

## NOTICE

NOTICE is hereby given that the 27<sup>th</sup> Annual General Meeting of the Members of the Company will be held on Tuesday, the 30<sup>th</sup> day of September, 2014, at 2.30 PM at Padmashali Kalyana Mandapam, 2-12-66, Nehru Nagar, West Marredpally, Secunderabad – 500 026 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit & Loss Account for the year ended March 31, 2014; Balance Sheet as on that date along with the Schedules forming part of it, notes to accounts and the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of M Kalyan Ram holding DIN: 02012580 who retires by rotation, and being eligible, offers himself for re-appointment.
3. To Consider and if thought fit to pass with or without modification(s), the following resolution as an ordinary resolution.

“RESOLVED THAT pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies(Audit and Auditors) Rules, 2014 as amended from time to time, M/s. P.Murali & Co, Chartered Accountants (FRN. 007257S), who retire at the conclusion of this Annual General Meeting(AGM), be and are hereby appointed as statutory auditors of the company for a period of 5 years i.e. till the conclusion of the AGM of the company to be held in the year 2019( subject to ratification of their appointment by members at every AGM) at such remuneration plus service tax, out of pocket, travelling and living expenses etc., as may be mutually agreed between the Board of Directors of the company and the auditors .”

### SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Sunder Kanaparthi (holding DIN 00914869), Director of the Company who meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from 30<sup>th</sup> September, 2014.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Kunasingam V Sittampalam (holding DIN 00518881), Director of the Company who meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from 30<sup>th</sup> September, 2014.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr.Hariharan R (holding DIN 06883959), Additional Director of the Company who meets criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from 30<sup>th</sup> September, 2014.”

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

“RESOLVED THAT in supersession of the Resolution passed previous General Meeting in this regard and pursuant to Section 180(1)(a) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors of the Company (“the Board”) to hypothecate / mortgage and/or charge in addition to the hypothecations / mortgages and/or charges created by the Company, in such form and manner and with such ranking and at such time(s) and on such terms as the Board may determine, all or any part of the movable and/or immovable properties of the Company wherever situated, both present and future, and/or create a floating charge on all or any part of the immovable properties of the Company and the whole or any part of the undertaking(s) of the Company, together with power to take over the management of the business and concern of the Company in certain events of default, in favour of the Company’s Bankers / Financial Institutions / Lenders / other investing agencies and trustees for the holders of Debentures / Bonds / other instruments / securities to secure any Rupee / Foreign currency Loans, Guarantee assistance, Standby Letter of Credit / Letter of Credit and/ or any issue of Non-Convertible Debentures and/or Compulsorily or Optionally, Fully or Partly Convertible Debentures and/or Bonds, and/or any other Non-Convertible and/or other Partly / Fully Convertible instruments / securities, with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment or on redemption, guarantee commission, costs, charges, expenses and other monies including any increase as a result of devaluation / revaluation/ fluctuation in the rates of exchange of foreign currencies involved payable by the Company to the Lenders under their respective Loan Agreements/Subscription Agreement entered into/to be entered into by the Company in respect of the said borrowings / assistance, within the overall ceiling prescribed by the members of the Company in terms of Section 180(1)(c) of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board be and is hereby authorised to execute all such deeds, documents, instruments and writings, as may be necessary for creating the aforesaid hypothecations/ mortgages / and/or charges and to do all such acts, deeds, matters and things as may be necessary, desirable or expedient to give effect to the above resolution.”

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

“RESOLVED THAT in supersession of the resolution adopted at the previous General Meeting in this regard and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors of the Company (“the Board”) to borrow any sum or sums of money from time to time notwithstanding that the money or moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) including rupee equivalent of foreign currency loans may exceed, at any time, the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes, provided however, the total amount so borrowed shall not at any time exceed 10 (ten) times the aggregate of the paid up capital and free reserves of the Company over and above the paid up capital and free reserves of the Company.”

