



*McDowell Holdings Limited*

ANNUAL REPORT 2013 - 2014

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## BOARD OF DIRECTORS

**N. SRINIVASAN**

CHAIRMAN

**A. HARISH BHAT** (upto May 12, 2014)

MANAGING DIRECTOR

**M. SRINIVASULU REDDY** (from July 16, 2014)

DIRECTOR

**ANIL PISHARODY** (from July 16, 2014)

DIRECTOR

**RAVI NEDUNGADI**

PRESIDENT & CFO - THE UB GROUP

**RITESH SHAH**

COMPANY SECRETARY

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### AUDITORS

VISHNU RAM & CO., CHARTERED ACCOUNTANTS, BANGALORE

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### INTERNAL AUDITORS

B K RAMADHYANI & CO., CHARTERED ACCOUNTANTS, BANGALORE

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### REGISTERED OFFICE

UB TOWER, LEVEL 12, UB CITY,  
24, VITTAL MALLYA ROAD, BANGALORE - 560 001

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## McDOWELL HOLDINGS LIMITED

Corporate Identity Number: L05190KA2004PLC033485

Registered Office: UB Tower, Level 12, UB City, 24, Vittal Mallya Road, Bangalore – 560 001

E-mail: [mhlinvestor@ubmail.com](mailto:mhlinvestor@ubmail.com) , Website: [www.mcdowellholdings.in](http://www.mcdowellholdings.in)

Tel. : +91 80 3985 6500 Fax : +91 80 2227 4890

**NOTICE IS HEREBY GIVEN OF THE TENTH ANNUAL GENERAL MEETING** of the Company to be held at UB Tower, Level 01, UB City, 24, Vittal Mallya Road, Bangalore – 560 001, on Tuesday, September 30, 2014, at 10.30 a.m. for the following purposes:

1. To receive and consider the accounts for the financial year ended March 31, 2014 and the reports of the Auditors and Directors thereon.
2. To appoint Auditors to hold office from the conclusion of this Meeting till the conclusion of the 13th Annual General Meeting on such remuneration to be fixed by the Board of Directors and in this connection, to consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

**“RESOLVED**, that Messrs. Vishnu Ram & Co., Chartered Accountants (Firm Registration No.004742S), the retiring Auditors be re-appointed as Auditors of the Company pursuant to Section 139 of the Companies Act, 2013 (the “Act”), the Companies (Audit and Auditors) Rules, 2014, and such other applicable provisions, if any, of the Act, or Rules framed there under to hold office from the conclusion of this Annual General Meeting till the conclusion of the 13<sup>th</sup> Annual General Meeting of the Company subject to ratification of their appointment at every Annual General Meeting and that their remuneration be fixed by the Board of Directors of the Company.”

### **SPECIAL BUSINESS:**

#### **3. Appointment of Mr. N Srinivasan as an Independent Director:**

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 other applicable provisions, if any, 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) read with Schedule IV to the Companies Act, 2013 and applicable provisions of the Listing Agreements (including amendments thereto), Mr. N Srinivasan (DIN: 00004195), a Non-Executive Independent Director of the Company, being eligible for appointment as Independent Director as per the provisions of the Companies Act, 2013 and the Rules made there under and, in respect of whom a notice in writing pursuant to Section 160 of the Companies Act, 2013 has been received in the prescribed manner, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of three consecutive years upto the conclusion of the 13th Annual General Meeting of the Company in the calendar year 2017.”

#### **4. Appointment of Mr. M Sreenivasulu Reddy as an Independent Director:**

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

**“RESOLVED**, that Mr. M Sreenivasulu Reddy (DIN 00035021), who was appointed by the Board of Directors as an Additional Director under section 161(1) of the Companies Act, 2013 and, whose period of office expires on the date of this Annual General Meeting and, being eligible for appointment as Independent Director as per the provisions of the Companies Act, 2013 and the Rules made there under and, in respect of whom a notice in writing pursuant to section 160 of the Companies Act, 2013 has been received in the prescribed manner, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years upto the conclusion of the 15th Annual General Meeting of the Company in the calendar year 2019.”



### 5. Appointment of Mr. Anil Pisharody as a Director:

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

**“RESOLVED**, that Mr. Anil Pisharody (DIN 02500666), who was appointed as an Additional Director under section 161(1) of the Companies Act, 2013 and, whose period of office expires on the date of this Annual General Meeting and, in respect of whom a notice in writing pursuant to Section 160 of the Companies Act, 2013, has been received in the prescribed manner, be and is hereby appointed as a Director of the Company pursuant to Section 149 of the Companies Act, 2013 and Rules made thereunder, liable to retire by rotation.”

