



MEGASOFT LIMITED

Registered Office: No.85, Kutchery Road, Mylapore, Chennai TN 600004
CIN: L72200TN1999PLC042730, Web: www.megasoft.com, Email: investors@megasoft.com
Tel: +91 44 2461 6768 / 91 40 4033 0000

Notice of Postal Ballot [Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014

Dear Members,

Notice is hereby given to the Members of Megasoft Limited ('the Company'), pursuant to Section 108 and 110 of the Companies Act, 2013 ('the Act') read with Rule 20 and Rule 22 of Companies (Management & Administration) Rules, 2014 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations') and other applicable provisions of the Act, Rules, Circulars and Notifications issued thereunder (including any statutory modifications or re-enactment thereof for the time being in force and as amended from time to time), that the Special Resolution/Ordinary Resolution as set out in this Notice is proposed for consideration by the Members of the Company for passing by means of Postal Ballot, only through remote voting by electronic means ('remote e-voting'):

SPECIAL BUSINESS:

Item No.1: To Regularize the Appointment of Mr. Sunil Kumar Kalidindi as a Whole Time Director (Professional, Executive) & CEO of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 152, 196 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 04th of May 2022 and subject to the approval of the Central Government, if any, the members of the Company be and hereby accord their approval for the regularization of appointment of Mr Sunil Kumar Kalidindi (DIN- 02344343) as a Whole Time Director (Professional, Executive) & Chief Executive Officer of the Company for a period of three years effective from 10th December,2021 till 9th December, 2024, 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 Sunil Kumar Kalidindi.

RESOLVED FURTHER THAT in the absence of adequacy of profits in any financial year during his tenure of office, the said remuneration will be paid as a Minimum Remuneration to Mr Sunil Kumar Kalidindi, Whole Time Director & CEO 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 be and is hereby authorized 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 or employee 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: To change the Object Clause of Memorandum of Association of the Company

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

“RESOLVED THAT pursuant to the provisions of sections 4, 13 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with applicable rules made thereunder, including any amendments thereto, and subject to approval of the members of the Company and such other approvals, permissions and sanctions of statutory authorities as may be required, consent of the Board of Directors of the Company be and is hereby accorded for amendment in the existing Object Clause of the Memorandum of Association of the Company in the following manner:

Clause III of the MOA be altered by substituting the following clauses as III (A) (1) (2) (3) (4) and insertion of clause III (A) (5) as follows:

- (1) To carry on the business of manufacture, formulate, process, develop, refine, import, export, wholesale and/or retail trade of all kinds of pharmaceuticals products, medicines, drugs, medicines, biologicals, nutraceuticals, healthcare, ayurvedic and dietary supplement products, medicinal preparations, vaccines, chemicals, chemical products and dry salters, also to engage in business of healthcare, life sciences, research and development, contract manufacturing in India and/or abroad.
- (2) To carry on the business of manufacture, produce, refine, process, formulate, acquire, convert, sell, distribute, import, export of, deal in either as principals or agents in organic and inorganic chemicals, alkalis, acids, gases, petrochemicals, salts, electro-chemicals, chemical elements and compound pesticides, insecticides, explosives, light and heavy chemicals of any nature used or capable of being used in the pharmaceuticals, textile industry, defense chemicals, fertilizers, petrochemicals and industrial chemicals and pesticides and insecticides, solvents of any mixtures derivatives and compounds thereof.
- (3) To carry on the business of manufacture including production and processing and fabrication and assembling, repairing, alternation, buying, importing, marketing, selling and exporting and otherwise dealing in all types of electronic and / or electrical components, spare parts, products, equipment for all types of products for household / residential or for corporate / industrial purposes.

