose be and is hereby authorized to do and perform all such other acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient, desirable or appropriate to give effect to this resolution in all respects and in particular, to settle any questions, difficulties or doubts that may arise with regard to the offering, issuing, allotting and utilizing the issue proceeds of the Equity Warrants of the Company as it may, in its absolute discretion, deem fit and proper and also to seek the listing of such securities in one or more Stock Exchanges in India.

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

Item No.10: Appointment of Mr.S.Giridharan as Chairman & Managing Director

Mr. Narendran then proposed the following resolution for approval and it was seconded by Mr. Subramanian

“RESOLVED THAT pursuant to the provisions of Section 198,269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and Articles of Association of the Company, consent of the shareholders of the Company be and is hereby accorded to appoint Mr. S.Giridharan as Managing Director of the Company for a period of five years with effect from 10th October 2012 in addition to his Chairmanship.

FURTHER RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309 read with Section II Part II of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and subject to such sanctions and approvals as may be necessary, approval of the Company be and is hereby accorded to pay a remuneration of not exceeding ` 48,00,000/- (Rupees Forty Eight Lakhs only) per annum to Mr. S.Giridharan, Chairman cum Managing Director of the Company for a period of three years, the details of which are given in the Explanatory Statement annexed hereto.

FURTHER RESOLVED THAT the Board of Directors of the Company or any committee thereof be and is hereby authorized to amend, alter, modify or otherwise vary the terms and conditions of appointment of Mr. S.Giridharan, Chairman cum Managing Director, including the components of the above mentioned remuneration payable to him subject to the overall cap of ` 48,00,000/- (Rupees Forty Eight Lakhs only) per annum and to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable; to settle any question or doubt that may



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arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval/ consent from the government departments, as may be required in this regard.”

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

Dr. Ilango Balakrishnan then vacated the chair and at his request Mr. S. Giridharan once again occupied the Chair and continued the proceedings after thanking Dr. Ilango Balakrishnan.

Item No.11: Appointment of Mr.K.T.Srinivasan as a Whole-time Director of the Company.

Mr. Subramanian then proposed the following resolution for approval and it was seconded by Mr. Kamesh Kumar

“RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 310, 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the approval of the members be and is hereby accorded to the Board for the appointment of Mr. K.T.Srinivasan as Whole Time Director of the company for a period of Five years with effect from 15.11.2012 on rotational basis on a remuneration of not exceeding a sum of `1 Lac Per month inclusive of all allowances and perquisites as approved by the Remuneration Committee and the Board of Directors at their meeting held on 15.11.2012.”

“FURTHER RESOLVED THAT the authority be and is hereby granted to the Board of Directors to alter and vary the terms and conditions of the said appointment and / or agreement (including authority, from time to time, to determine the amount of salary and commission as also the type and amount of perquisites and other benefits payable to, in such manner as may be agreed to between the Board of Directors and the Whole Time Director provided, however, that the remuneration payable to him shall not exceed the limits prescribed under Section 198 & Schedule XIII to the Companies Act, 1956, including any amendment, modification, variation or re-enactment thereof.”

“RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of profits in any financial year, during the term of office of 5 years, the remuneration payable to him by way of salary, allowances, commission and perquisites shall not, exceed the limits prescribed under Section 198 & Schedule XIII of the Companies Act, 1956, or any amendment, modification, variation or re-enactment thereof.”

“RESOLVED FURTHER THAT the Board and the Company Secretary be and is hereby authorized severally to file the necessary returns with the Registrar of Companies, to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its power herein conferred to any committee of directors or director(s) to give effect to the aforesaid resolutions.”

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

Item No.12: Authorization to Board of Directors for capitalizing the profits by way of issue of Bonus Shares

Mr. Narayanan then proposed the following resolution for approval and it was seconded by Mr. Subramanian.

RESOLVED that pursuant to the applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof) for the time being in force read with the Memorandum and Articles of Association of the Company and subject to the Listing Agreement entered into by the company with Stock Exchanges and the Regulations/ rules/ guidelines issued by the Securities Exchange Board of India (herein after referred to as "SEBI"), Stock Exchanges and Articles of Association of the Company and such other approvals, permissions and sanctions as may be necessary and subject further to such terms, conditions, alterations, modifications, changes and variations as may be specified while according such approvals which the Board of Directors of the Company be and is hereby authorised to accept, if it thinks fit, the consent of the Company be and is hereby accorded to the Board of Directors (which term shall include any duly constituted and authorized committee thereof) to capitalise upto the amount standing in the credit of 'Reserves and Surplus', which is otherwise available for distribution of dividend and transferred to share capital account towards issue and allotment of such number of equity shares, as bonus shares credited as fully paid-up, to members of company holding equity shares of ` 10/- each whose names stand in the register of members of the company on such date (date of closure of transfer books) and in such proportion as the directors may determine, in that behalf as on the date of closure of transfer books and that the bonus shares so issued and allotted be treated for all purposes as an increase of the nominal amount of the Equity Capital of the Company held by each such member/person and not as income and that the said Equity Shares be issued and allotted such terms and conditions the Board of Directors may decide, from time to time, in the best interest of the company.

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

Vote of Thanks

There being no other business, the meeting ended with a vote of thanks to the Chair.

Date: 30.12.2012
Place: Chennai



S. Giridharan
Chairman & Managing Director

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