



MEGASOFT LIMITED

CIN: L72200TN1999PLC042730

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Chennai - 600 004,

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19 February 2016

BSE Limited

Phiroze JeeJee Bhoy Towers
Dalal Street, Fort
Mumbai 400001

Scrip Code: 532408

National Stock Exchange of India Limited

Exchange Plaza
Bandra-Kurla Complex, Bandra(E)
Mumbai 400051

Symbol: MEGASOFT

Dear Sirs

Further to our letter dated 12 February 2016, we attach the Postal Ballot Notice and Postal ballot form emailed / posted to the shareholders for your records in terms of the SEBI (LODR) Regulations, 2015.

Kindly acknowledge receipt.

Thanking you

Very truly yours
MEGASOFT LIMITED

GV Kumar
Managing Director / Compliance Officer



**NOTICE OF POSTAL BALLOT AND E-VOTING
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 Rule 22 of the Companies (Management and Administration) Rules, 2014 ('the Rules'), (including any statutory modification or re-enactment thereof for the time being in force), to the members of **Megasoft Limited** ('the Company') seeking consent for the Resolutions under Special Business(es) by way of Postal Ballot (including remote e-voting). The said Resolutions pursuant to Section 62(1)(b) of the Act and Explanatory Statement setting out the material facts pertaining to the said Resolutions as required under Section 102 of the Act and the rules made there under is annexed hereto along with the Postal Ballot Form (the 'Form') for your consideration.

The Board of Directors of the company at its meeting held on 12 February 2016 has appointed Mr M Damodaran of M/s Damodaran & Associates, Practising Company Secretaries, Chennai as Scrutinizer for conducting the postal ballot (physical and e-voting) process in accordance with the law in a fair and transparent manner.

The business of the Postal Ballot shall, in addition to physical voting, also be transacted through Electronic Voting System. Accordingly, the Company, in compliance with Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, (including any statutory modification or re-enactment thereof for the time being in force), provides the Members with the facility to exercise their right to vote on the matter set out in the Postal Ballot by electronic means i.e. through electronic voting system of Central Depository Services (India) Limited (CDSL).

However, those Members, who do not have access to e-voting facility can send their assent or dissent in writing on the Postal Ballot Form attached. It is pertinent to note that the Shareholder(s) can opt for only one mode of voting, i.e. either by e-voting or voting by physical mode. If you are opting for e-voting, then do not vote by physical Postal Ballot and vice versa. However, in case Shareholders cast their vote by physical ballot and e-voting, then voting done through e-voting will prevail and voting done through physical ballot will be treated as invalid. After you vote, the vote cannot be changed subsequently.

Members are requested to read the instructions printed on the Postal Ballot Form and return the Form duly completed and signed in the attached self-addressed business reply envelope, so as to reach the Scrutinizer before the close of working hours (5.00 pm) on 20 March 2016. Please note that any Postal Ballot Form(s) received after the said date will be treated as if reply from the Member has not been received. Members who have not received Postal Ballot forms may apply to the Company / RTA and obtain a duplicate thereof.

The Scrutinizer will submit his report to the Chairman or in his absence, any person authorised by him, after the completion of the scrutiny of the Postal Ballots (physical and e-voting). The results of the voting by Postal Ballot will be announced by the Chairman of the Company or in his absence, any person authorised by him, on 22 March 2016 at 5.00 pm at the Registered Office of the Company.

The results of the Postal Ballot, along with the Scrutinizer's report, will on such announcement date, be posted on the Company's website: www.megasoft.com and CDSL e-voting website: e-voting@cDSLindia.com besides communicating to the Stock Exchanges where the Company's shares are listed. The date of declaration of the results of the Postal Ballot by the Company shall be deemed to be the date of passing of the said Resolution.

Special Business**Item No.1 : Appointment of Independent Director**

To consider and if thought fit, to give assent / dissent to the following resolution as **Ordinary Resolution:**

RESOLVED that pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 ('Act') and the Rules framed there under, and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof) the consent of the members of the company be and is hereby accorded to appoint Mrs Uma Garimella (DIN-02847624) who has been appointed as an Additional Director by the Board of Directors on 7 November 2015 pursuant to Section 161 of the Act and the Articles of Association of the Company and who holds office up to the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member pursuant to Section 160 of the Act proposing her candidature for the office of a Director, be and is hereby appointed as an Independent Woman Director of the Company for a period of five consecutive years.

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 including filing of necessary forms/ returns with the Ministry of Corporate Affairs / Stock Exchanges / other authorities concerned.