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

“RESOLVED that pursuant to the provisions of Section 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) and the applicable rules thereunder (the “Act”) and any applicable subsisting sections of the Companies Act, 1956, as amended, and the enabling provisions of the Memorandum of Association and Articles of Association of the Company and subject to and in accordance with any other applicable law or regulation in India or outside India including without limitation, the

provisions of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the “SEBI (ICDR) Regulations”), the Listing Agreements entered into with the respective stock exchanges where the shares of the Company are listed, the provisions of the Foreign Exchange Management Act, 1999, as amended, and rules and regulations framed there under as in force and in accordance with other applicable rules, regulations, circulars, notifications, clarifications and guidelines thereon issued from time to time by the Government of India, the Securities and Exchange Board of India (“SEBI”), the Reserve Bank of India (“RBI”), the Registrar of Companies (the “RoC”) and the stock exchanges where the shares of the Company are listed (“Stock Exchanges”) and subject to requisite approvals, consents, permissions and/or sanctions if any, of the Government of India, the SEBI, the RoC, the Stock Exchanges and other appropriate statutory, regulatory or other authority (including RBI) and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of them while granting any such approvals, consents, permissions, and/ or sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee which the Board may have constituted or may hereinafter constitute to exercise one or more of its powers including the powers conferred hereunder), the Board be and is hereby authorized to, on behalf of the Company, create, offer, issue and allot up to 56,30,000 Warrants (“Warrants”) on a preferential allotment basis, to below stated entities which shall be exercisable into equity shares of the Company at the option of the Warrant holder at an issue/exercise price of Rs.20 per share or any other price determined by board of Directors no later than 18 months from the date of their allotment in accordance with the SEBI (ICDR) Regulations or other provisions of the law as may be prevailing at the time of allotment of equity shares/ exercise of warrants.”

S.No	Name of Proposed allottee	PAN	Category
1	P.K.I. Solutions private limited	AAECP0467B	Promoter Group
2	Iragavarapu Constructions Private Limited	AABCV3341D	Promoter Group
3	Iron Age India Limited	AAACI8877J	Promoter Group
4	Mallemkonda Realities Private Limited	AAFCM4364F	Public

RESOLVED FURTHER that the relevant date, as per the SEBI ICDR Regulations for the determination of issue price of the Warrants to be allotted pursuant to the preferential allotment is fixed as 30<sup>th</sup> August, 2014 i.e. 30 days prior to the date of shareholders meeting to approve the proposed preferential issue in terms of Section 62(1)(c) of the Act.

RESOLVED FURTHER that the Board be and is hereby authorised to issue and allot such number of equity shares of the Company as may be required to be issued and allotted upon exercise of the Warrants by the Warrant holder(s).

RESOLVED FURTHER that the equity shares to be allotted upon exercise of Warrants shall rank pari passu in all respects including as to dividend, with the existing fully paid up equity shares of face value of Rs. 10/- each of the Company, subject to the relevant provisions contained in the Memorandum of Association and Articles of Association of the Company.

RESOLVED FURTHER that for the purpose of giving effect to the Resolutions described above, the Board be and is hereby authorized on behalf of the Company to take all actions and do all such acts, deeds, matters and things and execute such agreements, deeds and other documents including without limitation the private placement offer letter, with regard to the issue or allotment of aforesaid Warrants and issue or allotment of equity shares pursuant to exercise of the Warrants and listing of the equity shares to be allotted pursuant to exercise of Warrants with the Stock Exchange(s) as it may, in its absolute discretion, deem fit and to give instructions or directions and to settle all questions, difficulties or doubts that may arise in relation to the proposed issue, offer and allotment of any of the said Warrants and the utilization of the issue proceeds and to accept and to give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions as may be required by the SEBI, the ROC, the lead managers, or other authorities or agencies involved in or concerned with the proposed issue and as the Board may in its absolute discretion deem fit and proper in the best interest of the Company, without being required to seek any further consent or

approval of the members or otherwise, and that all or any of the powers conferred on the Company and the Board vide this Resolution may be exercised by the Board or such committee thereof as the Board may constitute or has constituted in this behalf, to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution, and all actions taken by the Board or any committee constituted by the Board to exercise its powers, in connection with any matter(s) referred to or contemplated in any of the foregoing Resolutions be and are hereby approved, ratified and confirmed in all respects.

RESOLVED FURTHER that the Board be and is hereby authorized to delegate (to the extent permitted by law) all or any of the powers herein conferred to any committee of directors, or any whole-time director or directors or any other officer or officers of the Company to give effect to the aforesaid Resolutions.”

