

NOTICE OF ELEVENTH ANNUAL GENERAL MEETING

ACROPETAL TECHNOLOGIES LIMITED

Registered office: #2/10, 3rd Floor, Ajay Plaza, 1st Main, N. S. Palya, Bannerghatta Road Bangalore- 560 076

NOTICE is hereby given that the Eleventh Annual General Meeting of the Members of Acropetal Technologies Limited (the company) will be held on Friday, the 28th September, 2012 at 10.00 a.m. at Kutchi Bhavan, #44B, 1st Main Road, J.P. Nagar, 3rd Phase, Opp. Mini Forest, (Near Shoppers' Stop, Bannerghatta Road), Bangalore - 560 078 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Profit and Loss account for the year ended on that date together with the Reports of the Directors and the Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Dr. Mathew James Manimala, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Mohan Hosahalli Ramakrishna, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

6. **To consider and if thought fit, to pass the following resolutions with or without modification(s), as Special Resolution.**

“RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 1956, applicable provisions of the listing agreements with the Stock Exchanges, and Rules and Regulations prescribed by other regulatory authorities for the time being in force, the approval of the members be and is hereby accorded to the revised utilization of the IPO (Initial Public Offer) proceeds as varied from the purpose and time lines mentioned in the prospectus dated 25th February, 2011 as under:

(Rs. In Lakhs)

Particulars	Utilization as mentioned in the Prospectus	Revised utilization as on 14/08/2012
Proposed Acquisitions	5,500.00	6,367.27
Setting up of Software Development Centre and Corporate Office	2,618.67	574.00
Expansion and Establishment of Overseas offices	1,944.96	1,928.91

Part Repayment of Term Loans	2,500.00	2,500.00
Additional Long Term Working Capital requirements	2,500.00	4,089.98
Public Issue Expenses	1,500.00	1,112.01
General Corporate Purposes	436.37	429.15
TOTAL	17,000.00	17,001.32

“RESOLVED FURTHER THAT the revised utilization of the IPO proceeds as above be and is hereby ratified and approved.”

“RESOLVED FURTHER THAT the Board of Directors of the Company including any committee thereof, be and is hereby authorized to do such acts, deeds, matters, and things as may be necessary, desirable or expedient for giving effect to this resolution.”

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

“RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered by addition of Article 164 A after the existing Article 164 as given below.

164 A. E- GOVERNANCE

The Regulations contained herein shall always be construed as facilitating and promoting e-governance and other socio- economic initiatives envisaged through statutes, policy pronouncements or in any other manner and accordingly,

- (a) Notices convening meeting of the Board of Directors or any Committee thereof and notices for passing resolutions by circulations amongst the Directors/Committee Members, together with the agenda papers and other relevant annexures/enclosures, may be sent to the Directors/Committee Members and to other persons entitled there to, through e-mail to the e-mail address furnished by them for the purpose or through such other electronic means as may be statutorily permissible or recognised.
- (b) Meeting of the Board of Directors or a Committee thereof may be held with participation of one or more directors through video-conferencing or through such other electronic means as may be statutorily permissible or recognized. The director(s)/committee Members(s) so participating in a Board or Committee meeting validly held shall have the right to vote and will count for the purpose of quorum
- (c) Notices convening General Meetings, including Annual General Meetings together with the required annexures/enclosures/ attachments (including the Annual Report) may be sent to the members and other persons entitled thereto through e-mail to the e-mail address registered by them with the company/depositories for the purpose or to such other e-mail address as may

be statutorily permissible or recognized or through such other electronic means as may be statutorily permissible or recognized.