Item No.2 : Re-Appointment of Mr GV Kumar as Managing Director

To consider and if thought fit, to give assent / dissent to the following Resolution as **Special Resolution:**

RESOLVED that pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule-V thereto and other applicable provisions of the Companies Act, 2013 and the Rules framed there under (including any statutory modification(s) or re-enactment thereof) and on the basis of the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors at their meetings held on 12 February 2016 and subject to the approval of the Central Government, if any, the Shareholders of the Company be and hereby accord their approval for the re-appointment of Mr GV Kumar (DIN-00059107) as Managing Director of the Company for a period of three years with effect from 1 April 2016 upon such terms and conditions including remuneration as set out in the Explanatory Statement annexed to this Notice with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors (the 'Board') and Mr GV Kumar.

RESOLVED FURTHER that in the absence of or inadequacy of profits in any financial year during his tenure of office, the said remuneration will be paid as a Minimum Remuneration to Mr GV Kumar, Managing Director of the Company, subject to the provisions of Schedule-V of the Companies Act, 2013.

RESOLVED FURTHER that the Board of Directors (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.

RESOLVED FURTHER that the Board of Directors be and is here by 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 including filing of necessary forms/ returns with the Ministry of Corporate Affairs / Stock Exchanges / other authorities concerned.

Item No.3 : Re-Appointment of Mr D Sudhakar Reddy as Whole-time Director

To consider and if thought fit, to give assent / dissent to the following Resolution as **Special Resolution:**

RESOLVED that pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule-V thereto and other applicable provisions of the Companies Act, 2013 and the Rules framed there under (including any statutory modification(s) or re-enactment thereof) and on the basis of the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors at their meetings held on 12 February 2016 and subject to the approval of the Central Government, if any, the Shareholders of the Company be and hereby accord their approval for the re-appointment of Mr D Sudhakar Reddy (DIN-00047707) as a Whole time Director of the Company for a period of three years with effect from 1 April 2016 upon such terms and conditions including remuneration as set out in the Explanatory Statement annexed to this Notice with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors (the 'Board') and Mr D Sudhakar Reddy.

RESOLVED FURTHER that in the absence of or inadequacy of profits in any financial year during his tenure of office, the said remuneration will be paid as a Minimum Remuneration to Mr D Sudhakar Reddy, Whole time Director of the Company, subject to the provisions of Schedule-V of the Companies Act, 2013.

RESOLVED FURTHER that the Board of Directors (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.

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 including filing of necessary forms/ returns with the Ministry of Corporate Affairs / Stock Exchanges / other authorities concerned.

Item No.4: To obtain authority for joint development / sale / transfer of immovable properties of the Company

To consider and if thought fit, to give assent / dissent to the following Resolution as **Special Resolution:**

RESOLVED that in continuation/ extension of the approval by the members of the company pursuant to Section 293(1)(a) and other applicable provisions, of the erstwhile Companies Act, 1956 through postal ballot dated 15 October 2010, to sell, transfer the land & buildings at Hyderabad and land at Vishakhapatnam, consent of the members of the company be and is hereby accorded pursuant to Section 180(1)(a) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 ('the Act') and the Rules framed there under (including any statutory modification(s) or re-enactment thereof), Memorandum and Articles of Association of the Company, the SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015 and any other law for the time being in force and subject to

- secured lender's approvals and such other approval(s), consent(s), permission(s) and sanction(s) as may be necessary,
- terms and conditions prescribed in the registered sale / other documents during May 2015 for Madhapur and Nanakramaguda, Hyderabad (acquired through amalgamation of Visual Soft Technologies Limited in 2006) allotted by TSIC (previously APIIC), Hyderabad,
- appropriate Government Authority(s), Department(s), Office(s), Institution(s), Body(ies) and Agency(s) approval(s), consent(s), permission(s) and sanction(s) as may be necessary,
- terms, conditions, alternations and /or modifications, if any, as may be stipulated by any Authority while granting, such approvals, consents, permissions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'the Board', which term shall unless repugnant to the context or meaning thereof, be deemed to include a duly constituted Committee thereof and any person authorised by the Board in its behalf)

for joint development / sale / transfer the land & buildings at Hyderabad (including new properties at Madhapur and Nanakramaguda, Hyderabad) and land at Vishakhapatnam, as a whole or separately on such agreed terms and conditions in the interest of the company by the board and further the board be and is hereby authorised to use, disposal or investment of the sale proceeds which may result from the transaction for expansion of the company's business and /or repayment of its debts.

RESOLVED FURTHER that the Board be and is hereby authorised to do all such acts, deeds and such matters and things, as may be necessary, including, finalising, varying and settling the terms and conditions to joint develop / sale, transfer, assignee, convey and deliver the unit and to finalise, execute, deliver and perform, such agreements (including what not limited to the agreement to sell assets), contracts, deeds, undertaking and other documents, file applications and make representations, in respect thereof and seek requisite approval from the relevant authorities and secured creditors, including Government Authorities, Bank and Financial Institutions, suitably inform and apply on the concerned Authorities, including in respect of its requirements of the Central and /or State Government(s) and /or local authorities.