- (4) To carry on the business of manufacture/ assemble/ deal/ supply/ export/ import/design of aircraft, airlift for defence use; and aircraft modification, repairs, maintenance and logistics support for military and civilian customers including design and manufacture of aerospace related detailed parts made of metallic, composite and hybrid sources, related avionics and ground control systems including radars, communication systems for military including naval systems and civil applications.
- (5) To buy, sell, hold, invest, divest shares or any other financial investment instrument of any Company, either public or private, in India or abroad.

RESOLVED FURTHER THAT the draft copy of the amended MOA as tabled before the board at the meeting duly initialed by the Chairperson be and is hereby approved and adopted.

RESOLVED FURTHER THAT the Board of Directors and/or Chief Financial Officer of the Company and/or Company Secretary of the Company be and is hereby severally authorized on behalf of the Company to sign and execute all such applications, forms and documents as required, and to do all such acts, deeds matters and things as may be necessary, and to settle any questions, difficulties or doubts that may arise in this regard, and to accede to such modifications to the aforementioned resolution as may be suggested by the Registrar of Companies or such other authority arising from or incidental to the said amendment without requiring any further approval of the Board and members of the Company.”

Item No.3: To enhance the Authorized Share Capital of the Company and consequent alteration of Capital Clause of the Memorandum of Association of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 61 and 64 and other applicable provisions, if any, of the Companies Act, 2013, and the rules issued there under (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the provisions of the Articles of Association of the Company, Consent of the members of the Company be and is hereby accorded to increase the Authorised Share Capital of the Company from Rs. 75,00,00,000 (Rupees Seventy Five Crores Only) divided into 7,50,00,000 (Seven Crores and Fifty Lakhs) Equity Shares having face value of Rs.10/- each by addition of 12,50,00,000 (twelve crores fifty lacs only) Equity Shares having face value of Rs.10/- each to Rs. 200,00,00,000 (Rupees two hundred Crores Only) divided into 20,00,00,000 (twenty crores) Equity Shares having face value of Rs. 10/- each.

RESOLVED FURTHER THAT pursuant to the provisions of Section 13 and all other applicable provisions of the Act and the relevant rules framed thereunder, the consent of the Members of the Company be and is hereby accorded for substituting existing Capital Clause (Clause V) of the Memorandum of Association of the Company with following clause

V. The Authorized Capital of the Company is Rs 200,00,00,000 (Rupees two hundred crores) divided into 20,00,00,000 (twenty crores) equity shares of Rs10/-(Rupees ten) each with power to increase or reduce the capital of the company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions, as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Act or the Articles of Association of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized 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 or employee 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 Transfer & Sell or otherwise dispose off the whole of its Shares in the ultimately wholly owned subsidiary, “Nelatop Systems Private Limited”

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

“RESOLVED THAT pursuant to applicable provisions of the Companies Act, 2013 read with the Rules thereunder, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and further pursuant to Regulation 24(5) and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and other applicable laws, and subject to receipt of necessary approvals from relevant regulatory/governmental authorities, and the Memorandum and Articles of Association of the Company, consent, approval and authority of the members be and is hereby accorded, including confirmation of actions taken hitherto, to the Board of Directors of the Company, (‘the Board’, which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution) to divest, sell and transfer, in one or more tranches the whole of the shares held directly or indirectly, in its wholly owned subsidiary, Nelatop Systems Private Limited for an aggregate consideration of not less than INR 5.50 Crores (Rupees Five Crores Fifty Lacs only) , to M/s SOARG Technologies Private Limited, subject to such other terms and conditions as the Board may deem fit and appropriate in the interests of the Company.

RESOLVED FURTHER THAT the Board be and is hereby severally authorized to do and perform all such acts, deeds, matters and things, and take all steps as may be necessary, proper or expedient in the interest of the Company to give effect to this resolution, including negotiating, finalizing and executing all definitive agreements (including the execution of share purchase agreement), and deeds and other documents, file applications and make representations in respect thereof and seek approval from all relevant statutory authorities as may be required, in this regard, and deal with any matters, take necessary steps in the matter as the Board may in its absolute discretion deem necessary, desirable or expedient to give effect to this resolution, and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Director or any other Officer(s)/ Authorised Representative(s) of the Company to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolution are hereby approved, ratified and confirmed in all respects.”

