



**CAMSON**

BIO TECHNOLOGIES LIMITED  
An ISO 9001 : 2008 Company

## **CAMSON BIO TECHNOLOGIES LIMITED**

Regd Off. SY – 133, 132, 125, 130, 84, Madhure Hobli, Madagondanahalli, Bangalore - 561 203

### **NOTICE**

NOTICE is hereby given that an Extraordinary General Meeting of the Company will be held at 3.00 p.m. on Wednesday, May 29, 2013 at Shilton Royale, 100 ft Road, Koramangala, Bangalore-560047 to transact the following business:

#### **SPECIAL BUSINESS:**

#### **1. TO CONSIDER, AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATIONS THE FOLLOWING AS A SPECIAL RESOLUTION:**

➤ **“RESOLVED THAT** pursuant to the provisions of Section 81(IA) and other applicable provisions if any, of the Companies Act, 1956 (the **“Act”**), relevant guidelines of the Securities and Exchange Board of India (**“SEBI”**) including the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the **“SEBIICDR Regulations”**), listing agreement entered into, with the Stock Exchanges (the **“Listing Agreement”**), Foreign Exchange Management Act, 1999 or any other applicable laws / rules/ regulations, sanctions and the Memorandum and Articles of Association of the Company and subject to the approval/consent/permission that may be required from Government of India including FIPB, Reserve Bank of India or of any other authorities, if any, and subject to such terms, conditions, alterations, corrections, changes if any as may be prescribed by any or more or all of them while granting such approval/sanction/consent/ permissions, consent of the Company be and is hereby accorded to create, offer, issue and allot (i) 4,195,513 Equity Shares of the Company having a face value of INR 10, to the Investor for a consideration of INR 59.4 per Equity Share (**“Issue Shares”**); and (ii) 1,674,327 warrants, each convertible into one (1) Equity Share of the Company having a face value of INR 10, to the Investor for a consideration of INR 173.34 per Investor Warrant (**“Investor Warrants”**) on a preferential basis on the terms and conditions set out below and such other terms as may be decided and deemed appropriate by the Board of Directors of the Company (hereinafter referred to as the **“Board”** which term shall include any duly authorized Committee thereof). Each Investor Warrant shall entitle the holder thereof to apply for and be allotted one equity share of face value of INR. 10/- (Rs. Ten only) at INR 173.34 per equity share.

Sl no	Names of the proposed allottees	No. of Shares	No. of Warrants
1	Bio Harvest Pte. Ltd.	41,95,513	16,74,327

➤ **RESOLVED FURTHER THAT** the prices of the Issue Shares and the Investor Warrants have been calculated in accordance with provisions of Chapter VII of the SEBI (ICDR) Regulations. The "Relevant Date" for the purpose of calculating the price of the Issue Shares and the Equity Shares to be issued and allotted upon conversion of the Investor Warrants is the date 30 days prior to the date of this Extraordinary General Meeting i.e. April 29, 2013.

➤ **RESOLVED FURTHER THAT** the issue of Issue Shares as above shall be subject to lock-in as applicable under SEBI (ICDR) Regulations in this behalf.

➤ **RESOLVED FURTHER THAT** the aforementioned issue of Investor Warrants shall be subject to the following terms and conditions:

1. The Investor Warrants shall be convertible within a period not exceeding six (6) months (or nine (9) months if mutually agreed between the Company and the holder of the Investor Warrants) from the date of allotment of the Investor Warrants in accordance with the SEBI (ICDR) Regulations and other relevant regulations or guidelines as may be prevailing at the time of the allotment of Equity Shares.

2. The holder of the Investor Warrant shall on the date of allotment of the Investor Warrants, pay an amount equivalent to 25% of the total consideration per Investor Warrant viz., the INR 43.34 per Investor Warrant, each Investor Warrant priced at the INR 173.34.

3. The holder of the Investor Warrants has the option to convert all or any of the Investor Warrants within the abovementioned time frame. If and to the extent any Investor Warrants are not converted, then such Investor Warrants will lapse and the amount paid towards the 25% of the total consideration of such Investor Warrants shall stand forfeited.

4. The holder of the Investor Warrant shall, before the date of conversion of the Investor Warrants into Equity Shares, pay the balance 75% viz., INR 130 per Investor Warrant being converted.