RESOLVED FURTHER that the Board be and is hereby authorised to delegate all or any of the powers herein conferred by this resolutions to any Director(s) or any Committee of Directors or any other Officer(s) / Authorised representative(s) of the Company to give effect to this Resolution.

NOTES

- (1) The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
- (2) The notice of the Postal Ballot is being sent to all the Members, whose names appear on the Register of Members / List of Beneficial Owners as received from National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) as of 12 February 2016.
- (3) Additional information pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment / re-appointment is furnished in the Explanatory Statement and forms part of the Notice.
- (4) In compliance with the provisions of Sections 108 and 110 of the Companies Act, 2013 read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company offers e-voting option to the Members as an alternative to enable them to cast their votes. For this purpose, the Company has engaged Central Depository Services (India) Limited (CDSL) for facilitating e-voting to enable the Members to cast their votes electronically instead of through Postal Ballot Form.
- (5) This notice is being sent to all the members, whose names appear in the Register of Members/Records of Depositories as on the close of working hours on 12 February 2016 i.e. "the cut-off date". Voting Rights shall be reckoned on the paid-up value of

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

Item No.1

The Board of Directors appointed Mrs Uma Garimella (DIN-02847624) as an Additional Director of the Company, in the capacity of Independent Women Director, on 7 November 2015.

In terms of Section 161 and other applicable provisions of the Companies Act, 2013 and the Rules framed there under (including any statutory modification(s) or re-enactment thereof), Mrs. Uma Garimella holds office only up to the date of the ensuing Annual General Meeting of the Company. A notice has been received from a member proposing her candidature for the office of Director of the Company, under section 160 of the Companies Act, 2013.

Mrs Uma Garimella does not hold any shares in the Company.

Mrs Uma Garimella does not hold any Committee Membership in other companies. She is a director on the board of Visesh Teacher's Academy Private Limited.

None of the (i) Directors, (ii) Key Managerial Personnel and (iii) relatives of the persons mentioned in (i) and (ii), are concerned or interested in the said Resolution, except Mrs Uma Garimella.

The Board recommends the resolution for approval of the members.

This Explanatory Statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

RESOLVED FURTHER that the Board 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 including filing of necessary forms/ returns with the Ministry of Corporate Affairs.

Item No.5 : Re-classification of the promoters of the company

To consider and if thought fit, to give assent / dissent to the following Resolution as **Special Resolution:**

RESOLVED that pursuant to Regulation 31A and other relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable provisions of the Companies Act, 2013 ('Act') read with the Rules framed there under (including any statutory modification(s) or re-enactment thereof), the approval of the Company be and is hereby accorded for re-classification of Mr S Ravindra Babu and his family members including his HUF shareholdings in the company, the existing promoters of the company from promoter category to Non-promoter category.

RESOLVED FURTHER that the promoters seeking re-classification along with its promoter group entities and person acting in concert do / will not:

- have any special rights through formal or informal agreements.
- hold more than 10% of the paid-up capital of the Company.
- act as a Key Managerial person for a period of more than three years from the date of Shareholders approval.

on meeting of the above conditions Mr S Ravindra Babu and his family members shall cease to be the promoters of the company.

RESOLVED FURTHER that the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.

RESOLVED FURTHER that the Board 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 including filing of necessary forms / returns with the Ministry of Corporate Affairs / Stock Exchanges / other authorities concerned.

By order of the Board of Directors
For **Megasoft Limited**

GV Kumar
(DIN-00059107)
Managing Director

Place: Chennai
Date: 12 February 2016

the shares registered in the name of the members as on 12 February 2016. E-voting is optional for members.

- (6) Members who have registered their e-mail id either with the Depositories or with the Company are being sent Notice of Postal Ballot by e-mail and Members who have not registered their e-mail id will receive Notice of Postal Ballot along with Postal Ballot Form through prescribed mode under the Act. The Members can also seek duplicate Postal Ballot Form from the company STA, Cameo Corporate Services Limited, Unit: Megasoft Limited, Subramanian Building, 1, Club House Road, Chennai 600002, Tamilnadu, India, or Registered Office of the Company i.e. No.85, Kutchery Road, Mylapore, Chennai 600004, Tamilnadu, India
- (7) Members desiring to exercise vote by Physical Postal Ballot are requested to read the instructions printed in the Postal Ballot Form and return the Postal Ballot Form duly completed and signed in the enclosed self-addressed postage prepaid business reply envelope to the Scrutinizer so as to reach the Scrutinizer on or before the close of working hours i.e. 5:00 pm on 20 March 2016. The postage cost will be borne by the Company. However, envelopes containing Postal Ballots, if sent by courier or registered / speed post at the expense of the Members will also be accepted. Assent / Dissent received after 5.00 pm on 20 March 2016 would be strictly treated as if reply from the Members has not been received.
- (8) 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 pm to 5.00 pm up to the last date of voting.