Item No 5: To Divest Company's Software Products Division.

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

"RESOLVED THAT pursuant to Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 read with the Rules thereunder, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and further pursuant to the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, other applicable laws and subject to receipt of necessary approvals from relevant regulatory/governmental authorities, and the Memorandum and Articles of Association of the Company, consent, approval and authorisation of the members be and is hereby accorded, including confirmation of actions taken hitherto, to the Board of Directors of the Company, ('the Board', which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution) to divest, sell, hive off, transfer, assign or dispose off, the Software Products Division housed in the Company as a going concern for an aggregate consideration of not less than INR 1.00 crore (Rupees One Crore only) to M/s SOARG Technologies Private Limited, subject to such other terms and conditions as the Board may deem fit and appropriate in the interests of the Company.

RESOLVED FURTHER THAT the Board be and is hereby severally authorized to do and perform all such acts, deeds, matters and things, and take all such steps as may be deemed necessary, proper or expedient in the interest of the Company to give effect to this resolution, including negotiating, finalizing and executing all definitive agreements (including the execution of business transfer agreement), and to do all such acts, deeds and any other documents, file applications and make representations in respect thereof and seek approval from all relevant statutory authorities as may be required, in this regard, and deal with any matters, take necessary steps in the matter as the Board may in its absolute discretion deem necessary, desirable or expedient to give effect to this resolution, and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Director or any other Officer(s)/ Authorised Representative(s) of the Company to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolution are hereby approved, ratified and confirmed in all respects."

Registered Office:

No.85, Kutchery Road,
Mylapore,
Chennai-600004

Place: Hyderabad
04th May 2022

By Order of the Board of Directors

Sunil Kumar Kalidindi
Executive Director & CEO
DIN:02344343

NOTES:

1. The Explanatory Statements and reasons for the proposed Special/Ordinary Resolutions pursuant to Section 102 read with Section 110 of the Act setting out material facts are appended herein below.
2. The Company has appointed Mr. M. Damodaran, Managing Partner of M/s M. Damodaran & Associates LLP, (COP 5081) Practicing Company Secretaries, to act as the Scrutinizer, for conducting the Postal Ballot process, in a fair and transparent manner.
3. Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8,2020, Circular No. 17/2020 dated April 13,2020 read with Circular No.22/2020 dated June 15,2020, Circular No. 33/2020 dated September 28,2020, Circular No. 39/2020 dated December 31,2020 and Circular No. 10/2021 dated June 23,2021 and Circular No. 20/2021 dated December 08,2021 (collectively as "MCA Circulars"), pursuant to Covid-19 pandemic and advised companies to conduct postal ballot by sending e-mails to all its members who have registered their email addresses with the Company or depository/ depository participants. Accordingly this notice is being sent to members who have registered their email addresses. In accordance of with the aforesaid circulars, physical copy of the Notice along with Postal Ballot form and pre-paid business reply envelope will not be sent to the members for this Postal Ballot. The communication of the assent or dissent of the Members would take place through the process of remote e-voting only.
4. The Members, whose names appear in the Register of Members / List of Beneficial Owners as on Friday, 29th April 2022, being the cut-off date, are entitled to vote on the Resolution set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice of Postal Ballot for information purpose only.
5. All documents referred to in the accompanying Notice and Explanatory Statement shall be available for inspection electronically. Members seeking to inspect such documents can send an email to investors@megasoft.com.
6. In compliance with provisions of Section 110 and other applicable provisions of the Act read with the Companies (Management & Administration) Rules, 2014, the Company is pleased to offer 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 to enable the Shareholders to cast their votes electronically.
7. The members are requested to register/update their email addresses in respect of electronic holdings with the Depository Participants and in respect of physical holdings with the Company's Registrar and Share Transfer Agent Cameo Corporate Services Limited at "Subramanian Building" 1, Club House Road, Chennai-600002.
8. Members may please note that the Postal Ballot Notice will also be available on the Company's website at www.megasoft.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.
9. The voting period begins at 9.00 hours IST on Friday,06th May,2022 and ends at 17.00 hours IST on Saturday, 04th June,2022. The e-voting module shall be disabled by Central Depository Services (India) Limited for voting thereafter.
10. The Scrutinizer shall immediately after the conclusion of the e-voting period unblock the votes in presence of atleast two witnesses not in the employment of the organization and will submit his report to the Executive Director/ Company Secretary of the Company after completion of the

