

BLUE CLOUD SOFTECH SOLUTIONS LIMITED

25th Annual Report

2015-16

BLUE CLOUD SOFTECH SOLUTIONS LIMITED**BOARD OF DIRECTORS**

Mr. B Ravi	Managing Director	-	(01395934)
Mrs. G MANI	Non Executive – Independent Director	-	(07263648)
*Mr. G N Sharma	Non Executive – Independent Director	-	(07238879)

(* Appointed as Additional Director w.e.f. 12th July 2016)

COMMITTEES OF THE BOARD OF DIRECTORS**Audit Committee**

Mrs. G MANI	Non Executive – Independent Director	-	(07263648)	- Chairman
Mr. B Ravi	Executive Director	-	(01395934)	- Member
*Mr. PVVS Prasad	Non Executive – Independent Director	-	(07093207)	- Member

(* Resigned as Director w.e.f. 12th July 2016)

Remuneration Committee

Mrs. G MANI	Non Executive – Independent Director	-	(07263648)	- Chairman
Mr. B Ravi	Executive Director	-	(01395934)	- Member
*Mr. PVVS Prasad	Non Executive – Independent Director	-	(07093207)	- Member

(* Resigned as Director w.e.f. 12th July 2016)

Stake Holders And Investor's Grievance Committee

Mrs. G MANI	Non Executive – Independent Director	-	(07263648)	- Chairman
Mr. B Ravi	Executive Director	-	(01395934)	- Member
*Mr. PVVS Prasad	Non Executive – Independent Director	-	(07093207)	- Member

(* Resigned as Director w.e.f. 12th July 2016)

AUDITORS

M/s. P. MURALI & Co.,
CHARTERED ACCOUNTANTS
6-3-655/2/3, SOMAJIGUDA
HYDERABAD - 500 082.

SHARE TRANSFER AGENT

AARTHI CONSULTANTS PVT. LTD.
1-2-285, DOMALAGUDA,
HYDERABAD – 500 029

REGISTERED OFFICE:-

405, Tulip Apartments, Somajiguda,
Hyderabad – 500 082

LISTING

BSE Ltd (SCRIP CODE – 539607)
ISIN - INE373T01021
CIN : L72200TG1991PLC013135

NOTICE

Notice is hereby given that the 25th Annual General Meeting of the Members of M/s BLUE CLOUD SOFTECH SOLUTIONS LIMITED will be held on Friday the 30th day of September, 2016 at 11.00 A.M. at Regd. Office of the Company to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements including Balance Sheet as at 31st March, 2016 and Profit & Loss Account as on that date, and the Reports of the Directors and the Auditors thereon.
2. To Re-appoint M/s. P Murali & Co., Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of the this Annual General meeting till the Conclusion of next Annual General Meeting and to fix their remuneration.

“Resolved that Pursuant to the Provisions of Section 139 and other applicable Provisions, if any, of the Companies Act, 2013, and pursuant to the recommendations of the audit committee of the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on September 29, 2014, M/s P.Murali & Co., Chartered Accountants, Hyderabad, the retiring Auditors be and are hereby reappointed as the statutory Auditors of the company to hold the office till the conclusion of the 26th Annual General Meeting to be held in the calendar year 2017 be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them”.

SPECIAL BUSINESS

3. **To consider and if thought fit, to pass with or without modification(s), the following resolutions as an ordinary resolution:**

To appoint Mr. G.N. Sharma (DIN: 07238879), as Director of the Company

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, **Mr. G.N. Sharma (DIN: 07238879)**, who was appointed by the Board of Directors as an Additional Director of the Company w.e.f 12th July 2016 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 (“Act”) and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company”.

4. **To consider and if thought fit, to pass with or without modification(s), the following resolutions as an ordinary resolution:**

To appoint Mr. GN Sharma, as an Independent Director

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (LODR) Regulations, Mr. G N Sharma, Director of the Company, who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for a term up to September 30, 2021.

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

To Issue up to 29,00,000 Equity Shares on a Preferential basis

“RESOLVED THAT pursuant to Section 42 and Section 62 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI (ICDR Regulations)”) and the listing agreements entered into by the Company with the stock exchanges on which the Company’s shares are listed, or any other relevant authority from time to time and the rules / regulations / guidelines, notifications, circulars, press notes and clarifications issued from time to time by the relevant authority, to the extent applicable and subject to such approvals, consents, permissions and sanctions as might be required and such conditions as may be prescribed while granting such approvals, consents, permissions and sanctions, which the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee(s) constituted / to be constituted by the Board to exercise its powers including the powers conferred by this Resolution) is hereby authorized to accept, the Board be and hereby authorized to issue, offer and allot up to 29,00,000 Equity shares of face value of Rs.5/- (five) each fully paid up amounting to Rs. 1,45,00,000 (Rupees One Crore Forty Five Lakhs Only) to the allottees on such terms as mentioned in the explanatory statement.”