### 6. Borrowing Limits of the Company:

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

**“RESOLVED**, that pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 (**the “Act”**), and such other applicable provisions, if any, of the Act or Rules framed thereunder, including any statutory modifications or re-enactment thereof from time to time, the Foreign Exchange Management Act, 1999, and Rules framed thereunder, and such other applicable laws, if any, the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any Committee thereof exercising the powers conferred on the Board by this Resolution) be and is hereby authorized to borrow moneys from any Bank(s) and / or any Public Financial Institution(s) as defined under Section 2(72) of the Companies Act, 2013 and / or any Foreign Financial Institution(s) and / or any other entity / entities or authority / authorities and / or through suppliers credit, securities, instruments such as floating rate notes, fixed rate bonds, syndicated loan, etc., and / or through credit from official agencies and / or by way of commercial borrowings from the private sector window of Multilateral Financial Institutions, either in Rupees or in such foreign currency as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding Rupees One Hundred and Twenty Five Crores (Rs. 125,00,00,000/-) or equivalent thereof in foreign

exchange as may be required from time to time for the Company’s activities and / or for general corporate purposes including capital expenditure, working capital requirements, strategic investments, any mergers, demergers, amalgamations, acquisitions, reconstructions or rearrangements or any other re-organizations as the Board may deem fit for the purpose of the business of the Company, notwithstanding that moneys so borrowed together with the moneys already borrowed by the Company, if any, (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specified purpose, provided that the total amount of the moneys to be so borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) shall not exceed Rupees One Hundred and Twenty Five Crores (Rs. 125,00,00,000/-) or equivalent thereof in foreign exchange at any one time.”

**“Further RESOLVED**, that consent and authority be and are hereby given to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any Committee thereof exercising the powers conferred on the Board by this Resolution) to do all such acts, deeds, matters and things as it may at its discretion deem fit and proper in the aforementioned premises including, if and when necessary, creation of such mortgage(s) and / or charge(s) in respect of the securities on the whole or substantially the whole of all or any of the undertaking(s) of the Company as contemplated by Section 180(1)(a) of the Companies Act, 2013 (**the “Act”**), and such other applicable provisions if any, of the Act or Rules framed thereunder, including any statutory modifications or re-enactment thereof from time to time, in connection therewith and to perfect and execute all requisite documents or writings for giving effect to this Resolution.”

By order of the Board

Bangalore  
July 30, 2014

Ritesh Shah  
Company Secretary

**Notes:**

- 1) Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, forms part of this Notice.
- 2) Brief particulars of the Directors proposed to be appointed / re-appointed at the Annual General Meeting are given in the Corporate Governance Report.
- 3) **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS UPTO AND NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY. FURTHER, A MEMBER HOLDING MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER. THE INSTRUMENT APPOINTING PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE MEETING.**
- 4) Pursuant to the provisions of section 91 of the Companies Act, 2013, the Transfer Books and Register of Members will remain closed from Monday, September 29, 2014, to Tuesday, September 30, 2014 (both days inclusive).
- 5) Members are requested to intimate immediately to the Company's Registrars and Transfer Agents, Integrated Enterprises (India) Limited, 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore 560 003 (Telephone No. 080-23460815-818 Fax No. 080 2346 0819), any change in their e-mail id / correspondence address along with Pin Code Number.
- 6) Members holding shares in the same name or same order of names under different ledger folios are requested to apply for consolidation of such folios, to the Company's Registrars and Transfer Agents, at the address as stated in Note No. 5 above.
- 7) Members may please address all their documents/ correspondence relating to the equity shares of the Company directly to the Company's Registrars and Transfer Agents, at the address as stated in Note no. 5 above.
- 8) Nomination facility for shares is available for members. The prescribed format in this regard can be obtained from the Company's Registrars and Transfer Agents at the address as stated in Note no. 5 above.
- 9) The Company's equity shares are under compulsory dematerialisation. Accordingly, trading of these shares through the Stock Exchanges would be facilitated if the share certificates are dematerialised. Members having the physical share certificates are advised to consider opening of a Demat Account with an authorised Depository Participant and arrange for dematerialising their shareholdings in the Company.
- 10) The Company has designated an exclusive e-mail id viz, [mhlinvestor@ubmail.com](mailto:mhlinvestor@ubmail.com) to enable the investors to post their grievances and monitor its redressal.
- 11) There is no unclaimed dividend required to be transferred to the Investor Education and Protection Fund.
- 12) Members attending the Annual General Meeting are requested to bring with them the following:
  - a. Copy of the Annual Report, as no copies thereof would be distributed at the Meeting;
  - b. The Attendance Slip duly completed and clearly indicating their DP ID & Client ID, in case of shares held in dematerialized mode and Folio Number, in case of shares held in physical mode, to facilitate identification of membership at the Meeting.
- 13) Members may also note that the Notice of the 10th Annual General Meeting and the Annual Report for 2013-14 is also available on the Company's website [www.mcdowellholdings.in](http://www.mcdowellholdings.in).
- 14) The Company would accept only the Attendance Slip from a member actually attending the Meeting, or from the person attending as a proxy under a valid proxy form registered with the Company not less than 48 hours prior to the Meeting.
- 15) Attendance Slips of Members/valid proxies not personally present at the Meeting, or relating to Proxies which are invalid, will not be accepted from any other member/person.