Item No.2

Mr GV Kumar (DIN-00059107), aged 49 years, is the Managing Director of the Company and is having over 25 years of industry experience in the field. He is an Electrical Engineer with Post Graduate degree in Management. His current term of appointment as a Managing Director of the Company shall expire on 31 March 2016. He has excellent grasp and thorough knowledge and experience of not only engineering and technology but also of general management. His knowledge of various aspects relating to the Company's affairs and long business experience, the Board of Directors is of the concerted opinion that for smooth and efficient running of the business, the services of Mr GV Kumar should be available to the Company for further periods. In terms of the provisions of the Companies Act, 2013 and the Articles of Association of the Company, on the basis of the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors at their meetings held on 12 February 2016, re-appointed him as the Managing Director of the Company for a further period of three years with effect from 1 April 2016 on the remuneration of Rs 1,90,000/- (Rupees one lakhs ninety thousand only) per month. In case, the Company has no profits or its profits are inadequate, then the said remuneration shall be paid in accordance with the provisions of the Companies Act, 2013 read with Schedule-V of the Act. Following are the details of the salary proposed to be paid to Mr GV Kumar, Managing Director:

- (i) Salary: Rs 1,90,000 per month.
- (ii) Perquisites
 - (a) House rent allowance up to 50% of salary.
 - (b) Reimbursement of medical expenses as per the rules of the company.
 - (c) Leave travel concession / allowance as per the rules of the company.

- (d) Club Membership of two clubs.
- (e) Group Mediclaim Insurance coverage as per the rules of the company.
- (f) Group Personal Accident Insurance coverage as per the rules of the company.
- (g) Other allowances as per the rules of the company.
- (iii) Other benefits
 - (a) Leave with salary as per the rules of the company.
 - (b) Provident Fund as per the rules thereof.
 - (c) Gratuity as per the rules of the company.
 - (d) Encashment of leave as per the rules of the company.
 - (e) Provision of car for use on Company's business.
 - (f) Free land line telephone and mobile telephone facility for business purposes.
 - (g) Reimbursement of entertainment expenses for business purposes.

This may also be treated as an abstract of the terms of the contract and memorandum of interest in relation to re appointment of Mr GV Kumar (DIN-00059107), Managing Director and payment of remuneration pursuant to Section 190 of the Companies Act, 2013.

None of the (i) Directors, (ii) Key Managerial Personnel and (iii) relatives of the persons mentioned in (i) and (ii), are concerned or interested in the said Resolution, except Mr GV Kumar.

Your Directors, therefore, recommend the resolution for your approval as special resolution.

Item No.3

Mr D Sudhakar Reddy (DIN-00047707), aged 57 years, is the Whole-time Director of the Company and having over three decades of experience in the field of accounting, taxation, Information System Audit. He is a Fellow Member of The Institute of Chartered Accountants of India. His current term of appointment as a Whole-time Director of the Company shall expire on 31 March 2016. The Board of Directors is of the concerted opinion that for smooth and efficient running of the business, the services of Mr D Sudhakar Reddy should be available to the Company for further periods. In terms of the provisions of the Companies Act, 2013 and the Articles of Association of the Company, on the basis of the recommendation of the Nomination and Remuneration Committee and

the approval of the Board of Directors at their meetings held on 12 February 2016, re-appointed him as the Whole-time Director of the Company for a further period of three years with effect from 1 April 2016 on the remuneration of Rs 65,000/- (Rupees sixty five thousand only) per month. In case, the Company has no profits or its profits are inadequate, then the remuneration shall be paid to him in accordance with the provisions of the Companies Act, 2013 read with Schedule-V of the Act. Following are the details of the salary proposed to be paid to Mr D Sudhakar Reddy, Whole-time Director:

- (i) Salary: Rs 65,000 per month.
- (ii) Perquisites
 - (a) House rent allowance up to 50% of salary.
 - (b) Reimbursement of medical expenses as per the rules of the company.
 - (c) Leave travel concession / allowance as per the rules of the company.
 - (d) Club Membership of two clubs.
 - (e) Group Mediclaim Insurance coverage as per the rules of the company.
 - (f) Group Personal Accident Insurance coverage as per the rules of the company.
 - (g) Other allowances as per the rules of the company.
- (iii) Other benefits
 - (a) Leave with salary as per the rules of the company.
 - (b) Provident Fund as per the rules thereof.
 - (c) Gratuity as per the rules of the company.
 - (d) Encashment of leave as per the rules of the company.
 - (e) Provision of car for use on Company's business.
 - (f) Free land line telephone and mobile telephone facility for business purposes.
 - (g) Reimbursement of entertainment expenses for business purposes.

