

**POSTAL BALLOT NOTICE****NOTICE PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013 READ WITH RULE 22 OF THE COMPANIES (MANAGEMENT & ADMINISTRATION) RULES, 2014**

Dear Member(s),

Notice is hereby given, pursuant to Section 110 of the Companies Act, 2013 ("the Act") read with the Companies (Management and Administration) Rules, 2014 that the Company is seeking consent of its members for the below mentioned resolutions by way of Postal Ballot which includes voting by electronic means.

The Explanatory Statement pertaining to the resolutions proposed in this Notice setting out all material facts and reasons thereof along with Postal Ballot Form is annexed herewith.

The Company has appointed Mr M Damodaran, Sole proprietor of M/s Damodaran & Associates, Practicing Company Secretaries, Chennai as Scrutinizer for conducting the postal ballot process in a fair and transparent manner. Mr M Damodaran will hold the position of Scrutinizer from the date of posting of this notice until submission of his final report to the Chairperson / Managing Director / the Whole-time Director on 26 December 2014.

You are requested to read the instructions printed in the Postal Ballot Form and return the Form duly completed in the attached self-addressed postage pre-paid envelope so as to reach the Scrutinizer at the Company's Registered Office at No 85, Kutchery Road, Mylapore, Chennai 600004, Tamilnadu, not later than close of working hours of 23 December 2014.

The Company also provides e-voting facility to the Shareholders for transacting the business at the above said Postal Ballot. Members holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) 14 November 2014, may cast their vote electronically on the Business(es) as set out in the Notice of the Postal Ballot through electronic voting system of Central Depository Services Limited(CDSL). If a shareholder has voted by electronic means, he is not required to send the physical ballot form to the Company.

The Scrutinizer after completion of the scrutiny will submit his report to the Chairperson / Managing Director / the Whole-time Director of the Company on 26 December 2014. Thereafter, the results of the postal ballot will be declared by the Chairperson / Managing Director / the Whole-time Director at the Registered Office of the Company on 27 December 2014 and the date for passing of the resolutions will be the said date. The results will also be posted on the website of the Company i.e. www.megasoft.com. The results shall be intimated to the Stock Exchanges where the shares of the Company are listed and through press release in newspapers.

Special Business**ITEM NO.1 : BORROWING POWERS OF THE COMPANY**

To consider, and if thought fit, with or without modification, to pass following resolution as **Special Resolution**:

RESOLVED that in supersession of the ordinary resolution passed pursuant to the provisions of Section 293(1)(d) and other applicable provisions, of the Companies Act, 1956 by the members of the company through postal ballot dated 9th October 2007, consent of the Company be and is hereby granted to the Board of Directors of the Company (hereinafter referred to as "the Board") pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), to borrow any sum or sums of money from time to time at their discretion, for the purpose of the business of the Company, which together with the monies already borrowed by the Company and its subsidiaries, (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed at any time, the aggregate of the paid-up capital of the Company and its free reserves (that is to say, reserves, not set apart for any specific purpose) but not exceeding Rs 200 crores (Rupees two hundred crores) in aggregate, and that the Board of Directors be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may think fit in the best interest of the company.

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to undertake all such acts, deeds, matters and things to finalise and execute all such deeds, documents and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion, to enable this resolution, and to settle any question, difficulty or doubt that may arise in this regard.

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any Director of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution.

