

15 TH ANNUAL REPORT 2013-14



MOSCHIP SEMICONDUCTOR TECHNOLOGY LIMITED

C O N T E N T S

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BOARD OF DIRECTORS

| | | |
|--------------------------|---|---------------------|
| Mr. K. Ramachandra Reddy | - | Chairman & CEO |
| Mr. C. Dayakar Reddy | - | Managing Director |
| Dr. Vijay Chandru | - | Director |
| Mr. G. Prasad | - | Director |
| Mr. K.V. Ramana | - | Additional Director |

COMMITTEES OF THE BOARD

Audit

| | | |
|-------------------|---|----------|
| Mr. G. Prasad | - | Chairman |
| Dr. Vijay Chandru | - | Member |
| Mr. K.V. Ramana | - | Member |

Remuneration

| | | |
|-------------------|---|----------|
| Mr. G. Prasad | - | Chairman |
| Dr. Vijay Chandru | - | Member |
| Mr. K.V. Ramana | - | Member |

Shareholders / Investor Grievance

| | | |
|-------------------|---|----------|
| Mr. G. Prasad | - | Chairman |
| Dr. Vijay Chandru | - | Member |
| Mr. K.V. Ramana | - | Member |

Mr. Damoder Bethamalla

Company Secretary

REGISTERED OFFICE

Plot No. 83 & 84, 2nd Floor
Punnaiah Plaza, Road No. 2
Banjara Hills,
Hyderabad - 500 034.
Telangana, India.
Tel: 040-6622-9292
Fax: 040-6622-9393

BANKERS

UCO Bank Limited

AUDITORS

M/s Gokhale & Co.
Chartered Accountants
3-6-322, Office No. 306, Mahavir House
Basheerbagh, Hyderabad - 500 029

REGISTRAR AND SHARE TRANSFER AGENTS

Karvy Computershare Pvt. Ltd.
Plot No. 17-24, Vithal Rao Nagar
Madhapur, Hyderabad - 500 081, Telangana, India
Tel : 040-4465 5209
Email: einward.ris@karvy.com

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Fifteenth Annual General Meeting of MosChip Semiconductor Technology Limited will be held on Thursday, the 11th September 2014 at 10.30 a.m. at the Registered Office of the Company Situated at Plot No.83 & 84, 2nd Floor, Punnaiah Plaza, Road No.2, Banjara Hills, Hyderabad- 500 034 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Report of Directors, Profit and Loss Account for the financial year ended 31 March 2014 and the Balance Sheet as on that date and the report of Auditors thereon.
2. To appoint a Director in place of Mr. C. Dayakar Reddy (holding DIN 00042663), who retires by rotation and being eligible offers himself for re-appointment.
3. To re-appoint Auditors and to fix their remuneration and in this connection to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s. Gokhale & Co., Chartered Accountants (FRN No. 000942S), Hyderabad recommended by the Audit Committee of the Board of Directors, be and are hereby re-appointed as Statutory Auditors of the Company for a period of three financial years i.e., to hold office from the conclusion of this Annual General Meeting till the conclusion of 18th Annual General Meeting at such remuneration as may be fixed by the Board of Directors of the Company.”

AS SPECIAL BUSINESS

4. To appoint Mr. G. Prasad (DIN: 00026718) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all 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) Mr. G. Prasad (DIN: 00026718), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to

hold office for 3 (three) consecutive years for a term upto the conclusion of the 18th Annual General Meeting of the Company in the calendar year 2017.”

5. To appoint Dr. Vijaya Chandru (DIN: 00914988) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all 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) Dr. Vijaya Chandru (DIN:00914988), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 3 (three) consecutive years for a term upto the conclusion of the 18th Annual General Meeting of the Company in the calendar year 2017.”
6. To appoint Mr. K.V. Ramana (DIN: 00255421) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all 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) Mr. K.V. Ramana (DIN: 00255421), who was appointed as an additional Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 3 (three) consecutive years for a term upto the conclusion of the 18th Annual General Meeting of the Company in the calendar year 2017.”
7. To appoint Ms. Poornima Shenoy (DIN: 02270175) as an Independent Director and in this regard to consider and if thought fit, to pass,

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with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all 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) Ms. Poornima Shenoy (DIN: 02270175) in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 3 (three) consecutive years for a term upto the conclusion of the 18th Annual General Meeting of the Company in the calendar year 2017.”