- (d) The Company may permit and provide facilities for participation of shareholders in General Meeting through video-conferencing or through such other electronic means as may be statutorily permissible or recognized. The Shareholders so participating in a General Meeting shall have the right to discuss and vote on the business transacted thereat, but they shall not count for the purpose of minimum quorum required for a General Meeting, unless statutorily permitted.
- (e) The company may, for the purpose of voting by the members at a General Meeting either by show of hands or on a poll and also for voting in a postal ballot process, provide for voting on an electronic platform or through e-mail or other electronic means in such manner as may be permitted or recognized under any statute.
- (f) The Company may keep and maintain Statutory Registers, documents and information as electronic records, to be authenticated whenever required by a duly authorized officer,. whereWhere any document is required to be sent to any person, service may be effected through e-mail to the e-mal address intimated or registered by those persons for the purpose.
- (g) Reference in these regulations to electronic means, electronic records, electronic platform, video-conferencing and other relevant terms, either generally or specifically and the legal validity thereof shall be construed with reference to the Information Technology Act, 2000, notifications/circulars issued by the Ministry of Corporate Affairs, Government of India and other applicable statutory provisions, as my be prevailing from time to time.”

By Order of the Board

Place: Bangalore
Date: 14th August, 2012

Vijayendra R
Company Secretary

Registered Office:
#2/10, 3rd Floor, Ajay Plaza, 1st Main
N S Palya, Bannerghatta Road
Bangalore- 560 076

NOTES:

1. **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. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. **The Register of Members and Share Transfer Books of the Company will remain closed from 21st September, 2012 to 28th September, 2012 (both days inclusive).**
3. Dividend as recommended by the Board, if approved at the Annual General Meeting, will be payable to those members whose names appear in the Register of Members as on the date of the Annual General Meeting i.e. 28th September 2012. The dividend in respect of shares held in electronic form will be payable to those beneficial owners of the shares as on the above said date, as per the details furnished by the Depositories for this purpose.
4. Member desirous of getting any information on the accounts or operations of the company are requested to forward his/her queries to the company at least seven working days prior to the meeting, so that the required information can be made available at the meeting, if permitted by the Chairman.
5. Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, dividend which remain unclaimed for a period of 7 years from the date of transfer to Unpaid Dividend Account are to be transferred to the "Investors Education and Protection Fund" established by the Central Government. Shareholders who have not encashed their dividend so far, for the financial year ended 31st March, 2011 are requested to make their claim to the Registrar and Share Transfer Agents of the Company or to the Company at the Registered Office. According to the provisions of the said Act, no claims shall lie against the said Fund or the Company for the amounts of dividend so transferred nor shall any payment be made in respect of such claim.
6. Members are requested to bring their attendance slips duly filled in and their copy of the Annual Report to the Meeting.
7. Members are requested to notify immediately any change in their address to the company or to its Registrars and Share Transfer Agents and in case their shares are held in dematerialised form, this information should be passed on to their respective Depository Participants without any delay.
8. Members who hold shares in the dematerialized form and want to change/correct the bank account details should send the same immediately to their concerned Depository Participant and not to the Company. Members are also requested to give the MICR Code of their Bank to their Depository Participants. The company in case of such demat shares will not entertain any direct request from such Members for change of address, transposition of names, deletion of name of deceased joint holder and change in the Bank Account details etc. While making payment of dividend, registrar is obliged to use only the data provided by the depositories, in case of such Demat shares.

9. Non-resident Indian shareholders are requested to inform about the following to the Company or its Registrars and Share Transfer Agents or the concerned Depository Participant, as the case may be immediately :
- a) the change in the residential status on return to India for permanent settlement
 - b) the particulars of the NRE account with a Bank in India, if not furnished earlier.
10. **Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, relating to the Special Businesses are annexed hereto.**
11. No gifts will be distributed at the Annual General Meeting.
12. The Ministry of Corporate Affairs vide circular No.17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively has undertaken a Green initiative in corporate Governance and allowed companies to send documents to their shareholders through an electronic mode. Members are requested to support this green initiative by registering/updating their e-mail IDs at ir@acropetal.com or acropetalgogreen@sharexindia.com
13. SEBI has made it mandatory to distribute dividends through Electronic mode. Therefore the Company will use the bank account details furnished by the Depositories for distributing dividends to shareholders holding shares in electronic form. Members are requested to notify any change in their Bank account details to their Depository Participant immediately.
14. Corporate members are requested to send a duly certified copy of the Board resolution /power of attorney authorizing their representatives to attend and vote at the meeting.