scrutiny and the results of the voting by Postal Ballot . The Resolution, if passed by requisite majority shall be deemed to have been passed on Saturday, 04th June, 2022, being the last date specified by the Company for receipt of duly completed Postal ballot e-voting.

11. The declared results along with the report of the scrutinizer shall be forwarded to the BSE Limited and National Stock Exchange Limited and shall be uploaded on the website of the Company i.e., www.megasoft.com within 2 working days of conclusion of postal ballot process.
12. In case of any queries regarding postal ballot, the members may write to investors@megasoft.com to receive an email response.

13. The instructions for Shareholders for e-voting are as under:

1. Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242** dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders’ resolutions. However, it has been observed that the participation by the public non-institutional shareholders/ retail shareholders is at a negligible level.
2. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facilities to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.
3. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
4. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.
5. Pursuant to above said SEBI Circular, Login method for e-Voting is given below:

➤ **For Individual shareholders holding securities in Demat mode:**

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	i. Users who have opted for CDSL’s Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. ii. After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/ NSDL/ KARVY/ LINK INTIME as per information provided by Issuer /

	<p>Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly.</p> <p>iii. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration</p> <p>iv. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP.</p>
Individual Shareholders holding securities in demat mode with NSDL	<p>i. If you are already registered for the NSDL IDeAS facility, please visit the e-Services website of NSDL. Open a web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting " under e-Voting services and you will be able to see the e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p> <p>ii. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>iii. Visit the e-Voting website of NSDL. Open a web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to the NSDL Depository site wherein you can see the e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting options. Once you click on the e-Voting option, you will be redirected to the NSDL/CDSL Depository site after successful authentication, wherein you can see the e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

➤ **For non-individual shareholders and physical shareholders**

- i. The shareholders should log on to the e-voting website www.evotingindia.com.
- ii. Click on Shareholders.
- iii. 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.
- iv. Next enter the Image Verification as displayed and Click on Login.
- v. 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.
- vi. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<ol style="list-style-type: none"> i. Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) ii. Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	<ol style="list-style-type: none"> i. Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. ii. If both 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).

- vii. After entering these details appropriately, click on "SUBMIT" tab.
- viii. Shareholders holding shares in physical form will then 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.
- ix. For Shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- x. Click on the EVSN for the Megasoft Limited on which you choose to vote.
- xi. 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.
- xii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiii. 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.
- xiv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xvi. If a Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii. Facility for Non – Individual Shareholders and Custodians –Remote Voting
 - a. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - c. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - d. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - e. 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.
 - f. Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investors@megasoft.com , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHO'S EMAIL ADDRESSES IS NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investors@megasoft.com.
2. For Demat shareholders -Please update your email id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting through Depository.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

Registered Office:

No.85, Kutchery Road,
Mylapore,
Chennai-600004

Place: Hyderabad
04th May 2022

By Order of the Board of Directors

Sunil Kumar Kalidindi
Executive Director & CEO
DIN:02344343

EXPLANATORY STATEMENT
(PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013)

Item No.1

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, appointed Mr. Sunil Kumar Kalidindi (DIN : 02344343), aged 38 years, as an Additional Director (Professional, Executive) & as CEO of the Company, with effect from 10th December, 2021 under Section 161, 196 and 203 read with Schedule V thereto and other applicable provisions of the Companies Act, 2013 and Articles of Association of the Company.