This may also be treated as an abstract of the terms of the contract and memorandum of interest in relation to re appointment of Mr D Sudhakar Reddy (DIN-00047707), Whole-time Director and payment of remuneration pursuant to Section 190 of the Companies Act, 2013.

None of the (i) Directors, (ii) Key Managerial Personnel and (iii) relatives of the persons mentioned in (i) and (ii), are concerned or interested in the said Resolution, except Mr D Sudhakar Reddy.

Your Directors, therefore, recommend the resolution for your approval as special resolution.

The information in respect of the company and the managerial personnel in respect of item no.2 & 3 as per SCHEDULE-V of the Companies Act, 2013:

(1) General Information:

(a) Nature of Industry

The company is a unique trans-national company with customers, employees and operations across multiple continents and combines the best global practices with a focus on the global telecommunications domain.

(b) Date or expected date of commencement of commercial production

The company has already commenced its business activities.

(c) In case of new companies, expected date of commencement of activities as per project approved by the FIs appearing in the prospectus

Not Applicable

(d) Financial performance based on given indicators

Standalone financials	2014-15	2013	2012	Consolidated financials	2014-15	2013	2012
	(15 months) (Rs. Lakhs)	(12 months) (Rs. Lakhs)	(12 months) (Rs. Lakhs)		(15 months) (Rs. Lakhs)	(12 months) (Rs. Lakhs)	(12 months) (Rs. Lakhs)
Revenues	5337	5062	4616	Revenues	10073	10551	11540
Profit / (Loss) before tax	12	311	161	Profit / (Loss) before tax	24	292	163
Profit / (Loss) after tax	62	290	118	Profit / (Loss) after tax	74	268	117

(e) Foreign Investment or collaborations, if any

Not Applicable

(2) Information about the appointee:

(1) Background Details

Item No.2

Mr GV Kumar (DIN-00059107), aged 49 years, is the Managing Director of the company. He is an Electrical Engineer with Post Graduate degree in Management. He is a highly qualified professional and the company has engaged his services based on his managerial and technical capabilities.

He has over two decades of experience in IT & Telecom industries. Before joining Megasoft he held various senior management positions at Godrej Group of India. His last assignment with them was for more than three years as CEO, Godrej Telecom Limited, the Telecom arm of Godrej Group.

Item No.3

Mr D Sudhakar Reddy (DIN-00047707), aged 57 years, is the Whole-time Director of the company. He is a Fellow Member of The Institute of Chartered Accountants of India. He is a highly qualified professional and the company has engaged his services based on his managerial and technical capabilities. He was in practice for over fifteen years and is an expert in Finance, Tax and Corporate Laws.

The job of the Whole-time Director shall be to carry out day-to-day functions and shall be responsible for day-to-day operations, subject to control, superintendence and supervision by the Board.

(2) Past Remuneration

Rs 1,90,000/- per month (since 1 April 2011, last approval of members) plus applicable allowances / reimbursements

Rs 65,000/- per month (since 1 April 2011, last approvals of members) plus applicable allowances / reimbursements

(3) Recognition or Awards

The work done in discharge of his duties as Director has been recognised in the industry.

The work done in discharge of his duties as Director has been recognised in the industry.

(4) Job Profile and his suitability

Subject to superintendence, control and direction of the Board, Mr GV Kumar shall manage and superintend the business affairs of the Company and do all such lawful acts and things in relation to such management and superintendence as he shall think fit and reasonable. He has a very rich experience in this area of business.

Subject to superintendence, control and direction of the Board, Mr D Sudhakar Reddy shall manage and superintend the business affairs of the Company and do all such lawful acts and things in relation to such management and superintendence as he shall think fit and reasonable. He has a very rich experience in this area.

(5) Remuneration Proposed

Same remuneration of Rs 1,90,000/- per month from 1 April 2016 till 31 March 2019 (as mentioned in the foregoing paragraphs).

Same remuneration of Rs 65,000/- per month from 1 April 2016 till 31 March 2019 (as mentioned in the foregoing paragraphs).

(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person

The Remuneration proposed is commensurate with the industry and size of the business and keeping in mind the rich experience he is having and future responsibilities of the job, the salary proposed is justified.

The Remuneration proposed is commensurate with the industry and size of the business and keeping in mind the rich experience he is having and future responsibilities of the job, the salary proposed is justified.