By Order of the Board

Place: Bangalore
Date: 14th August, 2012

Vijayendra R
Company Secretary

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INFORMATION PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT ABOUT THE DIRECTORS BEING REAPPOINTED.

1. Dr. Mathew James Manimala, Independent Director

Dr. Mathew J Manimala is a Professor of Organization Behaviour at the Indian Institute of Management Bangalore (IIMB). Prior to joining IIMB, he has served as a Senior Faculty Member and Chairman, Human Resources Area, at the Administrative Staff College of India (ASCI), Hyderabad. At IIMB he has worked closely with the N S Raghavan Centre for Entrepreneurial Learning (NSRCEL), primarily to build the research competencies of the Centre during its early years, when he served as the Jamuna Raghavan Chair Professor of Entrepreneurship for two terms and as the Chairperson of NSRCEL for one term. Currently he is also a Senior Enterprise Fellow of the School of Entrepreneurship and Business (SEB), University of Essex, UK.

Professor Manimala obtained MBA degree from the University of Cochin, MBS degree from the University of Manchester, and the Fellow in Management (doctoral) degree from Indian Institute of Management, Ahmedabad (IIMA). He has received several academic honours including a Certificate of Distinction for Outstanding Research in the Field of New Enterprise Development from the Academy of Management. He has been awarded research fellowships by prestigious international agencies such as the European Foundation for Management Development (for a research fellowship at Manchester Business School, Manchester, UK: 1990-91) and the Shastri Indo-Canadian Institute (for a research fellowship at the University of Calgary, Canada: 1998-99).

The teaching, training, and consultancy interests of Professor Manimala cover a wide range of topics in Organization Behaviour and Entrepreneurship.

Professor Manimala has done extensive research in the area of Entrepreneurship. His work on Entrepreneurial Heuristics is acclaimed by the community of researchers (including the Academy of Management) as a pioneering work in the field, wherein he has also perfected and used a novel methodology called Case-survey method. He has published more than 50 research papers and articles in refereed international journals and presented papers mostly in international conferences. Among the research projects initiated/carried out by him recently is the Global Entrepreneurship Monitor (GEM) project, a multi-country research project involving more than 30 countries, of which he was the leader of the India team for two years.

Dr. Mathew J Manimala is a Director of the Company since 1st February, 2010 and his date of birth is 7th June, 1950. He is not a Director in any other companies except in Acropetal Technologies Limited. He is the Chairman of Remuneration Committee of Acropetal Technologies Limited.

He is not related to any other director on the Board of the Company. He does not hold any shares in the Company.

2. Mr. Mohan Hosahalli Ramakrishna, Independent Director

Mr. Mohan Hosahalli Ramakrishna holds a Bachelor of Management degree from Mangalore University. He has over 10 years of substantial experience in the field of Finance and Institutional Financing. He has structured various finance products and has been successfully engaged in institutional sales of various financial products. His areas of expertise are in leading sales teams, solutioning, and institutional sales engagements in the domain of finance.

Mr. Mohan Hosahalli Ramakrishna is a Director of the Company since 14th November, 2006 and his date of birth is 7th May, 1979. He is not a Director in any other company/ies except in Acropetal Technologies Limited. He is a member of Audit, Remuneration and Shareholders Grievance Committees of Acropetal Technologies Limited.

He is not related to any other director on the Board of the Company. He does not hold any shares in the Company.

By Order of the Board

Place: Bangalore
Date: 14th August, 2012

Vijayendra R
Company Secretary

Registered Office:
#2/10, 3rd Floor, Ajay Plaza, 1st Main
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Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of Special Business.

Item 6:

The Members in the Extraordinary General Meeting held on 1st February, 2010 had approved the Initial Public Offer (IPO) of equity shares of the Company. Pursuant to this approval and further approvals from all the concerned authorities, the Company has issued and allotted 1,88,90,358 Equity shares of Rs.10/- each at a premium of Rs. 80 per share aggregating to Rs. 17,001.32 lakhs. The issue was opened on 21st February, 2011 and closed on 24th February, 2011.