Mr. Sunil Kumar Kalidindi whose tenure is up to ensuing Annual General Meeting (AGM) or any other earlier date as may be approved by the shareholders of the company is eligible to be regularized as Whole-time Director (Professional, Executive) & Chief Executive Officer of the Company for a term up to (3) three consecutive years effective from 10th December,2021 till 9th December, 2024,in accordance with the provisions of 152, 196 and 203 read with Schedule-V thereto and other applicable provisions of the Companies Act, 2013 and the Rules framed there under. Following are the details of the salary proposed to be paid to Mr. Sunil Kumar Kalidindi, Whole-time Director & CEO:

(i) Salary: Rs. 1,50,000/- per month

(ii) Perquisites

- a) House Rent Allowance upto 50% 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) Group Mediclaim Insurance Coverage as per the rules of the Company
- e) Group personal Accident Insurance Coverage as per the rules of the Company
- f) 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

Mr. Sunil Kumar Kalidindi is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

Mr K Sunil Kumar has done Bachelor of Engineering from PSG College of Engineering, Coimbatore and obtained a Masters degree in management from University of Leicester (UK) and a Masters degree in Finance from London Business school.

He has worked with M/s Fitchner India Limited, Chennai before joining the KVK group. As a CEO, he contributed to the group companies in developing, managing and operating power plants. He has lead the Group in corporate finance and fund raising. He has specialized in the areas of Commercial, business development and day to day operations of the Companies.

He has also pioneered a software venture for smart metering with government Utilities. He has built an e-commerce platform for coal trading which has some large corporates as its clients. He has lead an acquisition of a web based power trading platform recently which acts like a power exchange for generators and consumers.

Except Mr. Sunil Kumar Kalidindi, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution as set out in the Notice.

The Board of Directors based on the recommendation of the Nomination and Remuneration Committee considers the appointment of Mr. Sunil Kumar Kalidindi as a Whole-time Director & CEO in the interest of the Company and recommends the Ordinary resolution as set out in the Notice for approval of Members.

The information in respect of the Company and the Managerial Personnel in respect of item No. 1 as per SCHEDULE-V of the Companies Act, 2013:

(1) GENERAL INFORMATION:

- (a) Nature of Industry: Software / IT
- (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) Foreign Investment or collaborations, if any: Not Applicable

(2) INFORMATION ABOUT THE APPOINTEE

Particulars	Item No. 1
Background Details	Mr. Sunil Kumar Kalidindi (DIN- 02344343), aged 38 years, is the Whole-time Director of the Company. Mr. K Sunil Kumar has done Bachelor of Engineering from PSG College of Engineering, Coimbatore and obtained a Masters degree in management from University of Leicester (UK) and a Masters degree in Finance from London Business school. 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.
Past Remuneration	Rs 1, 50,000/- per month (since 10 th December, 2021, as approved by the Board) plus applicable allowances/reimbursements.
Recognition or Awards	The work done in discharge of his duties as Director has been recognized in the industry.
Job Profile and his suitability	Subject to superintendence, control and direction of the Board, Mr. Sunil Kumar Kalidindi 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.
Remuneration Proposed	Remuneration of 1,50,000/- per month from 10 th December 2021 till 09 th December 2024
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.
Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any	Besides the remuneration, Mr. Sunil Kumar Kaldindi does not have any other pecuniary relationship with the company

Item No.2

The Members may note that in order to capitalize on the potential for any business diversification and expansion, it is necessary to amend the Objects Clause of the Memorandum of Association ('MoA') of the Company.