ITEM NO.2 : CREATION OF SECURITY ON ASSETS OF THE COMPANY

To consider, and if thought fit, with or without modification, to pass following resolution as **Special Resolution**:

RESOLVED that in supersession of the ordinary resolution passed pursuant to the provisions of Section 293(1)(a) and other applicable provisions, of the Companies Act, 1956 by the members of the company through postal ballot dated 9th October 2007, consent of the Company be and is hereby granted to the Board of Directors of the Company (hereinafter referred to as "the Board") pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), to mortgage and / or create charge, in addition to the mortgages and / or charges created / to be created by the Company, in such form and manner and with such ranking as to priority and for such time and on such terms as the Board may determine, all or any of the movable and / or immovable, tangible and / or intangible properties of the Company, both present and future, and / or the whole or any part of the undertaking(s) of the Company in favour of the lender(s), agent(s), trustee(s) for securing the borrowings of the Company or by any one or more subsidiaries of the Company, availed / to be availed by way of loan(s) (in foreign currency and / or rupee currency) and securities (comprising fully / partly convertible debentures and / or non-convertible debentures with or without detachable or non-detachable warrants and / or secured premium notes and / or floating rates notes / bonds or other debt instruments), issued / to be issued by the Company or by any one or more subsidiaries of the Company, from time to time, subject to the limit of Rs 200 crores (Rupees two hundred crores) approved under Section 180(1)(c) of the Companies Act, 2013, together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on pre-payment, remuneration of agent(s) / trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation / revaluation / fluctuation in the rates of exchange and all other monies payable by the Company or by any one or more subsidiaries of the Company in terms of loan agreement(s), heads of agreement(s), debenture trust deed or any other document entered into / to be entered into between the Company or by any one or more subsidiaries of the Company and the lender(s) / agent(s) / trustees, in respect of the said loans / borrowings / debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the lender(s) / agent(s) / trustee(s).

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to undertake all such acts, deeds, matters and things to finalise and execute all such deeds, documents and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion, to enable this resolution, and to settle any question, difficulty or doubt that may arise in this regard.

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any Director of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution.

ITEM NO.3 : LOANS / INVESTMENTS / CORPORATE GUARANTEES

To consider, and if thought fit, with or without modification, to pass following resolution as **Special Resolution**:

RESOLVED that in supersession of the special resolution passed pursuant to the provisions of Section 372A and other applicable provisions, of the Companies Act, 1956 by the members of the company through postal ballot dated 9th October 2007, consent of the Company be and is hereby granted to the Board of Directors of the Company (hereinafter referred to as "the Board") pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company, subject to such approvals, consents and permissions, as may be necessary, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board", which term shall include any Committee thereof

constituted / to be constituted by the Board) to make loan(s) and / or give any guarantee(s) / provide any security(ies) in connection with loan(s) made or to be made and / or acquire by way of subscription, purchase or otherwise the securities of any body corporate, overseas and / or within India including subsidiary / group / associate company(ies) up to a limit not exceeding Rs 200 crores (Rupees two hundred crores) in aggregate or Equivalent amount in any Foreign Currency Whether Existing or New.

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to undertake all such acts, deeds, matters and things to finalise

and execute all such deeds, documents and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion, to enable this resolution, and to settle any question, difficulty or doubt that may arise in this regard.

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any Director of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution.

ITEM NO.4 : RELATED PARTY TRANSACTIONS

To consider, and if thought fit, with or without modification, to pass following resolution as **Special Resolution**:

RESOLVED that pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment

thereof for the time being in force) and Clause 49 of the Listing Agreement as may be in force from time to time and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the Company be and is hereby granted to approve all contracts / agreements / arrangements whether existing or to be entered into by the Company in future from time to time with the following parties being related parties as defined under the Companies Act, 2013:

Sl. No.	Name of the Related Party	Nature of Relationship	Nature of transaction	Value of transaction	Period
1	Xius Holding Corp (formerly Boston Communication Group, Inc.), USA and its wholly owned subsidiary Xius Corp (formerly Cellular Express, Inc.), USA (a step down subsidiary of the Company)	wholly owned subsidiary	Rendering or availing of all kinds of services	Rs. 50 crores	For every financial year
			Providing or availing of advances / loans & corporate guarantees	Rs.150 crores	Maximum outstanding balance at any point of time
2	Megasoft Consultants Sdn Bhd, Malaysia	wholly owned subsidiary	Rendering or availing of all kinds of services	Rs. 25 crores	For every financial year
3	Megasoft Consultants Pte Ltd, Singapore	wholly owned subsidiary	Rendering or availing of all kinds of services	Rs. 5 crores	For every financial year
4	Mr GV Kumar	Managing Director	Office or place of profit salary payment from the wholly owned subsidiary at USA	US\$ 120,000	For every financial year

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to undertake all such acts, deeds, matters and things to finalise and execute all such deeds, documents and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion, to enable this resolution, and to settle any question, difficulty or doubt that may arise in this regard.