8. Increase in Borrowing powers of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:

“RESOLVED THAT subject to the provisions of Section 180 (1) (c) and other applicable provisions, if any, and the Companies Act, 2013 including any statutory modifications or re-enactments thereof and in supersession of all the earlier resolutions passed in this regard, the Board of Directors (hereinafter referred to as the Board), including any committee thereof for the time being exercising the powers conferred on them by this resolution, be and are hereby authorized to borrow money, as and when required, from, including without limitation, any Bank and/or Public Financial Institution as defined under Section 2 (72) of the Companies Act, 2013 and/or eligible foreign lender and/or any entity/entities and/or authority/ authorities and/or through suppliers credit, any other securities or instruments, such as floating rate notes, fixed rate notes, syndicated loans, debentures, commercial papers, short term loans or any other instruments, etc. and/or through credit from official agencies and/or by way of commercial borrowings from the private sector window of multilateral financial institution, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding Rs.100 Crores (Rupees One Hundred Crores Only), notwithstanding that money so borrowed together with the monies 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 of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specified purpose.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

9. Creation of Charge on Movable and Immovable properties of the Company both present and future and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modifications or re-enactments thereof the members of the Company hereby accord their consent to the Board of Directors, including any committee thereof for the time being exercising the powers conferred on them by this resolution, to create mortgage and/or charge on all or any of the moveable and/or immovable assets of the Company, both present and future and/or whole or any part of the Company in favour of the lenders, agents, trustees for securing the borrowings of the Company availed/to be availed by way of loans (in foreign currency and/or in Indian currency) and securities (comprising of fully/partly convertible debentures and/or secured premium notes and/or floating rates notes/ bonds or other debt instruments) issued/to be issued by the Company from time to time, in one or more tranches, upto an aggregate limit of Rs. 100 Crores (Rupees One Hundred Crores Only) together with interest as agreed, additional interest in case of default, accumulated interest, liquidated damages and commitment charges, all other costs, charges and expenses and all other monies payable by the Company in terms of respective loan agreement(s) or any other document entered / to be entered into between the Company and the lenders/agents/investors and trustees in respect of enforcement of

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security as may be stipulated in that behalf and agreed to between the Board of Directors or any committees thereof and the lenders, agents or trustees.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to finalise the terms and conditions for creating the aforesaid mortgage and/or charge and to execute the documents and such other agreements and also to agree to any amendments thereto from time to time as it may think fit for the aforesaid purpose and to do all such acts, deeds, matters and things as may be necessary and expedient for giving effect to the above resolution."

10. Transactions with Related Parties under Sec.188 of Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution

"RESOLVED THAT pursuant to the provisions of Section 188 any other applicable provisions, if any of the Companies Act, 2013 consent of the members be and is here by accorded for entering into related party transactions by the company with effect from 01 October 2014 up to the maximum amounts as stated herein below:

11. To consider adoption of newly substituted Articles of Association of the Company containing regulations in line with the Companies Act, 2013, and if thought fit, to pass with or without modification, the following resolution as SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 (statutory modification (s) or re-enactment thereof, for the time being in force), the new draft Articles as contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company (including a Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

12. Approval of a Resolution for Reducing Share Capital:

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

Table for Item No. 10

| Sl. No. | Nature of Transactions as per section 188 of the Companies Act, 2013 | Name of the Director/KMP who is related and nature of their relationship | Name of the Related Party | Amount (Rupees in Lakhs) |
|--|--|--|--|--------------------------|
| Companies | | | | |
| 01 | Availing or rendering of any services | Wholly Owned Subsidiary of M/s. MosChip Semiconductor Technology Limited and K.Ramachandra Reddy and C Dayakar Reddy are common Board Member | MosChip Semiconductor Technology, USA | 1,000 |
| 02 | Sale, Purchase or Supply of any Goods or Materials | Wholly Owned Subsidiary of M/s. MosChip Semiconductor Technology Limited and K.Ramachandra Reddy and C Dayakar Reddy are common Board Member | MosChip Semiconductor Technology, USA | — |
| Directors/KMPs/ Relatives of KMPs/ Directors | | | | |
| 03 | Availing or rendering of any services | Directors/KMPs/ Relatives of KMPs/ Directors | Directors/KMPs/ Relatives of KMPs/ Directors | 2,000 |

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“RESOLVED THAT Pursuant to the provisions of Section 52 of the Companies Act, 2013 and Section 100 of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 and 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), Listing Agreement with the Stock Exchanges, Article 61(a) of the Articles of Association of the Company and subject to the confirmation of the Hon'ble High Court of Judicature at Hyderabad for the state of Telangana and the state of Andhra Pradesh and such other approvals as may be required, the approval of the Shareholders be and is hereby given that:

- a. the reduction in Paid up Share Capital of the Company from Rs. 460,355,170 (Rupees Forty Six Crores Three Lacs Fifty Five Thousand One Hundred and Seventy Only) divided into 46,035,517 Equity Shares of Rs.10 each to Rs. 92,071,034 (Rupees Nine Crores Twenty Lacs Seventy One Thousand Thirty Four Only) divided into 46,035,517 equity shares of Rs.2 each and that such reduction be effected by canceling the paid up share capital which has been lost or is unrepresented by available assets, to the extent of Rs.8 per share upon each of the 46,035,517 equity shares of Rs.10 each which have been issued and by reducing the paid up value of all the shares in the Company's paid up share capital from Rs.10 per share to Rs.2 per share.
- b. an amount of Rs.666,633,920 of Share Premium Account of the company as on 31.03.2013, which has been lost or is unrepresented by available assets, be written off and
- c. the major part of accumulated losses of the Company Rs.1,034,918,056 out of Rs. 1,098,166,005 shown in the Profit & Loss Account as on 31.03.2013 be written off by utilizing the aforesaid reduction in the Paid up Capital amount of Rs.368,284,136 and the Share Premium amount of Rs.666,633,920.
- d. and Reduce the par value of the share from Rs.10 each to Rs.2 each, consequent to reduction of capital, on and from the date on which the scheme will come into effect, by way of a reduction on a proportionate basis from each Equity Shares of Rs.10 pursuant to the aforesaid reduction.

“RESOLVED FURTHER THAT Pursuant to the reduction of capital of the company, Clause No.

V (a) in Memorandum of Association of the Company be altered as given hereunder:

“The Authorised Share Capital of the Company is Rs.550,000,000 (Rupees Fifty Five Crores Only) divided into 275,000,000 (Twenty Seven Crores Fifty Lacs) equity shares of Rs.2 (Two Only) each with power of the company to consolidate & convert, subdivide, reduce or increase the capital unto issue any new shares with any preferential or special rights and conditions attached there to, subject to the Companies Act, 2013”

“RESOLVED FURTHER THAT Pursuant to the reduction of capital of the company, Article no.4 in Articles of Association of the Company be altered as given hereunder:

“The Authorised Share Capital of the Company is Rs.550,000,000 (Rupees Fifty Five Crores Only) divided into 275,000,000 (Twenty Seven Crores Fifty Lacs) equity shares of Rs.2 (Two Only) each with power of the company to consolidate & convert, subdivide, reduce or increase the capital unto issue any new shares with any preferential or special rights and conditions attached thereto, subject to the Companies Act, 2013.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution and for removal of any difficulties or doubts, the Board or the Committee of the Board specially constituted for this purpose or any person(s) whom the Board or the above Committee may nominate, to exercise its powers, including the power, conferred under this Resolution, be and is hereby authorized to do all such acts, deeds, matters, things, as it may in its absolute discretion, deem necessary, expedient, usual or proper and to settle any claim any question or difficulty that may arise with regard to utilization/ adjustment of the paid up Share Capital Account and Share Premium Account including passing of such accounting entries and/or making such other adjustments in the books of accounts, as considered necessary to give effect to the above Resolution or to carry out such modifications/ directions as may be ordered by the Hon'ble High Court of Judicature at Hyderabad for the state of Telangana and the state of Andhra Pradesh to implement the aforesaid Resolutions.”