In view of the requirements, the Board of Directors at its meeting held on 04th May 2022 approved alteration in the MoA as under, subject to requisite approval of shareholders of the Company. The relevant Object Clause is reproduced hereunder,

Clause III of the MOA be altered by substituting the following clauses as III (A) (1) (2) (3) (4) and insertion of clause III (A) (5) as follows:

- (1) To carry on the business of manufacture, formulate, process, develop, refine, import, export, wholesale and/or retail trade of all kinds of pharmaceuticals products, medicines, drugs, medicines, biologicals, nutraceuticals, healthcare, ayurvedic and dietary supplement products, medicinal preparations, vaccines, chemicals, chemical products and dry salters, also to engage in business of healthcare, life sciences, research and development, contract manufacturing in India and/or abroad.
- (2) To carry on the business of manufacture, produce, refine, process, formulate, acquire, convert, sell, distribute, import, export of, deal in either as principals or agents in organic and inorganic chemicals, alkalis, acids, gases, petrochemicals, salts, electro-chemicals, chemical elements and compound pesticides, insecticides, explosives, light and heavy chemicals of any nature used or capable of being used in the pharmaceuticals, textile industry, defense chemicals, fertilizers, petrochemicals and industrial chemicals and pesticides and insecticides, solvents of any mixtures derivatives and compounds thereof.
- (3) To carry on the business of manufacture including production and processing and fabrication and assembling, repairing, alternation, buying, importing, marketing, selling and exporting and otherwise dealing in all types of electronic and / or electrical components, spare parts, products, equipment for all types of products for household / residential or for corporate / industrial purposes.
- (4) To carry on the business of manufacture/ assemble/ deal/ supply/ export/ import/design of aircraft, airlift for defence use; and aircraft modification, repairs, maintenance and logistics support for military and civilian customers including design and manufacture of aerospace related detailed parts made of metallic, composite and hybrid sources, related avionics and ground control systems including radars, communication systems for military including naval systems and civil applications.
- (5) To buy, sell, hold, invest, divest shares or any other financial investment instrument of any Company, either public or private, in India or abroad

None of the directors and/or key managerial personnel of the Company and their relatives are in any way, concerned or interested, financial or otherwise, in this resolution.

Item No 3

Presently, the Authorized Share Capital of the Company is Rs 75,00,00,000/- (Rupees Seventy Five Crores only) divided into 7,50,00,000 (Seven Crores and Fifty Lakhs) shares of Rs 10/- (Rupees Ten only) each.

To support growth plans of the Company's business diversification and expansion, it is proposed to increase the Authorized Share Capital of the Company from Rs 75,00,00,000/- (Rupees Seventy Five Crores only) divided into 7,50,00,000 (Seven Crores and Fifty Lakhs) shares of Rs 10/- (Rupees Ten only) each to Rs.200,00,00,000 (rupees two hundred crores only) divided into 20,00,00,000 (Rupees Twenty Crores) equity shares of Rs. 10/- (Rupees Ten only) each.

Consequently, the Clause V of the Memorandum of Association (MOA) is required to be amended as follows:

V. The Authorized Capital of the Company is Rs 200,00,00,000 (rupees two hundred crores) divided into 20,00,00,000 (twenty crores) equity shares of Rs 10/- (rupees ten) each with power to increase or reduce the capital of the company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions, as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Act or the Articles of Association of the Company.

The proposal for increase in Authorized Share Capital and consequent amendment in the Capital clause of the MOA of the Company require approval of members.

The Board of Directors of the Company at its meeting held on 04th May 2022 has considered, approved and recommended to the Members to approve the increase in Authorized Share Capital and consequent amendment in the capital clause of the Memorandum of Association of the Company.

None of the directors and/or key managerial personnel of the Company and their relatives are in any way, concerned or interested, financial or otherwise, in this resolution.

Item No.4 and Item No.5

As a sequel to the rights issue and completion of the open offer in November 2021, the new promoter and new management of the Company initiated an exercise involving a strategic review of its existing lines of business and identification of diversification opportunities in new business areas and segments.