“RESOLVED FURTHER THAT the issue and allotment of the Equity Shares shall be on the following terms and conditions:

The “relevant date” for the preferential issue, as per the SEBI (ICDR Regulations), as amended from time to time, for the determination of minimum price for the issue of the above mentioned Equity Shares shall be 31st August, 2016, being the date 30 days prior to the date of Annual General Meeting (i.e. 30th September, 2016).”

“RESOLVED FURTHER THAT

- i) The consideration price of the Equity Shares shall be received from the Allottees Bank accounts;

- ii) The Equity Shares to be issued and allotted shall be listed and traded on the Stock Exchange(s), where the securities of the Company are listed and shall be subject to the provisions of the Memorandum and Articles of Association of the Company;
- iii) The Equity Shares allotted to Allottees shall rank *pari passu* with the then existing Equity Shares of the Company, from the date of their allotment. Such new Equity Shares when issued and allotted as aforesaid shall also be entitled for dividend as per the regulations / notifications / clarifications issued by SEBI in this regard;
- iv) The Equity Shares allotted on a preferential basis shall remain locked in as per the provisions of SEBI (ICDR Regulations), 2009;
- v) The Board be and is hereby authorized to accept any modification(s) to or modify the terms of issue of Equity Shares, subject to the provisions of the Act and SEBI (ICDR Regulations), without being required to seek any further consent or approval of the members of the Company."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized, to do all such acts, matters, deeds and things and to take all such steps and to do all such things and give all such directions, as the Board may consider necessary, expedient or desirable, including without limitation, to prescribe the forms of application, allotment, to enter into any agreements or other instruments, and to take such actions or give such directions as may be necessary or desirable and to settle any question or difficulty that may arise with regard to the issue and allotment of Equity Shares."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred by the above resolutions, including corrections / ratification / re-calculation of the consideration etc., to any Director(s) or to any Committee of the Board or any other Officer(s) of the Company to give effect to the aforesaid resolution."

By the Order of the Board
For Blue Cloud Softech Solutions Limited

Place: Hyderabad
Date: 05.09.2016

Sd/-
Managing Director

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.

3. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 24th September, 2016 to Friday 30th September, 2016 (both days inclusive). The book closure dates have been fixed in consultation with the Stock Exchanges.
4. As per the provisions of the Companies Act, 2013, Independent Directors are required to be appointed for a term of upto five consecutive years and are not liable to retire by rotation. Accordingly, resolutions proposing appointment of Independent Directors are given at item no. 4
5. The relevant details of Directors seeking appointment / re-appointment under item nos. 3 & 4 of this Notice are provided in the Annual Report.
6. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail address with the Company can now register the same by submitting a duly filled in 'E-Communication Registration Form', available on the website of the Share Transfer Agent of the Company [www. aarthiconsultants.com](http://www.aarthiconsultants.com), to M/s. Aarthi Consultancy Private Limited. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
7. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.
8. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 26th August 2016 are eligible to receive Annual Report and as on 23rd September 2016, are entitled to vote on the Resolutions set forth in this Notice. Members who have acquired shares after the dispatch of the Annual Report and before the book closure may approach the Share Transfer Agent of the Company for exercising their right to vote. Members who have acquired shares after the dispatch of the Annual Report and before the book closure may approach the Share Transfer Agent of the Company for issuance of the User ID and Password for exercising their right to vote by electronic means. The e-voting period will commence at 10.00 a.m. on Tuesday, 27th September 2016 and will end at 5.00 p.m. on Thursday, 29th September 2016. The Company has appointed Ms. Sarada Putcha, Practicing Company Secretary, to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.
9. **The instructions for shareholders voting electronically are as under:**
 - (i) The voting period begins on Tuesday, 27th September 2016 at 10.00 A.M. and ends on Thursday, 29th September 2016 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd September 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
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	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> 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 member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for BLUE CLOUD SOFTECH SOLUTIONS LTD on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
- (xix) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) 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, under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xxi) The e-voting module shall be disabled by CDSL after 5.00 p.m. on 29th September 2016.
- (xxii) The results shall be declared on or before 2nd October 2016. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company.
10. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s. Aarthi Consultants Private Limited / Investor Service Department of the Company immediately.
11. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Aarthi Consultants Private Limited / Investor Service Department of the Company.
12. For convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the registration counter.
13. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.