5. The number of Investor Warrants and the price per Investor Warrant shall be appropriately adjusted, subject to the Companies Act, 1956 and guidelines issued by SEBI, for corporate actions such as bonus issue, rights issue, stock split, merger, de-merger, transfer of undertaking, sale of division or any such capital or corporate restructuring.

6. The Equity Shares to be issued on conversion of the Investor Warrants shall be under lock-in for a period of one year in the manner prescribed under the SEBI ICDR Regulations.

7. The Equity Shares on conversion of warrants allotted in terms of this resolution shall rank *paripassu* in all respects with the existing Equity Shares of the Company.

8. The voting rights on subscription of the Issue Shares and Investor Warrants and subsequent conversion of the Investor Warrants into Equity Shares of the Company would change according to the change in the shareholding pattern of the Company.

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➤ **RESOLVED FURTHER THAT** the Issue Shares and the Investor Warrants shall be allotted within a period of 15 days from the date of passing of this resolution provided that where the allotment of the said Issue Shares and Investor Warrants is pending on account of pendency of any approval of such allotment by any regulatory authority, if any, including the FIPB, the allotment shall be completed within a period of 15 days from the date of such approval. The Issue Shares and Equity Shares to be issued and allotted pursuant to the conversion of the Investor Warrants shall rank *paripassu* with the existing Equity Shares of the Company in all respects.

➤ **RESOLVED FURTHER THAT** the Board be and is hereby authorized in its entire discretion to decide to proceed with the issue of the Issue Shares and the Investor Warrants and for the purpose of giving effect to this issue or allotment of Issue Shares and Investor Warrants, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may at its discretion deem necessary or desirable for such purpose, including but without limitation, appointment of consultants, solicitors, merchant bankers or any other agencies as may be required and entering into arrangements for listing, trading, depository services and such other arrangements and agreements, as may be necessary and also to seek listing of the Issue Shares and Equity Shares issued upon conversion of the Investor Warrants, representing the same in any Stock Exchange (s) with power on behalf of the Company, to settle any questions, difficulties or doubts that may arise in regard to any such issue, offer or allotment of Issue Shares and Investor Warrants and in complying with any Regulations, as it may in its absolute discretion deem fit, without being required to seek any further clarification, 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 of Directors be authorized to deal with any matters arising out of the proposed issue including powers to dispose off the Investor Warrants not exercised in any manner whatsoever including powers to forfeit the application monies on account of the unexercised Investor Warrants in the best interest of the Company.

➤ **RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Officer(s) of the Company to give effect to this resolution."

**2. TO CONSIDER, AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATIONS, THE FOLLOWING AS A SPECIAL RESOLUTION:**

➤ **"RESOLVED THAT** pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the re-stated Articles of Association of the Company (the "Restated Articles"), as per the draft placed on the table and initialed by the Chairman for the purposes of identification, be and is hereby approved in substitution of the existing Articles of Association of the Company to reflect the terms of the Investment Agreement dated May 1, 2013 executed between the Company, Promoters and Bio Harvest Pte. Ltd. to take effect from the date on which the Board issues the Issue Shares and the Investor Warrants to the Investor and approves and adopts the Restated Articles.

➤ **RESOLVED FURTHER THAT** the Company Secretary and/or any Director of the Company be and is hereby authorised to take all steps for giving effect to the resolution."

**3. TO CONSIDER, AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATIONS, THE FOLLOWING AS A ORDINARY RESOLUTION:**

***(i) APPOINTMENT OF MR. PETER JOSEPH KENNEDY AS ADDITIONAL DIRECTOR***

➤ **"RESOLVED THAT** as per the terms of the Investment Agreement dated May 1, 2013 entered into between the Company, Bio Harvest Pte. Ltd., (the "Investor") and the Promoters (the "Investment Agreement"), Mr. Peter Joseph Kennedy, representative of the Investor, be and is hereby approved for appointment as Additional Director and in accordance with the terms and conditions of the Investment Agreement as director on the Board of Directors of the Company whose appointment shall take effect from the date of issue of the Issue Shares and Investor Warrants to the Investor.

RESOLVED FURTHER THAT Mr. Peter Joseph Kennedy shall not be required to hold any shares in the capital of the Company as qualification shares."