Based on this exercise, taking into consideration the expertise and experience of the new promoter group of the Company, the Board of the Company has identified, inter alia, pharma and bio-pharma sector, chemicals, and air defense support sector as potential areas for future growth of the Company.

The software products business of the Company is housed under its wholly owned overseas subsidiaries, namely, XIUS Holding Corp., USA ("**XIUS USA**") and Megasoft Consultants Sdn Bhd, Malaysia ("**MCSD Malaysia**") supported by back office services provided by the Indian software products division ("**Software Products Division**") housed in the Company (collectively, XIUS USA, MCSD Malaysia and Software Products Division referred to as "**IT Undertaking**"). The Company's IT Undertaking caters primarily to the telecom industry in USA, Malaysia, India and other geographies.

The key findings of the aforesaid exercise with respect to the IT Undertaking were that: (i) the telecom industry which formed the primary client base of the IT Undertaking in all geographies was facing notable uncertainties and disruptive challenges; (ii) IT Undertaking as a whole had been loss making for past 3 years or more, with negative cash flows and negative net worth, entailing periodic capital infusion; and (iii) migration of telecom industry to 5G and its ensuing progressions posed a threat of the current software product lines of the IT Undertaking being rendered obsolete, or would entail

additional capex investment of over Rs. 300 million in product development/upgradation, without an assured prospect of a business turn around for its IT Undertaking.

In view of these findings, the Board of the Company determined that it would be in the best interest of the Company to restructure its IT Undertaking and thereafter consider / evaluate a potential divestment of its majority or entire stake in the IT Undertaking to enable the Company to strategically refocus on the identified emerging diversification opportunities. Accordingly, in March 2022, as an integral part of the proposed restructure of its IT Undertaking, the Company transferred its 100% stake and investment in XIUS USA and MCSD Malaysia to its ultimately wholly owned Indian subsidiary, namely, Nelatop Systems Pvt Ltd ("**NSPL**").

Thereafter, with a view to set an objective benchmark for its expectation from any potential divestment of its IT Undertaking the Board appointed an independent SEBI registered merchant banker and a registered valuer to provide it with an independent valuation of its IT Undertaking, inter alia, covering its investment in XIUS USA, MCSD Malaysia, and its Software Products Division housed within the Company.

Whilst actively considering a potential divestiture of its IT Undertaking and determining the next steps in that direction, in April 2022, the Company received an unsolicited expression of interest and financial bid ("**EOI and Bid**") for 100% acquisition of its entire IT Undertaking comprising, inter alia, its 100% stake and investment in XIUS USA and MSCD Malaysia held through NSPL and its Software Products Division housed within the Company, from Soarg Technologies Pvt Ltd ("**STPL**" or "**Potential Acquirer**"), an Indian company promoted, owned and controlled by Mr. G.V. Kumar, former Managing Director & CEO of the Company.

The financial offer in the Potential Acquirer's EOI and Bid comprises: (i) offer to acquire the Company's 100% stake and investment in XIUS USA and MCSD Malaysia held through its ultimately wholly owned subsidiary NSPL for a consideration of Rs. 5.50 crore (rupees five crores fifty lacs only) and (ii) offer to acquire its Software Products Division housed within the Company as a going concern on a slump sale basis for a consideration of Rs. 1.00 crore (rupees one crore). This financial offer of the Potential Acquirer's was over 12% higher than the upper end of the fair value range provided in the two independent valuations of its IT Undertaking sought by the Company from independent SEBI registered merchant banker and a registered valuer. Crucially, besides the superior financial offer, the Potential Acquirer's EOI and Bid also included the following commercially and financially attractive terms:

1. Potential Acquirer is agreeable to Indemnify the Company against any claims - the past, present and future arising from IT Undertaking's Clients / vendors / employees / other associates.
2. Purchase of the IT Undertaking on an "as is where is basis" without any representations or warranties from the Company with respect to the state of the IT Undertaking or its business, and without any claw-back or retention clauses.
3. Takeover all employees of its Software Products Division housed within the Company in India and overseas on a continuing service basis, without any liability on the Company for past service.