The objects of the issue as per the prospectus dated 25th February, 2011 and the actual utilization of the proceeds as on 14th August, 2012 have been mentioned in the proposed resolution.

The major variations in the revised utilization of IPO proceeds are as follows:

1. Setting up of Software Development Centre and Corporate Office

Originally it was envisaged to construct a Software Development Centre situated at No.255B, KIADB Lay out, Hosur Road, NH 7, Bangalore and an outlay of Rs. 2,618.67 lakhs was proposed as per the details given here under:

Sl. No.	Particulars	Rs. In Lakhs
1.	Land development, Building, civil and electrical works Interiors and office furniture and fixtures	2,108.33
2.	Office Equipment – Hardware	159.00
3.	Office Equipment – Software	351.34
	TOTAL	2,618.67

When the IPO was conceived, the Vision and Goals of the enterprise was that of a typical systems integration software firm that predominantly draws revenue from outsourcing based services. This required software development centers and campuses. The market dynamics have changed consequent to European Crisis. This has created a need to build customer co-creation and experience centers where solutions can be collaborated and developed with customer universe. Accordingly, plans to set up infrastructure in India have been relegated with respect to priority and in its place, Customer Experience Centers in the markets and segments where customers are present are being created. This shift in business strategy and as a consequence the operational direction is warranted by the trends and demands of the market. In the interests of using our current assets better, we have chosen to make investments in virtual technology more than the physical land and buildings; as these are the ones that will fulfill the demand for the business to be Mobile, Social and On-Demand with the help of a Cloud Platform.

It must also be realized that in the new scenario, solutions / software development needs to be undertaken upfront and meta data created that the customer can experience before making a decision to buy the software. Investments have been made in that direction keeping in mind the advantages of an early mover will afford the business of Acropetal and consequently its benefits to the shareholders.

However the amount proposed towards hardware, software and related expenditure was utilized to an extent of Rs. 574.00 Lakhs as against the proposed amount of Rs.510.34 lakhs.

2. Additional Working Capital Requirement

As per the details mentioned in the prospectus, requirement of working capital was Rs. 8,930.82 lakhs out of which the company intended to utilize Rs. 2,500.00 Lakhs out of the proceeds of the IPO to fund additional future working capital requirements. It was planned to fund the gap by internal accruals and additional bank borrowings. Subsequently considering the existing growth rate, change in the demands of business needs and the proposed expansion, the total working capital needs of the Company further increased. Then it became prudent to use IPO money for additional working capital instead of borrowing and thereby reducing cost of capital.

In view of the above, an amount of Rs. 4,089.98 lakhs was utilized towards additional working capital requirement as against the Rs. 2,500.00 Lakhs envisaged in the prospectus.

The Board in its meeting held on 14th August, 2012 has unanimously decided to seek the approval of the shareholders for the revised utilization of IPO proceeds, for which your approval is sought.

Your Directors recommend the Special Resolution set out in item No. 6 for the approval of the members.

None of the Directors is deemed to be interested either directly or indirectly in passing the resolution except as shareholders.

Item 7:

The Ministry of Corporate Affairs has been promoting various E-governance initiatives duly recognizing technological advancements and for allowing paperless compliance under the Companies Act, 1956.

to support and make use of these initiatives as well as keeping in tune with the technological advancements and the need to participate in environment friendly measures, certain alterations with regard to electronic governance are proposed as an addition to the existing Articles of Association (AOA) of the Company.

These alterations seek to empower the Company to make use of the various electronic means for statutory compliance in tune with the electronic governance.

The Board recommends the Special Resolution set out in item No. 7 for the approval of the Members, as it is environmental friendly and technologically advanced.

The proposed alteration and the existing Articles of Association are available for inspection at the Registered Office of the Company, during working hours, till the date of the meeting.

None of the Directors is interested either directly or indirectly in passing the resolution except as shareholders.

By Order of the Board

Place: Bangalore
Date: 14th August, 2012

Vijayendra R
Company Secretary

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