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

“RESOLVED THAT Smt. Lakshmi Nadgir (DIN: 03115198, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 3 (three) consecutive years “.

**11. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

“RESOLVED THAT subject to the provisions of Section 177 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, the Equity Listing Agreement (as amended from time to time by the Securities and Exchange Board of India and the Stock Exchanges), and the Memorandum and Articles of Association of the Company, the consent of the Members be and is hereby accorded for the Company to enter into various transactions with M/s. Virinchi Technologies Limited, a Promoter group Company, for an aggregate value of Rs. 2 crores over a period of 36 months starting from 1<sup>st</sup> April, 2014, on such terms and conditions as may be agreed to by the Board, provided however that the transactions so carried out shall at all times be on arm’s length basis and in the ordinary course of the Company’s business.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and to take all such steps as may be necessary for the purpose of giving effect to this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Directors of the Company.”

**BY ORDER OF THE BOARD**  
For VIVO BIO TECH LIMITED

PLACE : HYDERABAD  
DATE : 30/08/2014

**Challapalli Varun Kumar**  
Company Secretary

## NOTES

- a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company. The instrument of proxy in order to be effective, must be deposited at the registered office of the Company, duly completed and signed not less than 48 hours before the meeting. A person can act as proxy on behalf of shareholders not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the company. In case a proxy is proposed to be appointed by a shareholder holding more than 10% of the total share capital of the company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
- b) The relevant Explanatory Statement in respect of the Special Business set out above, as required by Sec.102 of the Companies Act, 2013 is annexed hereto. Particulars of the Directors who are proposed to be appointed /re-appointed at this meeting as required under Clause 49 of the Listing Agreement is provided in Corporate Governance. The Directors have furnished the requisite declarations for their appointment/re-appointment
- c) The Register of Members / Register of Beneficiaries and Share Transfer books of the Company will remain closed from 20th September, 2014 to 30th September 2014 (both days inclusive) in connection with the AGM.
- d) Members holding shares in physical form may write to the Company/Company's R&T agents for any change in their address and bank mandates. Members whose shareholding is in the electronic mode are requested to direct change of address notifications and updates of savings bank account details to their respective depository participants.
- e) Members are requested to send all communication relating to shares to the Company's R&T Agents (Physical and Electronic) at the following address: M/s. Aarthi Consultants Private Ltd, Unit: Vivo Bio Tech Ltd, 1-2-285, Domalguda, Hyderabad-500 029.
- h) SEBI has made it mandatory for every participant in the securities/capital market to furnish details of Income Tax Permanent Account Number (PAN). Accordingly, all members holding shares in physical form are requested to submit their details of PAN, along with a photocopy of the PAN Card, to the R&T Agent of the Company, M/s. Aarthi Consultants Private Limited.
- i) In accordance with the MCA's "Green Initiative in Corporate Governance" allowing companies to share documents with its shareholders in the electronic mode and related amendments to the Listing Agreement with the Stock Exchanges, the company is sharing all documents with shareholders in the Electronic mode, wherever the same has been agreed by the shareholders. Shareholders are requested to support this green initiative by registering/updating their e-mail addresses for receiving electronic communications.
- j) The Company has appointed Mr. M. Praneeth Reddy Practicing Chartered Accountant as Scrutinizer for conducting e-voting process for the 27<sup>th</sup> Annual General Meeting of the Company in a fair and transparent manner.
- k) **Instructions For E- Voting**

Pursuant to provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 27<sup>th</sup> Annual General Meeting to be held on Tuesday, 30th September, 2014 at 2.30 P.M. The Company engaged the services of Central Depository Services (India) Limited (CDSL) to provide the E-Voting facility.

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

The voting period begins on Tuesday, 16<sup>th</sup> September, 2014 at 9.00 a.m. and ends on Thursday, 18<sup>th</sup> September at 6.00 p.m. During this period shareholders' of the company, holding shares either in Physical Form or Dematerialised form, as on the cut off date 30<sup>th</sup> August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.