***(ii) APPOINTMENT OF MR. SANJEEV KRISHNAN AS ADDITIONAL DIRECTOR***

➤ **"RESOLVED THAT** as per the terms of the Investment Agreement dated May 1, 2013 entered into between the Company, Bio Harvest Pte. Ltd., (the "Investor") and the Promoters (the "Investment Agreement"), Mr. Sanjeev Krishnan, representative of the Investor, be and is hereby approved for appointment as Additional Director and in accordance with the terms and conditions of the Investment Agreement as director on the Board of Directors of the Company whose appointment shall take effect from the date of issue of the Issue Shares and Investor Warrants to the Investor.

➤ **RESOLVED FURTHER THAT** Mr. Sanjeev Krishnan shall not be required to hold any shares in the capital of the Company as qualification shares."

**4. TO CONSIDER, AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATIONS, THE FOLLOWING AS A SPECIAL RESOLUTION**

➤ **"RESOLVED THAT** pursuant to, and in accordance with, the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, or any re-enactment or modifications thereof, and subject to the approval of the Shareholders at the Extra-Ordinary General Meeting, the approval of the Company be and is hereby accorded for the re-appointment and variation in the terms of remuneration payable to Mr. Dhirendra Kumar, Managing Director of the Company with effect from May 23, 2013 for a period of 5 years, i.e. from 23.05.2013 to 22.5.2018 with the following new terms and conditions, as mentioned below:

Overall Remuneration :	INR 7, 30,000/- per month
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**PERQUISITES:**

The following perquisites shall be included in the computation of the ceiling on remuneration:

1. **HOUSE RENT ALLOWANCE :** House rent allowance will be INR 1,00,000/- per month.  
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2. **SPECIAL ALLOWANCE :** A general allowance to cover gas, electricity, water, routine furnishing and decoration, household insurance, minor maintenance and similar expenses at residence and expenses when using clubs in which Company has Corporate membership. Normally this allowance is not expected to exceed one month's basic salary in one year.  
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3. **LEAVE AND LEAVE TRAVEL ASSISTANCE :** One month's leave for every eleven months of completed service. Expenses for self and family of travel anywhere in India on leave will be reimbursed once a year subject to a ceiling of one month's basic salary.  
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4. **MEDICAL EXPENSES :** Medical expenses incurred in respect of self, spouse and two dependent unmarried children less than 21 years of age to be reimbursed, to the extent that they do not receive such assistance from any other source. Premium for accident and mediclaim cover, taken by the Company is also included in this benefit. The normal limit for this benefit is one month's basic salary in a year.  
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5. **EMPLOYEES PROVIDENT FUND :** Contribution of 12% of basic salary by the appointee with an equal amount of contribution by the Company.  
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6. **GRATUITY :** After a continuous service of five years, appointee will be eligible to receive gratuity at the rate of half a month's basic salary per year of service, limited to a maximum of 30 years. Payment of gratuity is as per rules and regulations of the Company applicable to senior functionaries.

**However the following components shall not form part of the Managerial Remuneration.**

1. CONVEYANCE : Chauffer driven car provided by the Company for the performance of duties. All expenses towards this facility will be borne by the Company.

2. TELEPHONE : A residential telephone, mobile phones alongwith all the calling facilities, Laptop Computer and one Internet Service connection will be provided by the Company at its cost to facilitate the performance of duties.

3. REIMBURSEMENT OF BUSINESS EXPENSES : Reimbursement of all reasonable expenses on travel, entertainment etc., legitimately incurred in the course of duties.

He will not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof nor shall he be liable to retire by rotation.

**MINIMUM REMUNERATION:**

In the event of absence or inadequacy of profits as outlined under Companies Act, 1956 in any financial year during the currency of tenure of the appointment, the entire applicable remuneration by way of salary and perquisites mentioned above shall be paid as minimum remuneration, subject to the provisions under Schedule XIII of the Companies Act, 1956.

➤ **FURTHER RESOLVED THAT** the Board of Directors or the Remuneration Committee with suitable empowerments from the Board, be and is hereby authorized to vary the terms of appointment of Mr. Dhirendra Kumar, as Managing Director, within the limits prescribed under Schedule XIII or other provisions of the Companies Act, 1956 without seeking further approval from the shareholders."