(7) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any

Besides the remuneration, Mr GV Kumar does not have any other pecuniary relationship with the company

Besides the remuneration, Mr D Sudhakar Reddy does not have any other pecuniary relationship with the company

(3) Other Information:

- (a) **Reasons of loss or inadequate profits** The global economic slowdown over the last few years and loss of its major customers in last few years resulted in lower revenues and profitability.
- (b) **Steps taken or proposed to be taken for improvement** The global economic downturn in last few years has hindered, and continues to limit, capital availability to the Telecom industry. However, there are still areas of mobile operator investment for which the company has existing solutions and capabilities, namely in 4G/LTE mobile infrastructure and mobile commerce. Earlier investment of resources, as well as implementations that we have leveraged to expand our knowledge and expertise, have enabled the company to position itself with a solution suite to meet the needs of the market.
- (c) **Expected increase in productivity and profits in measurable terms** The company has implemented various economic measures post loss of its major customers and replaced with new businesses. Also, with the new orders in the pipeline, the company is expected to post better results in the coming years.

(4) Disclosures: The Following Disclosures have been made in the Corporate Governance Report as and when required:

- (i) All elements of remuneration package such as salary, benefits, bonus, stock options, pension, etc. of all the Directors.
- (ii) Details of fixed component and performance linked incentives along with performance criteria.
- (iii) Service contracts, notice period, severance fees.
- (iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

Details of Directors seeking appointment / re-appointment pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Item Nos. 1, 2 & 3

The brief resume, experience and functional expertise and the membership on the various Boards and Committees, of Directors proposed to be re-appointed / appointed at Sl. Nos. 1, 2 and 3 of the Notice are given below:

	Item No.1	Item No.2	Item No.3
Name of the Director	Mrs Uma Garimella	G.V. Kumar	D. Sudhakar Reddy
DIN	02847624	00059107	00047707
Date of Birth	27 July 1960	31 July 1966	15 June 1958
Date of Appointment	7 November 2015	1 September 2004	6 March 2000
Qualification	BE from VNIT, Nagpur, MTech from Osmania University and a PhD in Computer Science from University of Hyderabad	Electrical Engineer with Post Graduate degree in Management	Fellow Member of The Institute of Chartered Accountants of India
Experience in Specific-functional area	Rich and varied experience spanning IT industry, entrepreneurship, training, consulting and personal growth. She started her career at University of Hyderabad with Computer Science research and teaching and currently she is at IIIT Chittoor, Sri City.	Founder & CEO of Xius India Limited (which was merged with the company) and has over 25 years of experience in IT & Telecom Industries	He was in practice for over fifteen years and is an expert in Finance, Tax and Corporate Laws
Directorship in other Companies	Visesh Teacher's Academy Private Limited	Nil	Madras Stock Exchange Limited; Sri City Private Limited; Sricity Holdings India Private Limited; Sri Dhruva Builders Private Limited; Sricity Utility Services Private Limited; Suprani Farms Private Limited; NMR Property Development Private Limited
Chairman / Members of the Committee of the Board of companies	Chairperson of Stakeholders' Relationship Committee of the company Member of Audit / Risk & Compliance Committee and Nomination & Remuneration Committee of the company	Member of Stakeholders' Relationship Committee of the company	Member of Audit / Risk & Compliance Committee and Stakeholders' Relationship Committee of the company
Shareholding in the company (equity shares of Rs.10 each)	NIL	2226911 (5.03%)	NIL

Directorship in foreign companies, membership in governing councils, chambers and other bodies, Partnership firms, etc., are not included.

Membership in non-mandatory Committees is also not included.

None of the aforesaid Director is related to each other or to other Directors, Key Managerial Personnel or their respective relatives.

Item No.4

The Members of the Company through postal ballot dated 15th October 2010, pursuant to Section 293(1)(a) of the erstwhile Companies Act, 1956 authorised the Board of Directors of the Company to dispose of the land and building (including furnishings & fittings) at Hyderabad and the land at Vishakhapatnam.

The company executed a conditional sale deed and received the title and completed the registration formalities on 23 May 2015, as already published / disseminated on that day, for lands situated at Madhapur and Nanakramaguda, Hyderabad (acquired through amalgamation of VisualSoft Technologies Limited in 2006) allotted by TSIIC (previously APIIC). The company proposes for joint development / sale / transfer of the land & buildings at Hyderabad (new properties at Madhapur and Nanakramaguda, Hyderabad registered during May 2015) including complying with the restrictive conditions mentioned in the sale registration documents and for sale of land at Visakhapatnam.

The sale proceeds shall be utilised by the company to invest in the growth of its current business and reduce its debts.