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any Director of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution.

ITEM NO.5 : ALTERATION OF MEMORANDUM OF ASSOCIATION

To consider, and if thought fit, with or without modification, to pass following resolution as **Special Resolution**:

RESOLVED that pursuant to Section 13 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with rules made thereunder), the existing -

- Part- A of the Objects Clause shall now be titled as "The objects to be pursued by the company on its incorporation"; and
- Part- B of the Objects Clause shall now be titled as "Matters which are necessary for furtherance of the objects specified in Part -A"

RESOLVED FURTHER that the following Clause 51 be inserted after Clause 50 under Part-B of the Objects Clause of the Memorandum of Association of the Company:

Clause 51
"To undertake Corporate Social Responsibility ("CSR") activities in terms of the provisions of the Companies Act, 2013 and Rules made thereunder or in such other manner as the Company deems fit from time to time."

RESOLVED FURTHER that existing Part-C titled "Other Objects" of the Objects Clause in the Memorandum of Association of the Company be deleted.

RESOLVED FURTHER that wherever required, the reference to various sections of the Companies Act, 1956 be replaced with the reference to the corresponding sections of the Companies Act, 2013, in Part B of the Objects Clause of the Memorandum of Association of the Company.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to take all such actions as may be necessary, desirable or expedient and to do all such necessary acts, deeds and things that may be incidental or ancillary to give effect to the aforesaid resolution.

ITEM NO.6 : ADOPTION OF NEW SET OF ARTICLES OF ASSOCIATION

To consider, and if thought fit, with or without modification, to pass following resolution as **Special Resolution**:

RESOLVED that pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the new draft Articles as contained in

the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to take all such actions as may be necessary, desirable or expedient and to do all such necessary acts, deeds and things that may be incidental or ancillary to give effect to the aforesaid resolution.

ITEM NO.7: APPOINTMENT OF INDEPENDENT DIRECTOR

To consider, and if thought fit, with or without modification, to pass following resolution as **Ordinary Resolution**:

RESOLVED that pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder read with Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr R Janardhana Reddy [DIN No.02544300], Director of the Company, who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to five consecutive years from the date of coming into effect of this resolution and he shall not be liable to retire by rotation.

ITEM NO.8 : APPOINTMENT OF INDEPENDENT DIRECTOR

To consider, and if thought fit, with or without modification, to pass following resolution as **Ordinary Resolution** :

RESOLVED that pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder read with Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr Anil Kumar Sood [DIN No.00086577], Director of the Company, who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to five consecutive years from the date of coming into effect of this resolution and he shall not be liable to retire by rotation.

ITEM NO.9 : APPOINTMENT OF INDEPENDENT DIRECTOR

To consider, and if thought fit, with or without modification, to pass following resolution as **Ordinary Resolution** :

RESOLVED that pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder read with Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement (including any statutory modification (s) or re-enactment thereof for the time being in force), Mr Anish Mathew [DIN No.02545538], Director of the Company, who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to five consecutive years from the date of coming into effect of this resolution and he shall not be liable to retire by rotation.