## Notice (Contd.)

- 16) The Meeting is for members or their proxies only. Please avoid being accompanied by non-members/children.
- 17) Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
- 18) Physical copies of all documents referred to in the Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours on all working days except on Saturdays, Sundays and Public Holidays up to and including the date of Annual General Meeting of the Company.

19) **Voting through electronic means:**

In terms of the provisions of section 108 of the Companies Act, 2013 (the Act) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (hereinafter called "**the Rules**" for the purpose of this section of the Notice) and clause 35B of the listing agreements, the Company is providing facility to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as on August 29, 2014 (End of Day) being the cut-off date (Record date for the purpose of Rule 20 (3) (vii) of the Rules) fixed for determining voting rights of members, entitled to participate in the e-voting process, through the e-voting platform provided by Central Depository Services (India) Limited (CDSL).

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

**In case of members receiving e-mail:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now select "McDowell Holdings Limited" from the drop down menu and click on "SUBMIT".
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

- (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](http://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:

	<b>For Members holding shares in Demat Form and Physical Form</b>
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"> <li>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 last 8 digits of the demat account/folio number in the PAN field.</li> <li>In case the folio 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 folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
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.
Bank Details	<p>Enter the 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"> <li>Please enter the DOB or Bank Details in order to login. If the details are not recorded with the depository or company please enter <b>the number of shares held by you as on the cut-off date in the Dividend Bank details field.</b></li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly 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 of McDowell Holdings Limited 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 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.
  - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - 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).
  - 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.

- 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.
- 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 of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.
- (B) The voting period begins on Wednesday, September 24, 2014 at 9.30 a.m. and ends on Friday, September 26, 2014 at 5.30 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 August 29, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The Company has appointed Mr. Sudhir V. Hulyalkar, Practising Company Secretary (CP: 6137) to act as the Scrutiniser to conduct the e-voting process in a fair and transparent manner.
- (C) 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).

**THE RESULTS SHALL BE DECLARED ON OR AFTER THE ANNUAL GENERAL MEETING OF THE COMPANY. THE RESULTS DECLARED ALONG WITH THE SCRUTINIZERS REPORT SHALL BE PLACED ON THE COMPANY'S WEBSITE VIZ., [WWW.MCDOWELLHOLDINGS.IN](http://WWW.MCDOWELLHOLDINGS.IN) AND ON THE WEBSITE OF CDSL VIZ., [WWW.CDSLINDIA.COM](http://WWW.CDSLINDIA.COM) WITHIN TWO DAYS FROM THE DATE OF AGM AND COMMUNICATED TO THE STOCK EXCHANGES.**

**By order of the Board**

**Bangalore  
July 30, 2014**

**Ritesh Shah  
Company Secretary**



### EXPLANATORY STATEMENT AS REQUIRED BY SECTION 102 OF THE COMPANIES ACT, 2013

#### Item no. 3

Mr. N Srinivasan (Mr. Srinivasan), an Independent Director, is liable to retire by rotation under the erstwhile applicable provisions of the Companies Act, 1956. However, in terms of Section 149 and other applicable provisions of the Companies Act, 2013, Independent Directors can hold office for two terms of five consecutive years.

Accordingly, Mr. Srinivasan has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement and offered himself for appointment as an Independent Director for a term of three consecutive years, upto the conclusion of the 13th Annual General Meeting of the Company in the calendar year 2017. A notice has been received from a member proposing the candidature of Mr. Srinivasan for the office of Director of the Company.

In the opinion of the Board, Mr. Srinivasan fulfills 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. The terms and conditions of appointment of Mr. Srinivasan shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on all working days except on Saturdays, Sundays and Public Holidays up to and including the date of Annual General Meeting of the Company.