The Board of Directors have considered and reviewed the various options and approved the said proposal in the best interest of the company.

In terms of section 180(1)(a) of the Companies Act, 2013, consent of the members of the company is being sought for in continuation / extension of the members approval through

postal ballot dated 15th October 2010 pursuant to section 293(1)(a) of the erstwhile Companies Act, 1956, to joint development / sale / transfer, lease or otherwise dispose of the whole or substantially the whole of any assets of the Company. The transaction as set out in the resolution is covered under the said section.

The Directors and Key Managerial Persons (KMP) may be deemed concerned or interested to the extent of their shareholding, if any, in the company.

Your Directors, therefore, recommend the resolution for your approval as special resolution.

Item No.5

The members may note that the promoters have requested to be classified as Non-Promoters and as such Mr S Ravindra Babu and his family members including his HUF shareholdings will not be promoters of the Company upon the passing of this resolution as duly agreed by them in their letters addressed to the company for reclassifying them as Non Promoters. They do not hold any interest in the company other than their shareholding. The said promoters hold 3203956 (7.24%) equity shares of Rs 10 each in aggregate as on date.

None of the (i) Directors, (ii) Key Managerial Personnel, (iii) relatives of the persons mentioned in (i) and (ii), are concerned or interested in the said resolution

The Board recommends the resolution for approval of the members.

By order of the Board of Directors
For **Megasoft Limited**

Place: Chennai
Date: 12 February 2016

GVKumar
(DIN-00059107)
Managing Director

**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. Name and Registered Address of the Sole/ First named member(s) / Beneficial Owner(s) _____

2. Name (s) of the Joint Holder (s), if any _____

3. Folio No. / DP ID* / Client ID* _____
(*Applicable for investors holding shares in demat form)

4. 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 / PIN

I / We hereby exercise my / our vote in respect of the Resolution(s) to be passed through postal ballot for the business stated in the Notice of Postal Ballot issued by the Company dated 12th February 2016 by sending my / our assent / dissent to the said resolution by placing the tick (✓) mark at the appropriate box below:

Resolution No.	Description	No. of Shares held	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1.	Ordinary Resolution under Section 149, 152 and other applicable provisions of the Companies Act, 2013 ('Act') and the Rules framed thereunder, to appoint Mrs Uma Garimella (DIN-02847624) as an Independent Woman Director of the Company for a period of five consecutive years.			
2.	Special Resolution under Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, of the Companies Act 2013, and Companies (Appointment and Remuneration of Key Managerial Personnel) Rules, 2014, for re-appointment and fixing remuneration of Mr GV Kumar (DIN-00059107) as Managing Director of the Company for a period of three years with effect from 1 April 2016.			
3.	Special Resolution under Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act 2013, and Companies (Appointment and Remuneration of Key Managerial Personnel) Rules, 2014, for re-appointment of Mr D Sudhakar Reddy (DIN-00047707) as a Whole time Director of the Company for a period of three years with effect from 1 April 2016.			
4.	Special Resolution under Section 180(1)(a) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, to joint develop / sell, transfer the land & buildings at Hyderabad and land at Vishakhapatnam, as a whole or separately on such terms and conditions as agreed to by the Board of Directors.			
5.	Special Resolution under regulation 31A and other applicable provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, for reclassification of the promoters of the company.			

Place:
Date:

(Signature of the shareholder)

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

INSTRUCTIONS

Pursuant to Section 110 and other applicable provisions of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), assent or dissent of the Shareholders in respect of the Resolutions contained in the Postal Ballot Notice is being sought through postal ballot process.

All the Equity Shares of the Company are presently held in physical form as well as demat form. The shareholder(s) can opt only one mode of voting, i.e. either by e-voting or physical mode. If you are opting for e-voting, then do not vote by physical postal ballot and vice versa. However, in case shareholders cast their vote by physical ballot and e-voting, then voting done through e-voting will prevail and voting done through physical ballot will be treated as invalid.