By Order of the Board of Directors

Hyderabad
08 August 2014

K. Ramachandra Reddy
Chairman & CEO

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NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of him and such proxy need not be a member of the company. Proxies in order to be effective must be received by the company not less than 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the company will remain closed from 04-09-2014 to 11-09-2014 (both days inclusive).
3. To avoid inconvenience to members and to facilitate smooth conduct of the meeting, entry to the place of meeting will be only for members/proxies and is regulated by the attendance slip appended to the proxy form. Members are requested to affix their signature on it and hand it over at the entrance.
4. Members, who hold shares in de-materialized form, are requested to bring their Client ID and DP Id No's for easier identification of attendance at the meeting.
5. A member desirous of getting any information on the accounts or operations of the company is 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.
6. Members are requested to notify immediately any change in their address to the company or to the Share Transfer Agents and in case their shares are held in dematerialized form, this information should be passed onto their respective Depository Participants without any delay.
7. In all correspondence with the company, members are requested to quote their folio numbers and in case their shares are held in dematerialized form they must quote their Client ID Number and their DP ID Number.
8. Members are requested to carry their copies of Annual Report as these will not be supplied at the meeting.
9. Trading in the equity shares of the company is in the compulsory demat form. Those members who have not demated their shares are requested to open the demat accounts with the depositories and get the shares demated at the earliest.
10. Electronic copy of the Notice of the 15th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 15th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
11. Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members' facility to exercise their right to vote at the 15th Annual General Meeting ("AGM") by electronic means and the business may be transacted through e-voting services provided by Karvy Computershare Private Limited ("Karvy").
It may be noted that this e-voting facility is optional. The e-voting facility will be available at the link <http://evoting.karvy.com> during the following voting period:
Commencement of e-voting: From 9 a.m. on 05th September, 2014 to 6 p.m. on 07th September, 2014.
12. E-voting shall not be allowed beyond 6 p.m on 07th September, 2014. During the e-voting period, shareholders of the company, holding shares either in physical form or in dematerialised form, as on August 22, 2014 may cast their vote electronically.
13. The login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the members who have not registered their e-mail IDs with the Company / their respective Depository Participants along with physical copy of the Notice. Those members who have registered their e-mail IDs with the Company / their respective Depository Participants are being forwarded the login ID and password for e-voting along with process, manner and instructions by e-mail.
14. The Company has appointed Mr. S. Srikanth, Proprietor of M/s. S. Srikanth & Associates, Company Secretaries, as Scrutinizer for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner.

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BRIEF PROFILE OF DIRECTORS SEEKING RE-ELECTION AT THE ENSUING ANNUAL GENERAL MEETING

Mr. C. Dayakar Reddy

Mr. C. Dayakar Reddy is a post-graduate in Electronics Engineering from California State University, San Jose, USA (1985). He has over 16 years of experience in Silicon Valley, USA. He started his career with Cirrus Logic, Fremont, USA and held Senior Management positions in Engineering. He founded his own company in 1994, Future Integrated Systems. He sold his company to National Semiconductors in 1997 and worked with them as Director of Systems Engineering till early 1999.

Mr. G. Prasad

Mr. G. Prasad is a Chartered Accountant by profession. He is a partner of Nataraja Iyer & Co., Chartered Accountants based at Hyderabad. Mr. Prasad has more than 36 years of experience in audit and taxation matters of medium and large corporate.

Dr. Vijaya Chandru

Dr. Vijaya Chandru is an alumnus of BITS Pilani where he trained in Electrical Engineering and went on to get a Doctorate from MIT. Vijay is an academic and an entrepreneur. His academic career in mathematical and computational sciences has spanned over thirty years as a research scientist and Professor at Purdue University, IBM's TJ Watson Center, Indian Institute of Science, UPenn, Stanford and at MIT. He is a fellow of the national academies of science and engineering in India.

As an entrepreneur, Dr. Chandru was a founder of PicoPeta Simputers, the company that commercialized the handheld Amida Simputer which has evolved into the GeoAmida product in the market today. He has also co-founded the leading computational biology company Strand Life Sciences for which he has been recognized as a Technology Pioneer by the World Economic Forum in 2006. He currently serves as Chairman & CEO of Strand Life Sciences for which he has been recognized as Technology Pioneer by the World Economic Forum in 2006. He currently serves as Chairman & CEO of Strand Life Sciences in Bangalore. He serves on the "High Panel on Science and Technology for Development" to advise UNESCO, the Global Advisory Board of the MIT Enterprise Forum (Technology Review Magazine), and the Governing Board of the Indo-US Science and Technology Forum.

Mr. K.V. Ramana

Mr. K.V. Ramana is a Metallurgical Engineer (B.Tech.) from I.I.T. Madras and a Post Graduate in Business administration (PGDBA) from I.I.M. Ahmedabad. His Professional career spans 40 years, of which 30 years has been in various manufacturing industries with Senior Management responsibilities. His last corporate assignment has been as CFO of Nile Limited where he also held the responsibilities for the Non-Ferrous division of Nile Limited as the COO. He has extensive experience in International Trading of Metals. He was a Faculty Member and Management Consultant for 6 years with the prestigious Administrative Staff College of India (ASCI), Hyderabad.