By order of the Board of Directors
Megasoft Limited
GP Srinath
Company Secretary

Place: Chennai

Date: 14 November 2014

NOTES:

- (1) As per section 110 of the Act, read with Rule 22 of the Companies (Management and Administration) Rules, 2014, Notice of the Postal Ballot may be served on the members through electronic means. Members who have registered their e-mail IDs with depositories or with the Company are being sent this Notice of Postal Ballot by e-mail and the members who have not registered their e-mail IDs will receive Notice of Postal Ballot along with the Postal Ballot Form by post.
- (2) In compliance with the provisions of Section 110 of the Act read with Rule 22 of the Companies (Management and Administration) Rules, 2014, and Clause 35 B of the Listing Agreement with the Stock Exchange, the Company has also extended e-voting facility as an alternate, for its shareholders to enable them to cast their votes electronically instead of dispatching Postal Ballot Form. Details of e-voting facility are specified under instructions to the Postal Ballot Form.
- (3) The Notice of Postal Ballot and the amended Memorandum and Articles of Association of the Company will be placed on the website of the Company www.megasoft.com.
- (4) All documents referred to in the Notice and accompanying Explanatory Statement shall be open for inspection at the Registered Office of the Company on all working days of the Company between 2.00 p.m. to 5 p.m. up to the last date of voting i.e. 23 December 2014
- (5) Any query in relation to the resolutions proposed by Postal Ballot may be addressed to the Company Secretary, Megasoft Limited, No 85, Kutchery Road, Mylapore, Chennai 600004 or through email : investors@megasoft.com

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:**ITEM NO.1 & 2**

The Members of the Company through postal ballot dated 9th October 2007, by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 authorised the Board of Directors of the Company to borrow monies up to a limit of Rs 500 crores notwithstanding the said borrowings being over and above the aggregate paid up share capital and free reserves of the Company.

Section 180(1)(c) of the Companies Act, 2013 requires that the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, except with the consent of the company accorded by way of a special resolution in terms of the provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force). To comply with the requirements of the Companies Act, 2013 and the Rules made thereunder a fresh resolution for borrowings by the Company and its subsidiaries which may exceed at any time the aggregate of the paid-up capital of the Company and its free reserves but not exceeding Rs 200 crores (Rupees two hundred crores) (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) has been put up for your approval as a special resolution. The company proposes a lower limit in this regard consequent to the hiving off the IT services division during 2009.

The borrowings of the Company and its subsidiaries are, in general, required to be secured by suitable mortgage or charge on all or any of the movable and / or immovable properties of the Company in such form, manner and ranking as may be determined by the Board of Directors of the Company, from time to time, in consultation with the lender(s).

It is therefore necessary for the members to pass a Special Resolution under Section 180(1)(a) and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder, to enable the Board of Directors to mortgage, charge, hypothecate and / or pledge any or all of the Company's assets and properties, book debts, stock in trade, work-in progress, whether movable or immovable, present or future, and whole or substantially the whole of any of undertaking(s) of the Company, in such form and in such manner and on such terms and conditions as the Board may consider and think fit and proper, in the interest of the Company, in favour of the Bank(s) / Financial Institution(s) / Bodies Corporate and / or Companies, to secure the loan / financial facilities ("Borrowings") together

with interest, compound interest and all costs, charges and expenses and all other monies, for an amount not exceeding Rs 200 crores (Rupees two hundred crores) as may become due or payable by the Company and its subsidiaries in that behalf to the Bank(s) / Financial Institution(s) / Bodies Corporate and / or Companies, to secure the borrowings already obtained or to be obtained by the Company and its subsidiaries, from time to time. Hence, the approval of the shareholders is hereby sought in terms of Section 180(1)(a) and Section 180(1)(c) of the Companies Act, 2013.

The Board recommends the Special Resolution set out at Item Nos. 1 & 2 of the Notice for approval by the Members.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item Nos. 1 & 2 of the Notice.

ITEM NO.3

The Members of the Company through postal ballot dated 9th October 2007, by way of a Special Resolution under Section 372A of the Companies Act, 1956 authorised the Board Directors of the Company for Investments, Loans and Guarantees in other companies / bodies corporate(s) up to Rs 500 crores.