**(a) Instructions for e-voting**

- i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- ii) Click on “Shareholders” tab.
- iii) Now enter your User ID

For Members holding shares in Demat Form	For Members holding shares in Physical Form
For NSDL: 8 Character DP ID followed by 8 Digits Client ID, For CDSL: 16 digits beneficiary ID	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](http://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	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  i Physical Shareholders who have not updated their PAN with the Company are requested to use the first two letters of their name in Capital Letter followed by 8 digits folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the folio number. Eg. If your name is Ramesh Kumar with folio number 1234 then enter RA00001234 in the PAN field  i Demat Shareholders who have not updated their PAN with their Depository Participant are requested to use the first two letters of their name in Capital Letter followed by 8 digit CDSL client id. For example: CDSL Account holder name is Rahul Mishra and Demat A/c No. is 12058700 00001234 then default value of PAN is 'RA00001234'. NSDL Account holder name is Rahul Mishra and DP ID. is IN300000 and client ID 12345678 then default value of PAN is 'RA12345678'.
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. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the folio/client id.

- vii) After entering these details appropriately, click on “SUBMIT” tab.
- viii) Members holding shares in Physical form will then reach directly to the voting screen.
- ix) 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.

If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- x) Click on the relevant EVSN for the “Vivo Bio Tech Limited” on which you choose to vote.

- x) 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.
- xii) Click on the "RESOLUTION FILE LINK" if you wish to view the entire Notice of the Annual General Meeting.
- 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 out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvi) Note for Non-Individual Shareholders & Custodians:
  - v Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
  - v They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - v After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - v The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - v They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## **Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013**

### **Item No. 4**

Mr. Sunder Kanaparthi is a Non-Executive Independent Director of the Company. Mr. Sunder Kanaparthi is Member of the Audit Committee, Nomination and Remuneration Committee, and Investors' Grievance Committee of the Board of Directors of the Company.

Details of his other directorships are given in Directors Report. Sunder Kanaparthi does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Sunder Kanaparthi being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31<sup>st</sup> March, 2019. A notice has been received from a member proposing Mr. Sunder Kanaparthi as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Sunder Kanaparthi fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Sunder Kanaparthi as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Sunder Kanaparthi as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Sunder Kanaparthi as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Sunder Kanaparthi, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

### **Item No. 5**

Mr. Kunasingam V Sittampalam is a Non-Executive Independent Director of the Company. Kunasingam V Sittampalam is Member of Nomination and Remuneration Committee and Investors' Grievance Committee of the Board of Directors of the Company.

Details of his other directorships are given in Directors Report. Kunasingam V Sittampalam does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Kunasingam V Sittampalam being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31<sup>st</sup> March, 2019. A notice has been received from a member proposing Mr. Kunasingam V Sittampalam as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Kunasingam V Sittampalam fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Kunasingam V Sittampalam as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.



The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Kunasingam V Sittampalam as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Kunasingam V Sittampalam as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Kunasingam V Sittampalam, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

#### **Item No. 6**

Mr. Hariharan R is a Additional Director of the Company. Mr. Hariharan R is not a Member in any Committee of the Board of Directors of the Company.

Details of his other directorships are given in Directors Report. Hariharan R does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Hariharan R being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from

In the opinion of the Board, Mr. Hariharan R fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr Hariharan R as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Hariharan R as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Hariharan R as an Independent Director, for the approval by the shareholders of the Company.

Except Mr Hariharan R ,being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange

#### **Item No. 7**

In the previous General Meeting of the Company, the members had pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956 approved by way of an Ordinary Resolution increase in the borrowing limit to 10 (ten) times of the aggregate of the paid up capital and free reserves of the Company over and above the paid up capital and free reserves of the Company and authorised the Board of Directors of the Company to borrow from time to time, a sum of money (apart from temporary loans obtained from bankers in the ordinary course of business) in excess of the aggregate of the paid up capital of the Company and its free reserves.

Section 180(1)(c) of the Companies Act, 2013 effective from 12th September, 2013 requires that the Board of Directors shall not borrow money in excess of the Company's paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, except with the consent of the Company accorded by way of a special resolution.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 7 of the Notice, to enable the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow upto Rs. 1000 Crores (Rupees One Thousand Crores) over and above the paid up capital and free reserves of the Company by way of Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

Your Directors recommend the resolution at Item No. 7 for your approval

#### **Item No.8**

At the previous Annual General Meeting, the members had pursuant to the provisions of Section 293(1)(a) of the Companies Act, 1956 empowered the Board, by way of Special Resolution in terms of Article 67 of Articles of Association of the Company, to hypothecate / mortgage and / or creation of charge in addition to the Hypothecations / Mortgages and / or charges created by the Company, all or any part of the moveable and/or immoveable properties of the Company, wherever situated both present & future, and/or create a floating charge on all or any part of the immovable properties of the Company, to secure the borrowings of the Company, within the overall ceiling prescribed by the Members of the Company in terms of Section 293(1)(d) of the Companies Act, 1956.