**By the Order of the Board of Directors**

**Place: Bangalore**

**Date: May 3, 2013**

**Sd/-**

**Ekta Gandhi Thakurel**

**Company Secretary**

**NOTES:**

1. A Member is entitled to attend and vote at the meeting or is also entitled to appoint a proxy to vote instead of himself/herself and the proxy appointed need not be a member. The duly filled proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the Meeting.

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2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item nos. 1 to 4 is annexed herewith.

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3. Corporate Members are requested to send a duly certified copy of the Board Resolution at the Registered Office of the Company not less than 48 hours before the Meeting, pursuant to Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the Meeting.

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4. In case of joint holders attending the meeting, only such joint holder whose name appears higher on the Register of Members will be entitled to vote.

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**ANNEXURE TO THE NOTICE**  
**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2)**  
**OF THE COMPANIES ACT, 1956:**

**Item No. 1:**

**Material facts relating to the preferential allotment**

Your Company has been steadily growing and has been able to achieve target results from time to time. Whilst organic growth has been achieved without infusion of any significant funds, inorganic opportunities have been explored, studied and are being undertaken. Despite the recessionary trends prevailing in the global scenario, various opportunities have been identified for faster growth. Expansion programs have been drawn up carefully.

Therefore, to infuse further funds into the Company and to facilitate the expansion program of the business, an investment agreement (the "**Investment Agreement**") dated May 1, 2013 between the Company, the Promoters and Bio Harvest Pte. Ltd. (the "**Investor**") has been executed wherein it is proposed to issue:

(a) 41,95,513 Equity Shares of face value of INR10/- each at INR 59.4 per Share (the "**Issue Shares**") on preferential basis to the Investor; and

(b) 16,74,327 warrants at a price of INR 173.34 per warrant convertible into Equity Share of face value of INR 10/- each ("**Investor Warrants**").

The Company has made an application to the FIPB seeking approval for the proposed issue of Issue Shares and Investor Warrants as required under the Foreign Direct Investment Policy and the Issue Shares and Investor Warrants will be issued only upon receipt of such approval from the FIPB.

The Investor is a limited private company, incorporated in Singapore. The registered address of the Investor is Post Code 068898, Block NO. 80, Robinson Road, Singapore. Bio Harvest Pte Ltd. is a part of CLSA Capital Partners - the alternative asset management arm of CLSA Asia-Pacific Markets, Asia's leading independent brokerage and investment group. CLSA Capital Partners has approximately US\$2.6 billion under management and offices across the region, including Hong Kong, Singapore and Tokyo. CLSA Capital Partners offers a diversified and increasing range of investment vehicles. The Clean Resources Asia Growth Fund is an Asia-focused clean technology private equity fund. Clean Resources includes all forms of sustainable agriculture, water and environmental technology. The fund employs a research-driven strategy.



**Disclosures required to be made in the Explanatory Statement pursuant to the provisions of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009(the SEBI ICDR Regulations) relating to a Preferential Issue are set out below:**

**A. Objects of the issue of Equity Shares and Warrants:**

- Increasing the Company's manufacturing capacity;
- Marketing in and outside India;
- Research and development;
- Patent and other intellectual property filings;
- Repayment of debt; and such other uses as may be specified in the business plan of the Company.

**B. Intention of Promoters/Directors/ key management persons to subscribe to the offer:**

None of the existing Promoters/Directors/ key management persons intends to subscribe to any of the Issue Shares or Investor Warrants.

The existing Promoters and Management Team will continue to remain in the management of the Company as in the past without any changes.