In terms of the provisions of Section 186 of the Companies Act, 2013 and the Rules made thereunder, where giving of any loan or guarantee or providing any security or the acquisition of securities exceeds (a) sixty percent of the aggregate of the paid-up capital and free reserves and securities premium account, or (b) hundred percent of its free reserves and securities premium account, whichever is higher, prior approval of the shareholders by means of passing a Special Resolution shall be necessary.

As a measure of achieving greater financial flexibility and to enable optimal financing structure, this permission is sought pursuant to the provisions of Section 186 of the Companies Act, 2013 to give powers to the Board of Directors or any duly constituted committee thereof, for making investment, providing loans or give guarantee or provide security in connection with loans to any body corporate, overseas and / or within India, including subsidiary / group / associate company, up to a limit not exceeding Rs 200 crores (Rupees two hundred crores) in aggregate or equivalent amount in any other foreign currency, whether existing or new. Also, loans and guarantees are considered essential as the Company may have to give loan to, or provide guarantee for loan(s) taken by its subsidiary / group / associate company(ies) at any future date. The company proposes a lower limit in this regard consequent to the hiving off the IT services division during 2009.

These investments are proposed to be made out of own / surplus funds / internal accruals and / or any other source including borrowings, if necessary, to achieve long term strategic and business objectives. Hence, it is necessary to obtain approval for the same from the Members by passing a resolution.

The Board recommends the Special Resolution set out at Item No.3 of the Notice for approval by the Members.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.3 of the Notice.

ITEM NO. 4

Section 188 of the Companies Act, 2013 provides that except with the consent of the Board of Directors given by a resolution at a meeting of the Board and subject to such conditions as prescribed in rules framed in this regard, no company shall enter into any contract or arrangement with a related party with respect to transactions specified therein. It is further provided that in case of a company having paid-up share capital of not less than such amount or transactions not exceeding such sums as are prescribed in the rules framed in this regard, no contract or arrangement shall be entered into except with the approval of the company by a special resolution. It is further provided that nothing in this sub-section shall apply to any transaction entered into by the company which are entered in its ordinary course of business and are at arm's length.

Although, your company always seeks to enter into transactions with related parties in the ordinary course of business and at arm's length basis, yet as per the amended Clause 49 of the Equity Listing Agreement, all related party transactions even though exempted under Section 188(1) of the Companies Act, 2013, have to be approved by the Members by way of a special resolution in case such transactions are of material nature as defined in clause 49 of the Listing Agreement, i.e. the transaction exceeds 5% of annual turnover or 20% of the net worth of a company. Since the aggregate of all transactions with the related parties mentioned in the Item No.4 may meet the criteria of materiality, the Company is under an obligation to seek the approval of its shareholders by way of a special resolution. It is therefore, proposed to seek approval of such transactions which are either existing or proposed to be entered into by the Company with related parties mentioned in the Item No. 4 by way of a special resolution.

Pursuant to rule 15(3) of Companies (Meetings of Board and its Powers) Rules, 2014, the nature of transactions with the related parties is provided in the said resolution.

The Board recommends the Special Resolution set out at Item No.4 of the Notice for approval by the Members.

Except Mr GV Kumar, Mr GP Srinath and Mr D Sudhakar Reddy who are on the Board of the subsidiaries as representatives of the Company no other Directors and / or Key Managerial Personnel of the Company and / or their relatives is concerned or interested, financial or otherwise in the resolution set out at Item No.4 of the Notice.

ITEM NO. 5

The existing Memorandum of Association ("MoA") of the Company was framed pursuant to the provisions of the Companies Act, 1956. The provisions of the Companies Act, 2013 which have come into force with effect from April 1, 2014 require for stating of the Objects Clause of MoA in a different manner. In view of the said requirements the Objects Clause is proposed to be amended as under:

- (i) The Objects Clause will now have 2 parts viz. Part-A – "The Objects to be pursued by the Company on its incorporation" and Part- B – "Matters which are necessary for furtherance of the Objects specified in Part -A".
- (ii) The existing Part- C – "Other Objects" is proposed to be deleted in line with the requirements of the Companies Act, 2013.
- (iii) The existing Part- B of the Objects Clause of MoA has been retained except that the reference to various sections of the Companies Act, 1956 are proposed to be replaced with the reference to the corresponding sections of the Companies Act, 2013. In addition a new Clause 51 is proposed to be inserted to enable the Company to spend money on CSR activities as required under the Companies Act, 2013.