The Company's Board at its meeting held on 04th May, 2022 deliberated in detail the Potential Acquirer's EOI and Bid. After detailed deliberations, the Board determined that it would be in the best interest of the Company to accept the management's proposal with respect to the Potential Acquirer's offer, without going through an elaborate investment banker steered long drawn out sale process of inviting expression of interest and bids from other potential interested third parties. The Board determined this, inter alia, considering the following favourable aspects of the offer:

- (i) The Potential Acquirer's financial offer was about 12% higher than the upper end of the fair value range provided in the two independent valuations of its IT Undertaking sought by the Company from independent SEBI registered merchant banker and a registered valuer;

- (ii) Indemnification offered by Potential Acquirer to the Company against claims arising from IT Undertaking was beneficial and favourable to the Company, and would provide it with a clean exit to pursue its future strategy without any long tail risks from the past; and the likelihood of similar indemnification being provided by any other potential acquirer is negligible;
- (iii) The Potential Acquirer's acquisition of IT Undertaking on an "as is where is basis" without any representations or warranties from the Company and without claw back or retention clause, would enable a quick clean exit without any tail risk from the past, which risk would most likely remain in a sale to any other potential acquirer of the IT Undertaking;
- (iv) The Potential Acquirer's proposal provides seamless transition and continuity for the IT Undertakings employees, clients and business associates.

Accordingly, the Board at its meeting held on 04th May 2022 approved, subject to and conditional upon the approval of its shareholders, the sale and transfer of its IT Undertakings to the Potential Acquirer as outlined:

- (i) Sale and transfer of its 100% stake in XIUS USA and MSCD Malaysia held through NSPL, by way of a sale of:
 - (a) 90% shareholding in NSPL directly held by the Company, for a consideration of Rs. 4.95 crore (Rupees Four Crore and Ninety Five Lacs only)
 - (b) 10% shareholding in NSPL held through Velapan Systems Private Limited ("VSPL") the Company's wholly owned subsidiary, for a consideration of Rs. 55 lacs (Rupees Fifty Five Lacs only)
- (ii) Sale and transfer of its Software Products Division housed within the Company as a going concern on a slump sale basis, for a consideration of Rs. 1.00 crore (Rupees One Crore only)

Accordingly, the board recommends Resolution No.4 and Resolution No. 5 for the approval of shareholders.

Pursuant to Regulation 24(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, no company can sell its shareholding (held directly or together with other subsidiaries) in a material subsidiary which would result in cessation of such material subsidiary to be its subsidiary unless a special resolution is passed approving such sale. NSPL is a material subsidiary of the Company based on its consolidated income, and hence approval of shareholders by way of special resolution is required for the proposed sale of its 100% stake in NSPL (held directly or together with other subsidiaries).

Pursuant to Section 180(1)(a) of the Companies Act, 2013, shareholder approval by way of special resolution is required for sale of "undertaking" as defined therein. The Software Products Division housed in the Company constitutes an "undertaking" as defined in Section 180(1)(a) of the Companies Act, 2013 on account of its total income for the previous financial year exceeding 20% of the Company's total income (per standalone Profit and Loss Account). Hence shareholder approval is required for sale of the Software Products Division housed within the Company as a going concern on a slump sale basis.

None of the directors and/or key managerial personnel of the Company and their relatives are in any way, concerned or interested, financial or otherwise, in this resolution.

Registered Office:

No.85, Kutchery Road,
Mylapore,
Chennai-600004

Place: Hyderabad
04th May, 2022

By Order of the Board of Directors

Sunil Kumar Kalidindi
Executive Director & CEO
DIN: 02344343