EXPLANATORY STATEMENT

[Pursuant to Section 102 of the Companies Act, 2013]

Item No: 3 & 4

Pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (LODR) Regulations, 2014, Mr. G N Sharma was appointed as an Additional Director in the Board Meeting held on 12th July 2016 and he holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, and is proposed to be appointed a Director of the Company. Mr. G N Sharma, Director of the Company, has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013, is proposed to be appointed as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for a term up to September 30, 2021.

The Nomination and Compensation Committee and the Board of Directors have recommended appointment as Independent Directors of the Company.

Mr. Sharma is a non-executive independent director of the Company, has given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, he fulfill the conditions specified in the Companies Act, 2013 and Rules made there under for his appointment as Independent Director of the Company and he is independent of the management. He is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and he has given consent to act as Director.

A brief profile of Independent Director to be appointed, including nature of his expertise and other disclosure as required under SEBI (LODR) Regulations 2015, is provided at **Annexure** of this Notice.

The Board recommends the resolution in relation to the appointment of Independent Director, for the approval by the shareholders of the Company.

None of the directors of the Company are any way interested in the Resolution, except to the extent of their share holding in the Company, Your Directors recommend the above resolution for your approval.

Item No: 5

The company requires funds for various long term working capital and general deleveraging purposes. To augment the growth and improve the financial performance of the Company, the Company has approached the Allottees to infuse fresh funds in the Company.

Board of Directors at its meeting held on 5th September 2016, after considering the various sources for sourcing funds for this investment, and deemed it appropriate to create, issue, offer and allot equity shares to the following:

- Issue of 11,00,000 Equity Shares of face value of 5/- each fully paid up, to M/s. Swarnim Avenues Private Limited;
- Issue of 18,00,000 Equity Shares of face value of 5/- each fully paid up, M/s. Enspire Institute of Professional Studies Pvt Ltd

Pursuant to provisions of Section 62 (1) (c) of Companies Act, 2013, any preferential allotment of securities needs to be approved by the shareholders by way of Special Resolution. The Listing Agreements executed by the Company with the Stock Exchanges also provide that the Company shall, in the first instance, offer all securities for subscription pro-rata to the shareholders unless the shareholders in a general meeting decide otherwise. The proposed issue of shares is in accordance with the provisions of SEBI (ICDR Regulations) and other applicable regulations, if any.

In terms of the provisions of the Companies Act, 2013 read with Rule 13 (2) of the Companies (Share Capital and Debentures) Rules, 2014 and the aforesaid SEBI (ICDR Regulations), the relevant disclosures are given below:

The object of the issue through preferential offer:

The proceeds will be utilized for capital expenditure for wind projects being implemented by subsidiaries, meeting working capital requirements, repayment of debt by the company and its subsidiaries and for other corporate purposes.

Issue Size, number of Equity Shares to be issued :

Issuance of 29,00,000 equity shares of face value of 5/- each fully paid up amounting to 1,45,00,000 (Rupees One Crore Forty Five Lakhs Only) to EW Special Opportunities Fund II Pte. Limited

The Proposal of the Promoters / PAC / Directors / Key Management Persons to subscribe to the offer:

The proposed allottees are belong to the Non-Promoter Group.

None of the Directors or Key Managerial Personnel nor their respective relatives is in any way concerned or interested in the above said resolution

Relevant Date:

The relevant date for the preferential issue, as per the SEBI (ICDR Regulations), as amended from time to time, for the determination of price for the issue of the above mentioned Equity Shares shall be 31st August, 2016 being the date 30 days prior to the date of General Meeting (i.e. 30th September 2016)

Pricing of Preferential Issue

The Equity Shares will be allotted in accordance with the price determined in terms of Regulation 76 of the SEBI (ICDR Regulations). Since the Company scrip is not traded on BSE Limited ("BSE"), the trading price of securities of the Company cannot be calculated, and relevant provisions of SEBI (SAST) Regulations are considered for determining the pricing of securities allotted on preferential basis. Accordingly, the price per Equity Share to be issued is fixed at Rs. 5/- per share.

Terms of Issue of Equity Shares:

The consideration price of the equity shall be received from respective allottee's banks accounts; Upon receipt of the requisite payment as above, the Board (or a Committee thereof) shall allot :

- 11,00,000 equity shares of face value of Rs. 5/- each fully paid up amounting to 55,00,000 (Rupees Fifty Five Lakhs Only) to M/s. Swarnim Avenues Private Limited;
- 18,00,000 equity shares of face value of Rs. 5/- each 90,00,000 (Rupees Ninety Lakhs Only) to M/s. Enspire Institute of Professional Studies Pvt Ltd;

The Equity Shares allotted on preferential basis under SEBI (ICDR) Regulations shall be locked in for a period of One year from the date of Trading Approval to be received from the stock exchange(s)

The proposed allottees do hold any pre-preferential holding in the Company, so lock-in of pre-preferential allotment shareholding of the allottees, does not arise.