Section 180(1)(a) of the Companies Act, 2013 effective from 12th September, 2013 requires that the Board of Directors shall not, inter alia lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings except with the consent of the Company accorded by way of a Special resolution.

The hypothecation/mortgage/ creation of charge for the borrowings, by the Company of its properties as and when undertaken would attract the provisions of the said section 180(1)(a) of the Companies Act, 2013.

It is, therefore, desirable for the members to pass a Special Resolution under Section 180(1)(a) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 8 of the Notice, to enable the Board of Directors to mortgage, create charges and/ or hypothecate the Company's properties as and when necessary to secure any Rupee/Foreign currency Loans, Guarantee assistance, Standby Letter of Credit/Letter of Credit, and/or any issue of Non-Convertible Debentures, and/or Compulsorily or Optionally, Fully or Partly Convertible Debentures and/or Bonds, and/or any other non-convertible and/or partly/fully convertible instruments/securities, from time to time, within the overall ceiling prescribed by the Members of the Company, in terms of section 180(1)(c) of the Companies Act, 2013 for which approval of members is being sought by way of Special Resolution at Item No. 7.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or Interested, financial or otherwise, in the resolution set out at Item No. 8.

Your Directors recommend the resolution at Item No. 8 for your approval.

#### **Item No. 9**

Pursuant to provisions of Section 62 (1)(c) of Companies Act, 2013 (the "Act") any preferential allotment of Securities needs to be approved by the shareholders by way of a Special Resolution. Further, in terms of Regulation 73 of SEBI ICDR Regulations, 2009, the following disclosures are needed to be made in the Explanatory Statement to the Notice of the General Meeting :

**i. The objects of the preferential issue :**

To meet funding requirements towards proposed capital expenditures, operational expenditure and working capital with respect to the projects being set up by the Company, its subsidiaries and associate companies and for general corporate purposes.

- ii. The proposal of the promoters, directors or key management personnel of the Company to subscribe to the offer :**

No shares are being offered to Directors or Key Managerial Personnel or relatives of the Directors or Key Managerial Personnel of the Company.

- iii. Relevant Date :**

The Relevant date for the purpose of calculation of price of the specified Securities is 31<sup>st</sup> August, 2014, being 30 days prior to the date of the Meeting to approve the proposed preferential issue in accordance with the SEBI (ICDR) Regulations.

- iv. Basis or Justification of Price :**

The issue price will be determined in accordance with the provisions of Chapter VII of SEBI (ICDR) Regulations.

Since the Company is listed on BSE Limited and, the trading volume of Securities of the Company on both the stock exchanges has been considered to determine the higher trading volume for computation of issue price.

The proposed allotment of Warrants shall be made at the issue/exercise price of Rs.20 (Rupees Twenty) per specified Security or such other price as determined by the board, which is not less than the higher of the (a) average of the weekly high and low of the closing prices of the equity shares quoted on the BSE Limited (being the recognized stock exchange on which the higher trading volume in respect of equity shares of the Company has been recorded during the 26 weeks prior to the Relevant Date) during the 26 weeks preceding the Relevant Date and (b) average of the weekly high and low of the closing price of the equity shares quoted on the BSE Limited during the two weeks preceding the Relevant Date.