Ms. Poornima Shenoy

Poornima Shenoy is the Founder and CEO of Latitude Edutech. She has over two decades of experience as an entrepreneur and industry executive. Earlier she had been the founding President of the India Semiconductor Association ISA and was a member of its Executive Council for over six years. She has been actively involved in creating a brand for India in electronics and semiconductors on a global arena. Previously she has been a successful entrepreneur and has seen her company's acquisition by an international venture fund. Poornima had worked with NASSCOM and the Manipal Group in a senior management capacity prior to ISA. Poornima has been part of governmental committees and is an invited speaker at both national and international seminars. She believes that education and more importantly skills development of the work force can play an important role in driving the country's growth. Poornima has been awarded the prestigious Chevening Scholarship for Women in Leadership & Management by the British Foreign and Commonwealth Office. She was co-founder of the group Women in Business and Technology (WBT) which later merged with eMERG. She is mentor at National Entrepreneurship Network (NEN) and with the Founder Institute India. Poornima is an Economics graduate from Mount Carmel College, Bangalore and holds an MBA from TAPMI, Manipal. She has undergone Management Development Programs at the University of Michigan at Ann Arbor, USA and at Bradford University in the UK.

By Order of the Board of Directors

Hyderabad
08 August 2014

K. Ramachandra Reddy
Chairman & CEO

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EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act")

In respect of Item Nos. 4, 5, 6 and 7

The Board of Directors of the Company appointed, pursuant to the Provisions of the Act, Mr. K.V. Ramana as an Additional Director of the Company with effect from 04 August 2014.

In terms of the provisions of the Act, Mr. K.V. Ramana would hold office up to the date the ensuing Annual General Meeting.

It is proposed to appoint Mr. G. Prasad, Dr. Vijaya Chandru, Mr. K.V. Ramana and Ms. Poornima Shenoy as Independent Directors under Section 149 of the Act to hold office for 3 (three) consecutive years for a term upto the conclusion of the 18th Annual General Meeting of the Company in the calendar year 2017.

Mr. G. Prasad, Dr. Vijaya Chandru, Mr. K.V. Ramana and Ms. Poornima Shenoy are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors. The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Mr. G. Prasad, Dr. Vijaya Chandru, Mr. K.V. Ramana and Ms. Poornima Shenoy for the office of Directors of the Company.

The Company has also received declarations from Mr. G. Prasad, Dr. Vijaya Chandru, Mr. K.V. Ramana and Ms. Poornima Shenoy that they meet with the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act.

In the opinion of the Board, Mr. G. Prasad, Dr. Vijaya Chandru, Mr. K.V. Ramana and Ms. Poornima Shenoy fulfill the conditions for appointment as Independent Directors as specified in the Act. Mr. G. Prasad, Dr. Vijaya Chandru, Mr. K.V. Ramana and Ms. Poornima Shenoy are independent of the management.

Copy of the draft letters for respective appointments of Mr. G. Prasad, Dr. Vijaya Chandru, Mr. K.V. Ramana and Ms. Poornima Shenoy as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

Mr. G. Prasad, Dr. Vijaya Chandru, Mr. K.V. Ramana and Ms. Poornima Shenoy are interested in the resolutions set out respectively at Item Nos. 4, 5, 6 and 7 of the Notice with regard to their respective appointments.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Ordinary Resolutions set out at Item Nos. 4, 5, 6 and 7 of the Notice for approval by the shareholders.

In respect of Item No. 8

As per Section 180 (1) (c) of the Companies Act, 2013, borrowings (apart from temporary loans obtained from the Company's bankers in ordinary course of business) by the Company beyond the aggregate of the paid up capital of the company and its free reserve requires approval from the shareholders of the Company.

With a view to meet the funds requirements of the Company for both short term as well as long term, the Company may require to borrow from time to time by way of loans and/or issue of Bonds, Debentures or other securities and the existing approved limit may likely to be exhausted in near future and it is therefore recommended to enhance the borrowing limits of the Company up to Rs.100 Crores (Rupees One Hundred Crores Only).

The Directors recommends the resolution for members' approval as a Special Resolution.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution

In respect of Item No. 9

The Company is required to create security for the said facilities as mentioned under Item No. 7 above in favour of the Lenders/ Trustees for the Non-Convertible Debentures and loans/ financial assistance availed by the Company, by way of creation of mortgage and/ or charge on the assets of the Company, as stated in the resolution.

In furtherance to the Resolution No. 7 of this notice, the said borrowings/ issue of securities may be required to be secured by way of mortgage/ charge over all or any part of the movable and/or immovable assets of the Company and as per provisions of Section 180 (1) (a) of the Companies Act 2013, the mortgage or charge on all or any part of the movable and/or immovable properties of the Company, may be deemed as the disposal of the whole, or substantially the whole, of the undertaking of the Company and hence, requires approval from the shareholders of the Company.

Accordingly, it is proposed to pass an enabling resolution authorizing the Board to create charge on the assets of the Company for a value not exceeding Rs. 100 Crores (Rupees One Hundred Crores Only). Your Directors recommend the resolution for your approval as a Special Resolution.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.