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

Except Mr. Srinivasan, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution set out at Item No. 3.

The Board recommends the Resolution set out at Item No.3 of the Notice for your approval.

#### Item no. 4

Mr. M Sreenivasulu Reddy (Mr. Reddy) was appointed by the Board of Directors of the Company as an Additional Director on 16th July, 2014. He holds office until the ensuing Annual General Meeting under section 161(1) of the Companies Act, 2013.

Mr. Reddy has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement and offered himself for appointment as an Independent Director for a term of five consecutive years, upto the conclusion of the 15th Annual General Meeting of the Company in the calendar year 2017. Mr. Reddy is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

In the opinion of the Board, Mr. Reddy fulfills 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. A notice in writing in the prescribed manner as required by Section 160 of the Companies Act, 2013 and Rules made thereunder has been received from a member proposing the candidature of Mr. Reddy for the office of Director of the Company.

The terms and conditions of appointment of Mr. Reddy shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on all working days except on Saturdays, Sundays and Public Holidays up to and including the date of Annual General Meeting of the Company.

A brief resume of Mr. Reddy, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships of Board Committees, as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges, is provided in the Corporate Governance Report, forming part of the Annual Report.

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

Except Mr. Reddy, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution set out at Item No. 4.

The Board recommends the Resolution set out at Item No. 4 of the Notice for your approval.

**Item no. 5**

Mr. Anil Pisharody (Mr. Pisharody) was appointed as an Additional Director of the Company with effect from July 16, 2014, pursuant to the provisions of Section 161 of the Companies Act, 2013, and holds office upto the date of this Annual General Meeting.

A notice in writing in the prescribed manner as required by Section 160 of the Companies Act, 2013 and Rules made thereunder has been received from a member proposing the candidature of Mr. Pisharody for the office of Director of the Company.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail the services of Mr. Pisharody. Accordingly, the Board recommends the resolution in relation to the appointment of Mr. Pisharody as a Director liable to retirement by rotation, for approval by the members of the Company.

A brief resume of Mr. Pisharody, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships of Board Committees, as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges, is provided in the Corporate Governance Report, forming part of the Annual Report.

Except Mr. Pisharody, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution set out at Item No. 5.

The Board recommends the Resolution set out at Item No. 5 of the Notice for your approval.

**Item No. 6**

The Board of Directors ("**the Board**") was authorized pursuant to Section 293(1)(d) of the Companies Act, 1956 to borrow moneys for Company's activities in excess of aggregate of its Paid-up Capital and Free Reserves, either in Rupees or in such other Foreign Currency from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding Rs. 500 crores or

equivalent thereof as prescribed in the Resolution passed by the Members at Annual General Meeting held on September 20, 2006. The Board was also authorized for creation of any mortgage / charge, if needed, in connection with the borrowings under Section 293(1)(a) of the Companies Act, 1956.

Sections 180(1)(c) and 180(1)(a) of the Companies Act, 2013 (**the "Act"**) empower the Board to borrow moneys in excess of the aggregate of its Paid-up Capital and Free Reserves, and to create any mortgage/charge in connection with such borrowings, subject to the approval of the Members of the Company in General Meeting.

The Ministry of Corporate Affairs, Government of India vide its Circular No. 4 / 2014 dated 25th March, 2014 has clarified that the Resolution passed under Section 293 of the Companies Act, 1956, prior to 12th September, 2013 with reference to borrowing (subject to the limits prescribed) and/or creation of security on assets of the Company will be effective for a period of 1 (one) year from the date of notification of Section 180 of the Act. In light of the change in law as mentioned hereinabove, the Company is required to pass a fresh Resolution in order to exercise the powers under Sections 180(1)(c) and 180(1)(a) of the Act. Therefore, the Company proposes to seek the approval of the members for exercising borrowing powers of upto Rupees One Hundred and Twenty Five Crores (Rs. 125,00,00,000/-), in order to avail borrowings (by way of renewal of its existing borrowings or otherwise) with requisite margins, which borrowings would be utilized in respect of the purposes, as mentioned in the Resolution at Item no. 6.

The proposed Special Resolution will have to be considered in the above context. This will enable the Board to borrow funds and create any mortgage / charge, if necessary, in connection with such borrowings, from time to time.

This Resolution supersedes the Resolution passed by the Members on September 20, 2006.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the above Resolution.

The Board recommends the Resolution set out at Item No. 6 of the Notice for your approval.

**By order of the Board**

**Bangalore  
July 30, 2014**

**Ritesh Shah  
Company Secretary**