- v. If required, the Company shall re-compute the issue price mentioned above in accordance with the SEBI ICDR Regulations. Further, if the amount payable on account of the re-computation of issue price is not paid by the proposed allottee within the time stipulated under the SEBI ICDR Regulations, the specified securities allotted shall continue to be locked in till the time such amounts are paid.**

- vi. Terms of Warrants to be issued to the allottees**

- a. At any time after the date of allotment of the Warrants but on or before the expiry of 18 months from the date of allotment of the Warrants, the proposed allottee(s) of the Warrants will be entitled, in one or more tranches, to apply for and obtain allotment of such number of equity shares of face value of Rs.10 each of the Company for each Warrant, as would be calculated on the basis of an exercise price of Rs.20 per equity share or such other price as determined by the board of face value of Rs.10 of the Company.
- b. Upon receipt of the Warrants exercise notice, the Board (or a Committee authorized by the Board) shall allot such number of equity shares of face value of Rs 10 each of the Company for each Warrant, as would be calculated on the basis of an exercise price of Rs.20 per equity share of the Company or such other price as determined by the board by appropriating Rs.10 each towards equity share capital of the Company and the balance amount paid, towards securities premium.
- c. The equity shares issued pursuant to an exercise of the Warrants shall rank pari passu in all respects including with respect to dividend, with the then fully paid-up equity shares of the Company.

**vii. Identity of proposed allottee(s), percentage of expanded capital to be held by them:**

S.No	Name of the Proposed Allottee (s)	Present Holding	% of Pre-Issue Capital	Present Issue	% of Post Issue Capital (after exercise of warrants)*
1	P.K.I. Solutions private limited	600,000	6.42%	16,50,000	11.01%
2	Iragavarapu Constructions Private Limited	600,000	6.42%	16,50,000	11.01%
3	Iron Age India Limited	600,000	6.42%	13,00,000	8.68%
4	Mallemkonda Realities Private Limited	NIL	NIL	10,30,000	6.88%

**\*Assuming exercise by the relevant allottee(s) of all Warrants and subject to compliance with the minimum public shareholding requirements, as applicable, including under Rule 19A of the Securities Contracts (Regulation) Rules, 1957**

**viii. Shareholding Pattern before and after the issue of shares involved in the present resolution is as below:**

Category Code	Category of Shareholder	Pre-issue		Post-Issue (After exercise of Warrants)*	
		Pre-issue Shares held	% to Total Holding	Post-Issue Shares held	% to Total Holding
(A)	<b>Shareholding of Promoter and Promoter Group</b>				
(1)	<b>Indian Promoters (A)</b>	5229083	55.92	10859083	65.61
(2)	<b>Foreign Promoters(A)</b>	1185000	12.67	1185000	7.91
	<b>Sub-Total(A1)</b>	6414083	68.6	11,014,083	73.52
(B)	<b>Public Shareholding</b>				
(1)	<b>Institutions</b>				
(a)	Mutual Funds / UTI/ Banks/ FIs	0	0	0	0
(b)	Foreign Institutional Investors	0	0	0	0
	<b>Sub-Total (B1)</b>	0	0	0	0
(2)	<b>Non-institutions</b>				
(a)	Bodies Corporate	1358835	14.53	2388835	15.95
(b)	Individuals	277602	2.97	277602	1.85
(c)	Foreign Corporate Bodies/ NRIs	1300000	13.90	1300000	8.68
(d)	Others	0	0	0	0
	<b>Sub-Total (B2)</b>	2936437	31.4	3966437	26.48
<b>GRAND TOTAL (A)+(B)(1)+(B)(2)</b>		9350520	100	14,980,520	100

\*Assuming exercise by the relevant allottee(s) of all Warrants and subject to compliance with the minimum public shareholding requirements, as applicable, including under Rule 19A of the Securities Contracts (Regulation) Rules, 1957

**ix. The time within which the preferential issue shall be completed :**

The allotment of the Warrants on preferential basis will be completed within a period of 15 days from the date of passing of the aforesaid special resolution. Provided that where any approval or permission by any regulatory authority or the Central Government for allotment is pending, the allotment of the Warrants shall be completed within 15 days from the date of such approval or permission.

**x. Change in control, if any, in the Company consequent to the preferential issue :**

There shall be no change in control of the Company pursuant to the issue of Warrants.

**xi. Others :** The certificate of the Statutory Auditors of the Company to the effect that the present preferential offer is being made in accordance with the requirements contained in Chapter VII of the SEBI (ICDR) Regulations shall be placed before the shareholders at the meeting.

As it is proposed to issue and allot the aforesaid Securities on preferential allotment basis, special resolution is required to be approved by members pursuant to the provisions of Section 62(1)(c) of the Act and Chapter VII of the SEBI (ICDR) Regulations.