INSTRUCTIONS FOR VOTING BY PHYSICAL POSTAL BALLOT FORM

1. A member / beneficial owner desiring to exercise vote by postal ballot may complete this Postal Ballot Form and send it to the company in the attached self-addressed business reply envelope. Postage will be borne and paid by the company. However, envelopes containing postal ballots, if sent by courier at the expense of the registered member/beneficial owner will also be accepted.
2. The self-addressed envelope bears the address of the scrutinizor appointed by the Board of Directors of the company.
3. This form should be completed and signed by the member/beneficial owner. In case of joint holding, this form should be completed and signed (as per the specimen signature registered with the Company) by the first named member/ beneficial owner and in his absence, by the next named member/ beneficial owner. There will be one Postal Ballot Form for every Folio / Client ID irrespective of the number of joint holders.
4. Please note that Postal Ballot shall not be signed by the proxy.
5. Assent or dissent to the proposed resolution may be recorded by placing a tick mark(✓) in the appropriate column. The assent or dissent received in any other form shall not be considered valid.
6. The voting rights of Shareholders shall be in proportion to their shares in the paid up Equity Share Capital of the Company as on 12 February 2016.
7. Incomplete, unsigned or incorrectly ticked Postal Ballot Form will be rejected.
8. Duly completed Postal Ballot Form should reach the Company or the Scrutinizer not later than the close of working hours on 20 March 2016. All Postal Ballot Forms received after this date will be strictly treated as if the reply from the member/beneficial owner has not been received.
9. The results of the Voting by Postal Ballot will be announced by the Chairperson of the Company or in his absence, any other person authorised by him / her, on 22 March 2016 at the Registered Office of the Company.
10. In case of shares held by Company(ies), Trusts, Societies, etc. the duly completed Postal Ballot Form should be accompanied by a certified true copy of Board Resolution / Authority, authorising the signatory to execute and sign the Postal Ballot Form. Further, where the form has been signed by a representative of the President of India or Governor of State, certified copy of the nomination should accompany the Postal Ballot Form.
11. Members /beneficial owners are requested not to send any other paper along with the Postal Ballot Form in the enclosed self-addressed envelope as the envelope will be sent to the Scrutinizer and any extraneous paper found in the envelope would be destroyed by the Scrutinizer. Members /beneficial owners are also requested not to write anything on the Postal Ballot Form except giving their assent or dissent and affixing their signatures.
12. A member may request for duplicate postal ballot form, if so required. However, the duly filled in and signed duplicate postal ballot form should reach the Scrutinizer not later than the date specified in point no (8) above.
13. Postal Ballot form received by fax will be rejected as if reply from the shareholder has not been received unless the original postal ballot form is received within prescribed time period.
14. The Scrutinizer's decision on the validity of a Postal Ballot will be final.
15. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written Postal Ballot Forms will be rejected.
16. There will be one Postal Ballot for every Folio/ClientID.
17. Members are requested to fill in the postal ballot form in indelible ink and not in any erasable writing mode.

Voting through electronic means

Pursuant to the provisions of Sections 107 and 108, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer the option of E-Voting facility to all the members of the Company. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating e-voting. The Company has appointed Mr. M. Damodaran of M. Damodaran & Associates, Practising Company Secretaries, Chennai as Scrutinizer.

The procedure and instructions for e-voting are as under:

- (i) Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com.
- (ii) Now click on "Shareholders" to cast your votes.
- (iii) Now, select the "Company Name" from the drop down menu and click on "SUBMIT".
- (iv) Now, fill up the following details in the appropriate boxes:

For Members holding shares in Demat Form

USER ID	a) For NSDL:- 8 Character DP ID followed by 8 digits Client ID b) For CDSL:- 16 digits beneficiary ID For Members holding shares in Physical Form:- ● Folio Number registered with the Company
PAN*	Enter your 10 digit alpha-numeric PAN issued by the Income Tax Department
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.

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 sequence number (Sequence number has been provided as Serial number in the address label and / or in the e-mail sent to Members) in the PAN field. 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.

Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

Please enter any one of the details in order to login. In case both the details are not recorded with the depository and company, please enter the Member id / folio number in the Dividend Bank details field.

- (v) After entering these details appropriately, click on "SUBMIT" tab.
- (vi) Members holding shares in Physical form will then reach directly to the voting screen.
- (vii) Members holding shares in Demat form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password is also to be used by the Demat holders for voting for resolution 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.
- (viii) You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.
- (ix) If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any company, then your existing login id and password are to be used.
- (x) For Members holding shares in physical form, the password and default number can be used only for e-voting on the resolutions contained in this Notice.
- (xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Enter the number of shares (which represents number of votes) under YES/NO or alternatively you may partially enter any number in YES and partially in NO, but the total number in YES and NO taken together should not exceed your total shareholding.
- (xii) After selecting the resolutions 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) Institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter, etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer through e-mail at: secretarial@mdassociates.co.in with a copy marked to: helpdesk.e-voting@cdslindia.com
- (xv) In case you have any queries or issues regarding e-voting, please contact - helpdesk.e-voting@cdslindia.com.
- (xvi) The e-voting period commences on 20 February 2016 (9.00 am) and ends on 20 March 2016 (5.00 pm).
- (xvii) During this period members holding shares in physical or dematerialized form as on 12 February 2016 may cast their vote electronically. The e-voting module shall be displayed by CDSL for voting thereafter.
- (xviii) The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company as on 12 February 2016 by postal ballot.