**C. Shareholding pattern:**

Shareholding pattern before (on diluted basis including issued 60,00,000 warrants) and after the preferential issue (on conversion of all Investor Warrants) and based on the shareholding pattern as on March 31, 2013 is as follows:



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CATEGORY		Pre-allotment of Equity		Post-allotment of Equity	
		Shares Held	% of Share Holding	Shares Held	% of Share Holding
<b>A. Promoter's Holding</b>					
1	a) Indian Promoters	59,50,964	24.66%	59,50,964	19.84%
	Acquirers				
	Others				
	b) Foreign Promoters				
2	Persons Acting in Concert	24,85,420	10.30%	24,85,420	8.28%
	<b>Sub Total</b>	<b>84,36,384</b>		<b>84,36,384</b>	
<b>B Non-Promoter Holding</b>					
3	<b>Institutional Investors</b>				
	a) Mutual Funds, UTI	8,25,000	3.42%	8,25,000	2.75%
	b) Banks, FIs, Insurance Companies, Trust, Central/State Government Institutions, Non-Government Institutions	6,000	0.02%	6,000	0.02%
	c) FIs	5,35,085	2.22%	5,35,085	1.78%
	<b>Sub Total</b>	<b>13,66,085</b>		<b>13,66,085</b>	
<b>C 4 Others</b>					
	a) Bodies Corporate	48,29,113	20.01%	48,29,113	16.10%
	b) Foreign Investor	-	0.00%	58,69,840	19.57%
	c) Indian Public				
	i) Acquirers(s)				
	ii) Others	80,85,536	33.51%	80,85,536	26.95%
	d) NRIs	12,70,369	5.26%	12,70,369	4.23%
	e) Others	1,42,513	0.59%	1,42,513	0.48%
	<b>Sub Total</b>	<b>1,43,27,531</b>		<b>2,01,97,371</b>	
<b>GRAND TOTAL</b>		<b>2,41,30,000</b>	<b>100.00%</b>	<b>2,99,99,840</b>	<b>100.00%</b>

The voting rights on subscription of the Issue Shares and the subscription of the Equity Shares upon conversion of Investor Warrants would change according to the change in the shareholding pattern of the Company, as indicated above.

**Presumptions:**

The above shareholding pattern has been arrived at, on the assumption that the entire 16,74,327 Investor Warrants proposed to be issued would be converted into Equity Shares. Please note that the Investor has the option to convert any or all of the Investor Warrants.

**D. Proposed time limit within which the allotment shall be complete:**

The proposed time limit for the completion of the allotment of the Issue Shares and Investor Warrants shall be within 15 days from the date of passing this resolution or within 15 days from the date of receipt of any approval by any regulatory authority or Central Government, whichever is later as per the SEBI (ICDR) Regulations.

**E. Identity of the proposed allottee(s) and percentage of post preferential issue capital that may be held by them:**

The proposed allottee of the Issue Shares and the Investor Warrants is as detailed hereunder and shall be holding upto 19.57 % of the post preferential issue capital:

S. No.	Name of Allottee	Pre Issue		Post Issue	
		No. of Shares held	% of holding	No. of Shares held (on a fully diluted basis including Investor Warrants)	% of holding
1.	Bio Harvest Pte.Ltd.	Nil	Nil	5,869,840	19.57%

The Company is taking necessary steps to obtain the required approvals from Bangalore Stock Exchange Limited, SEBI, FIPB and any other regulatory agencies as may be applicable, for the proposed preferential issue of the Issue Shares and the Investor Warrants to be converted into Equity Shares.

In terms of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the proposed allottee is not required to make an open offer and comply with formalities related to an open offer for this preferential allotment.

The salient terms of the Investment Agreement are as follows:

- The Investor shall have a right to appoint upto two (2) directors on the Board;
- The Investor shall have a right to nominate directors appointed by the Investor on each committee and sub-committees of the Board.
- The Investor has been granted rights of first refusal, tag along rights and indemnities as are customary in transactions of this nature.
- The Company, for better corporate governance, proposes to implement a governance code of the Board for considering all important decisions with the approval of the Promoter, independent and the Investor director.

➤ In addition to the items specified under the Act, approval of the Investor is also required as a shareholder for certain economic matters like issuance of equity or debt securities, declaration of dividend, making loans etc.

**F. Issue price:**

As per SEBI (ICDR) Regulations, an issue of shares on preferential basis can be made only at a price which is not less than the higher of the following:

- a. The average of the weekly high and low of the closing prices of the shares quoted on the stock exchange during the six months preceding the "Relevant Date"; or
- b. The average of the weekly high and low of the closing prices of the shares quoted on a stock exchange during the last two weeks preceding the "Relevant Date".

The "Relevant Date" for the above purpose means the date 30 days prior to the date on which the General Meeting is held to consider the proposed issue under Section 81(1A) of the Act. As the date of the Extra-Ordinary General Meeting (EGM) of Shareholders is May 29, 2013, the "Relevant Date" is April 29, 2013.