The Board believes that the proposed offer, issue and allotment will be in the interest of the Company and its shareholders.

The Board recommends passing of the aforesaid Resolution as a Special Resolution. Neither the key managerial personnel of the Company nor their relatives are in any way concerned or interested, financially or otherwise in this Resolution. The Directors of the Company and/or their relatives may be deemed to be concerned or interested, financially or otherwise in the proposed Resolution to the extent of Securities issued/allotted to companies owned or controlled by them., in any way, concerned or interested in the said resolution.

**Item No. 10**

As per the provisions of Section 149(1) of the Act and amended Clause 49 of the Listing Agreement, the Company should have atleast one woman director.

Keeping in view the above legal requirements and in deference to Company's shareholders' wishes, the Board of Directors have proposed that Smt. Lakshmi Nadgir (DIN: 03115198) be appointed as a Director of the Company.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Smt. Lakshmi Nadgir for the office of Director of the Company.

Smt. Lakshmi Nadgir is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. She does not hold any shares in the company.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or Interested, financial or otherwise, in the resolution set out at Item No.10

Your Directors recommend the resolution at Item No. 10 for your approval

**Item No.11**

The revised Clause 49 provides that all existing material related party contracts or arrangements which are likely to continue beyond 31st March, 2015 shall be placed for approval of the shareholders in the first general meeting subsequent to 1st October, 2014 or alternatively a Company may get those related party contracts or arrangements approved before 1st October, 2014. The revised Clause 49 interalia provides that transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds five percent of the annual turnover or twenty percent of the net worth of the company as per the last audited financial statements of the company, whichever is higher.

The particulars of the transactions with related party are given below

Sl.No	Particulars	Details
1	Name of the related Party	Virinchi Technologies
2	Nature of Relationship	Common promoters and common directors
3	Nature of arrangement	Leasing of premises on Rent

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or Interested, financial or otherwise, in the resolution set out at Item No.1.

Your Directors recommend the resolution at Item No. 11 for your approval



### **Additional Information required to be furnished under the Listing Agreement**

The particulars of directors who are proposed to be re-appointed are given below:

- 1. Name** : **Sunder Kanaparthi**

**Age** : **48 years**

**Qualifications** : **B.SC.L.L.B**

**Expertise** : **He has around 20 years of experience in corporate law practice and advisor to various corporate and government companies**

**Membership of committee** : **NIL**

**Shareholding** : **NIL**

**Other Directorships** : **NIL**
- 2. Name** : **Kunasingam V Sittampalam**

**Age** : **61 years**

**Qualifications** : **Bachelor of Engineering (Hons) and Master of Engineering degrees from Sheffield University, United Kingdom.**

**Expertise** : **He has 32 years of Business Experience in the field of software development. He is at present a member of the Harvard Business School Alumni Club of Malaysia. Kunasingham is a Fellow of Institution of Engineers, Malaysia, a registered Professional Engineer, Board of Engineers Malaysia and a Member of the Institution of Highways and Transportation. He is also the director of HSS Intesys Sdn. Bhd, the IT subsidiary of HSS Integrated Group, providing value added services in engineering software, planning and scheduling work**

**Membership of committee** : **NIL**

**Shareholding** : **NIL**

**Other Directorships** : **2**
- 3. Name** : **Hariharan R**

**Age** : **33 Years**

**Qualifications** : **CA, M.com**

**Expertise** : **He has 10 years' experience in the field of accounting , finance and Taxation. He is a practicing Chartered Accountant from 2009.**

**Membership of committee** : **NIL**

**Shareholding** : **NIL**

**Other Directorships** : **NIL**

4. **Name** : **Dr. Lakshmi N**  
**Age** : **70**  
**Qualifications** : **M.B.B.S.**  
**Expertise** : **She has 30 years experience in the field of high risk obstetrics, gynecological oncology.**  
**Membership of committee** : **NIL**  
**Shareholding** : **NIL**  
**Other Directorships** : **NIL**
5. **Name** : **M. Kalyan Ram**  
**Age** : **36**  
**Qualifications** : **M.B.A.**  
**Expertise** : **He has 12 years experience in the field of Accounting, Finance Administration.**  
**Membership of committee** : **NIL**  
**Shareholding** : **NIL**  
**Other Directorships** : **NIL**