The revised MoA is being uploaded on the Company's website at www.megasoft.com for perusal by the shareholders.

The Board recommend the same for approval of the shareholders to be passed as a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at Item No.5 of the Notice.

ITEM NO. 7, 8 & 9

The Board of Directors of the company ("the Board") at their meeting held on 14th November, 2014, on the recommendation of the Nomination & Remuneration Committee, recommended for the approval of the Members, the appointment of Mr R Janardhana Reddy, Mr Anil Kumar Sood and Mr Anish Mathew, as Independent Directors of the Company in terms of Section 149 read with Schedule-IV of the Companies Act, 2013 ("the Act"), or any amendment thereto or modification thereof, as set out in the Resolutions relating to their respective appointment.

Mr R Janardhana Reddy, Mr Anil Kumar Sood and Mr Anish Mathew are presently on the Board as Independent Directors, but were not specifically appointed as such under Section 149 of the Act. The Companies Act, 2013 and the Rules made thereunder require that the appointment of Independent Directors is to be made expressly in terms of the provisions of Section 149 of the Act.

In the view of your Board, the continued association of Mr R Janardhana Reddy, Mr Anil Kumar Sood and Mr Anish Mathew with the Company as

ITEM NO. 6

The Articles of Association of the Company as currently in force was originally adopted when the Company was incorporated under the Companies Act, 1956 and further amendments were adopted pursuant to the provisions under the Companies Act, 1956, from time to time, over the past several years. The references to specific sections of the Companies Act, 1956 in the existing Articles of Association may no longer be in conformity with the Companies Act, 2013.

Considering that substantive sections of the Companies Act, 2013 which deal with the general working of the companies stand notified, it is proposed to amend the existing Articles of Association to align it with the provisions of Companies Act, 2013 including the Rules framed thereunder and adoption of specific sections from "Table-F" to Schedule-I of the Companies Act, 2013 which sets out the model articles of association for a company limited by shares.

Certain provisions of existing Articles of Association have been simplified by providing reference to relevant Sections to the Companies Act, 2013 and the Rules framed thereunder, to avoid repetition in its entirety.

The proposed new draft Articles of Association is being uploaded on the Company's website at www.megasoft.com for perusal by the shareholders.

The Board recommend the same for approval of the shareholders to be passed as a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6 of the Notice.

Independent Directors, and the rich experience they bring with them, would benefit the Company. Declarations have been received from the aforesaid Directors that they meet the criteria of Independent Director prescribed in terms of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014. In the opinion of your Board, the aforesaid Directors fulfill the conditions specified in the Act and the Rules thereunder for their appointment as Independent Directors and that they are independent of the management of the company.

The above mentioned directors and their relatives are interested in the respective resolutions relating to their appointment. Other than the above, no director, key managerial personnel of the Company or their relatives, is interested in the above resolutions. There is no interse relationship between the above directors and any other director.

The additional information of the independent directors, seeking appointment, pursuant to Clause 49 of the Listing Agreement with Stock Exchanges is provided below:

Name of the Director	R Janardhana Reddy (DIN: 02544300)	Anil Kumar Sood (DIN: 00086577)	Anish Mathew (DIN: 02545538)
Date of Birth	31 May 1951	1 January 1963	19 August 1965
Date of Appointment	31 January 2009	28 April 2007	31 January 2009
Qualification	Fellow Member of the Institute of Chartered Accountants of India	PGDM and Fellow of IIM, Ahmedabad	Bachelor of Commerce (Hons) from the University of Delhi and a PGDM from the Xavier Institute of Management
Experience in Specific-functional area	Over three decades with Indian Overseas Bank and was Head of the Accounts Department of the Bank for about 5 years	His industry experience includes management accounts, business development and financial accounting assignments with Smithkline Beecham Consumer Health Limited, Delhi from 1983 to 1986 and executive (Business Head) responsibilities with Scientific Engineering (P) Limited, Hyderabad from 1989 to 1990. He has served as a Professor of Finance at the Administrative Staff College of India (ASCI) for about 12 years. He has served a term on the Board of Directors of Andhra Bank and has worked as a member of Technical Experts Committee for Restructuring of Punjab and Sind Bank.	Over two decades of experience in investing in Indian and international capital markets
List of companies in which directorship held in other companies	Nil	Nil	Wealth Management Asia Consultants Pte Ltd, Singapore
Chairman / Members of the Committee of the Board of companies in which he is Director	Chairman of Audit / Risk and Compliance Committee of the company Chairman of Stakeholders Relationship Committee of the company Member of Nomination & Remuneration Committee of the company	Chairman of Nomination & Remuneration Committee of the company Member of Audit / Risk and Compliance Committee of the company Member of Stakeholders Relationship Committee of the company	Member of Stakeholders Relationship Committee of the company Member of Audit / Risk and Committee of the company Member of Nomination & Remuneration Committee of the company
Shareholding in the company (equity shares of Rs.10 each)	400	Nil	97,570

NOTE: Please read the instructions before exercising your vote.

**MEGASOFT LIMITED**

[CIN: L72200TN1999PLC042730]

No.85, Kutchery Road, Mylapore, Chennai 600004, Tel: 044-24616768 Fax: 044-24627810 www.megasoft.com

POSTAL BALLOT FORM

Serial No.

1. Registered Folio No. / DP ID No. & Client ID No. * (* Applicable to member(s) holding in dematerialized form)		
2. Name(s) and Registered Address of the Sole / First Named member including Joint-holders, if any (in block Letters)		
3. Number of Shares held		
ELECTRONIC VOTING PARTICULARS (Please read the e-voting instructions given overleaf before exercising the e-vote)		
EVSN (Electronic Voting Sequence Number)	USER ID	PASSWORD
141117007		PLEASE ENTER THE PAN AND DATE OF BIRTH OR BANK ACCOUNT NO.

I / We hereby exercise my/our vote in respect of the Special/Ordinary Resolutions to be passed through postal ballot for the business stated in the notice of the company by sending my/our assent or dissent to the said resolution by placing (✓) mark at the appropriate box below.

Item No.	Brief Particulars of the Item	No. of Shares held	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1.	Increase in the Borrowing limits of the Company u/s 180(1)(c) of the Companies Act, 2013.			
2.	Creation of security on the assets of the Company u/s 180(1)(a) of the Companies Act, 2013.			
3.	Inter-corporate Loans/investments/guarantee u/s 186 of the Companies Act, 2013.			
4.	Related Party transactions u/s 188 of the Companies Act, 2013.			
5.	Alteration of Memorandum of Association u/s 13 of the Companies Act, 2013.			
6.	Amendment of articles of association u/s 14 of the Companies Act, 2013.			
7.	Appointment of Mr. R. Janardhana Reddy as Independent Director u/s 149, 152 of the Companies Act, 2013.			
8.	Appointment of Mr. Anil Kumar Sood as Independent Director u/s 149, 152 of the Companies Act, 2013.			
9.	Appointment of Mr. Anish Mathew as Independent Director u/s 149, 152 of the Companies Act, 2013.			

Place:

Date:

(Signature of the shareholder)

Note: Please read the instruction carefully before exercising your vote.