The Issue Shares and the Equity Shares issued on conversion of the Investor Warrants shall rank *paripassu* in all respects with, and carry the same rights including dividend as, the existing Equity Shares.

The issue price of INR 59.4 per Issue Share is in accordance with the SEBI (ICDR) Regulations and for the purpose of the above guidelines, the Relevant Date is April 29, 2013.

The issue price of INR 173.34 per Investor Warrant which is higher than the price arrived at in accordance with the SEBI ICDR Regulations and for the purpose of the above guidelines, at the Relevant Date is April 29, 2013.

**G. Auditors' Certificate:**

The certificate of the Statutory Auditors 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 and will be open for inspection at the Registered office of the Company on all working days except Saturdays and Sundays between 10 a.m. to 6 p.m. prior to the date of the Extra Ordinary General Meeting and will also be available for inspection at the Meeting.

The approval of the Shareholders is sought pursuant to Section 81 of the Companies Act, 1956 and in terms of the Listing Agreements with Stock Exchanges to the issue of the above Issue Shares / Investor Warrants as set out in the resolution. Pursuant to the provisions of section 81(1A) and other applicable provisions of the Companies Act, 1956, the proposal for further issue of securities either to

the existing members or other investors on preferential basis requires approval of the members by way of special resolution. The consent of the members is therefore, sought to authorize the Board of Directors of the Company for issuing the Issue Shares as stated in the resolution. Your Directors seek your consent by way of special resolution for issuing Investor Warrants as aforesaid as item no. 1 of this notice, which may result in increase of Equity Share capital of the Company on its conversion subject to rules, regulations and guidelines issued by SEBI or other authorities concerned and as permitted by law.

The resolution set out above confers authority on the Board of Directors of the Company to cover all the compliances, contingencies and corporate requirements.

None of the Directors is interested or concerned in the above Resolution.

The resolution set out in the Notice is recommended for the approval of the Shareholders.

#### **Item No. 2**

The Investor, upon subscribing to the Issue Shares and the Investor Warrants would be granted certain rights which would need to be reflected in the Articles of Association of the Company.

The amended Articles of Association of the Company (the "**Restated Articles**") shall be placed before the members for identification.

If approved, the existing Articles of Association of the Company shall be replaced and substituted by the Restated Articles. The Restated Articles shall come into effect on the date it is approved by the Board of Directors of the Company after the issue of the Issue Shares and Investor Warrants and approval and adoption of the Restated Articles.

The resolution set out in the Notice is recommended for the approval of the Shareholders by way of a Special Resolution.

#### **Item No. 3**

As per the terms of the Investment Agreement, the Investor has the right to appoint upto two directors ("**Investor Directors**") on the Board of Directors of the Company (the "Board") in accordance with the terms and conditions of the Investment Agreement. Pursuant thereto the Investor has nominated Mr. Sanjeev Krishnan and Peter Kennedy to be appointed as Investor Directors on the Board. The appointment shall take effect from the date the Board issues the Issue Shares and the Investor Warrants to the Investor. No change of control will however occur with such appointment.

**Item No. 4**

The following explanatory statement sets out all material facts relating to the special business mentioned in the accompanying notice and shall be taken as forming part of the notice.

The Board of Directors ("the Board") at its meeting held on April 26, 2013 subject to the approval of the members in extra ordinary general meeting, unanimously resolved for the fixation of remuneration of Mr. Dhirendra Kumar, the Managing Director of the Company, within the meaning of the Companies Act, 1956. The terms and conditions were recommended by the Board of Directors meeting held on April 26, 2013.

Under the leadership and guidance of Mr. Dhirendra Kumar, the Managing Director of the Company, the Company has grown significantly both in terms of operations and profitability. To appreciate the efforts of Mr. Dhirendra Kumar, the Board of Directors has proposed to fix his remuneration.

Save and except, Mr. Dhirendra Kumar, none of the other directors of the Company are interested in the resolution.

**By the Order of the Board of Directors**

**Place: Bangalore**

**Date: May 3, 2013**

**Sd/-**

**Ekta Gandhi Thakurel**

**Company Secretary**