INSTRUCTIONS

- (1) The voting rights for the Equity Shares of the Company are one vote per Equity Share, registered in the name of the shareholder.
- (2) Voting rights shall be reckoned on the paid up value of the shares registered in the name(s) of the shareholder(s) as on November 14, 2014 (cut-off date).
- (3) Voting by Postal Ballot, in the physical form or e-voting, can be exercised only by the Shareholder or his/her duly constituted attorney or in case of bodies corporate by the duly authorised person.
- (4) Voting rights in a Postal Ballot cannot be exercised by a Proxy.
- (5) Voting period commences on and from 24 November 2014 and ends on 23 December 2014.
- (6) Kindly note that the shareholder(s) can opt for only one mode of voting, i.e. either Physical Ballot or e-voting
- (7) The Scrutinizer's decision on the validity of the Postal Ballot shall be final.

INSTRUCTIONS FOR VOTING BY PHYSICAL POSTAL BALLOT FORM

- (1) A Shareholder desirous of exercising vote by physical Postal Ballot should complete the Postal Ballot Form in all respects and send it after signature to the Scrutinizer in the attached self-addressed postal pre-paid envelope which shall be properly sealed with adhesive or adhesive tape. However, envelopes containing Postal Ballot Form, if sent by courier, at the expense of the shareholder will also be accepted. The shareholders are requested to convey their assent or dissent in the enclosed Postal Ballot Form only. The assent or dissent received in any other form or manner shall be considered as invalid.
- (2) The self-addressed business reply envelope bears the name of the Scrutinizer appointed by the Board of Directors of the Company and the address to which the same needs to be dispatched.
- (3) The Postal Ballot Form should be signed by the Shareholder as per the specimen signature registered with the Registrar/ Depository. In case the Equity Shares are jointly held, Postal Ballot Form should be completed and signed (as per specimen signatures registered with Registrar/Depository by the first named shareholder and in his/her absence, by the next named shareholder. Holder(s) of Power of Attorney(s) (POA) on behalf of the Shareholder(s) may vote on the Postal Ballot enclosing an attested copy of the POA. Unsigned Postal Ballot Forms will be rejected.
- (4) In case of Equity Shares held by the shareholders other than individual shareholders, the duly completed Postal Ballot Form should be signed by the authorized signatory, whose signature is already registered with the Registrar and Share Transfer Agent or it should be accompanied by a certified copy of Board Resolution/authority and with attested specimen signature(s) of the duly authorized signatories giving requisite authorities to the person voting on the Postal Ballot Form.
- (5) Duly completed Postal Ballot Form should reach the Scrutinizer not later than close of working hours of 23 December 2014. Postal Ballot Form received after this date will be treated as if reply from such Shareholder has not been received. The shareholders are requested to send the duly completed Postal Ballot Form well before the last date providing sufficient time for the postal transit.
- (6) Shareholders are requested not to send any paper (other than the Resolution/ authority as mentioned under instruction above along with the Postal Ballot Form in the enclosed self-addressed postage pre-paid envelope as all such envelopes will be sent to the Scrutinizer and if any extraneous paper is found in such envelope, the same would not be considered and would be destroyed by the Scrutinizer.
- (7) There will be only one Postal Ballot Form for every folio / client ID irrespective of the number of the joint shareholders. On receipt of the duplicate Postal Ballot Form, the original will be rejected.
- (8) In case a Member is desirous of obtaining a printed postal ballot form or a duplicate, he or she may send an e-mail to investors@megasoft.com.
- (9) The votes should be cast either in favour of or against by putting the tick mark in the column provided for assent or dissent. Postal Ballot Form bearing in both the columns will render the Form invalid.
- (10) Incomplete, unsigned or incorrectly filled Postal Ballot Form shall be rejected.

INSTRUCTIONS FOR E-VOTING

The instructions for members for voting electronically are as under:-

- (i) The voting period begins on 24 November 2014 and ends on 23 December 2014. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 14 November 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - (a) For CDSL: 16 digits beneficiary ID,
 - (b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - (c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> ● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. (Sequence number has been provided as Serial Number (SL NO.) in the Address Label ● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> ● Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non-Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.